

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES
Of the
COMMITTEE ON PUBLIC HOUSING

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HELD AT: Council Chambers - City Hall

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

COUNCIL MEMBERS:
Rosie Mendez
James G. Van Bramer
Vanessa L. Gibson
Donovan J. Richards
Laurie A. Cumbo
Rafael Salamanca, Jr.
Carlos Menchaca

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

Shola Olatoye
Chair and CEO
NYCHA

Karen Caldwell
Executive Vice President and CFO
NYCHA

Cathy Pennington
Executive Vice President
Leased Housing
New York City Housing Authority

Nicole Ferreira
Executive Vice President
Real Estate
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Mike Kelly
General Manager
New York City Housing Authority

Deborah Goddard
Executive Vice President
Capital Projects
New York City Housing Authority

Sheryl Braxton
Resident
Red Hook

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

Gerard Frohnhoefer
Adjunct Professor
LaGuardia Community College

Hixa Torres
Representative
Alfred E. Smith Houses

Daphany Rose Sanchez
Energy Efficiency Consultant

Victor Bach
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Community Service Society

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Rose Fernandez
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Community Voices Heard

Gregory Brender
Representative
United Neighborhood Houses

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

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American Museum of Natural History

Jessica Hurd
Assistant Director
Housing Court Answers

Mara Cerezo
Senior Program Officer
Green City Force

Terry Grace
Representative
Emergency Shelter Network

Daniel Carpenter-Gold
Representative
New York Lawyers for the Public Interest

Mrs. Brown
Section 8 Voucher Holder
NYCHA Resident Advisory Board Member
Co-Chair
Manhattan Community Board 8

[sound check]

[pause]

[gavel]

CHAIRPERSON TORRES: I call the hearing to order. We're here holding a hearing on the Preliminary Budget for 2017 for the New York City Housing Authority. I am City Council Member Ritchie Torres; I chair the Committee on Public Housing and I'm proud to be joined by a colleague -- a few more will come -- Donovan Richards from Queens, and I'll start with an opening statement and then we'll proceed right to the Housing Authority.

The New York City Housing Authority, alone among public housing authorities, is an institution like no other, an enduring institution with a long tradition of providing affordable housing to millions of New Yorkers over the course of eight decades, but never before has the future of public housing been so seriously threatened as it is in our own time. The presidency of Donald Trump represents the greatest challenge to public housing and Section 8, an 82-year history of the New York City Housing Authority. NYCHA faces \$35 million in immediate cuts in the short-term, as well as \$40 million in looming

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2 cuts in the median term; not to mention untold deeper
3 cuts in the long-term. Were all of these cuts to
4 take effect, it would cripple the core operations of
5 the Housing Authority and change life in public
6 housing as we know it. The painful truth is that
7 NYCHA cannot absorb the shock of these massive losses
8 without a savage decline in the living conditions of
9 public housing.

10 The progress that NYCHA has built in the
11 past three years has been real but reversible; what
12 is not reversible is the irreparable damage that
13 these budget cuts could do to the Housing Authority's
14 ability to operate. The loss of hundreds of
15 millions of dollars in funding runs the risk of
16 creating a financial and physical death spiral from
17 which NYCHA might never recover. What is at stake is
18 nothing short of the survival of public housing. At
19 stake are the dreams and hopes of the residents who
20 live there. The New York City Housing Authority
21 exists not only to protect the brick and mortar of
22 public housing; in a deeper sense it exists to
23 protect the hopes and dreams of the residents who
24 call NYCHA home. Public housing and Section 8, like
25 all of affordable housing, does not merely offer a

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2 place to live; it offers a foundation on which to
3 build a better life.

4 I'm a product of public housing; I stand
5 here as the youngest elected official in the City of
6 New York -- just turned 29, and accept your
7 condolences -- and I would not be here today but for
8 the stability that public housing gave me. Public
9 housing gave me and my family a fighting chance at a
10 decent life and the Housing Authority must survive if
11 it is to do the same for the next generation of New
12 Yorkers who dream of a better life.

13 With that said, I welcome the CEO, the
14 Chief Executive Officer of the New York City Housing
15 Authority, Shola Olatoye.

16 SHOLA OLATOYE: Thank you, Chair and let
17 me also extend our happiest birthday greetings to you
18 as well and we could all sing happy birthday

19 **[inaudible]**... [crosstalk]

20 CHAIRPERSON TORRES: And I want to
21 quickly acknowledge the Majority Leader Jimmy Van
22 Bramer [background comment] and Laurie Cumbo.

23 SHOLA OLATOYE: Thank you so much. Good
24 morning, Chair Ritchie Torres, members of the
25 Committee on Public Housing and other distinguished

1 members of the City Council. Good afternoon. I am
2 Shola Olatoye, Chair and Chief Executive Officer of
3 the New York City Housing Authority. Joining me
4 today are Karen Caldwell, Executive Vice President
5 and Chief Financial Officer, and other members of the
6 NYCHA executive team. Thank you for this opportunity
7 to present the Authority's adopted budget for the
8 years 2017 through 2021, which was approved by the
9 NYCHA Board of Directors on December 21, 2016.

11 For three years I've sat before you to
12 speak frankly about the threats facing public housing
13 -- from decaying infrastructure to growing deficits.
14 I've talked about accountability and debated the
15 wisdom of hard and unpopular choices with you. I've
16 also heard and felt the anger in the voices of
17 residents and members of this Council.

18 However, with some time and even some
19 setbacks, together, a brighter future for NYCHA was
20 finally starting to come into focus. There was a
21 mayor marshaling the resources to literally put new
22 roofs over people's heads; an Authority moving out of
23 the Stone Age and into the Digital Age; and a fight
24 for every dollar to restore fiscal order --
25 replenishing NYCHA's reserve up to 2.5 months,

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2 balancing budgets, and even small surpluses -- all
3 from tough choices and necessary changes.

4 NextGen NYCHA, our 10-year strategic plan
5 and turnaround effort, was becoming more than a 100-
6 page plan -- it was becoming reality.

7 Now I fear all that progress may be in
8 jeopardy as we face the most uncertain times in
9 public housing history.

10 Today, this Chamber -- the people of New
11 York City, the country -- want to know what the
12 future of public housing looks like under the Trump
13 Administration. They hear reports of crippling cuts
14 -- of an estimated \$54 billion in cuts to domestic
15 programs and a devastating \$6 billion slash to HUD's
16 budget. They want to know what it means for the
17 600,000 New Yorkers who count on NYCHA or Section 8
18 for affordable housing in this city.

19 Speculation will be put to rest any day
20 now when the President shares his budget for next
21 year, but in the meantime, there are some things we
22 know for sure, right now.

23 We know cuts from HUD are real, and we've
24 already experienced them.

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2 For the third year in a row, NYCHA was
3 able to balance the books at the end of the year. We
4 accomplished this through increased rent collection,
5 more federal subsidy as a result of higher proration
6 rates, and development revenue coupled with lower
7 utility costs and a lower head count.

8 Like any family who might tighten their
9 budget ahead of uncertain times, NYCHA's Board
10 approved a conservative 2017 budget at the end of
11 last year. By our projections, tightened belts meant
12 NYCHA could end 2017 with a \$21 million operating
13 surplus. Unfortunately, our reality today now
14 projects a deficit of \$14 million instead of a
15 surplus.

16 HUD provided notice for reductions to
17 three funding streams vital to NYCHA: two cuts
18 impacting the Authority's day-to-day operations
19 (public housing and Section 8 administration) and one
20 cut, which has the potential to impact landlords and
21 voucher holders (the Section 8 subsidy).

22 In short, HUD instituted: a formula
23 change to public housing that assumes the rate of our
24 rent collection has gone up by 2%, but the rate of
25 our expenses has only risen by 0.4%; a proration rate

1 cut for public housing from 90% to 85%; and a
2 proration cut to administer the Section 8 program,
3 from 84% to 77%.

4
5 Before the year ended, we took a
6 conservative approach and assumed a proration
7 decrease for public housing operations, from 90% to
8 87%, which already represented a \$21 million loss.
9 The HUD notice we received subsequently went further,
10 lowering proration to 85%, which would have been a
11 \$48.7 million loss. NYCHA is now left with a \$27.7
12 million shortfall for public housing operations, in
13 addition to a \$7.6 million shortfall for Section 8
14 program administration.

15 Separately, HUD also instituted a 95%
16 proration rate (down from 99%) for the Housing
17 Assistance Payments, or HAP, which is the Section 8
18 voucher subsidy for landlords -- a potential loss of
19 \$40.5 million. HAP is somewhat unique because the
20 impact on voucher holders can be mitigated through a
21 number of measures.

22 It's important to acknowledge that HUD
23 changes proration rates on a regular basis. However,
24 if the rates published by HUD are any indication of
25 the future, NYCHA must brace for cuts, because HUD is

1 as uncertain as we are of what's to come. And for
2 NYCHA, every 1% decrease in proration is about a \$10
3 million loss for the Authority.
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5 When we are talking about proration, we
6 are really talking about the rationing of funds. HUD
7 rations out the funds appropriated by Congress across
8 3,100 housing authorities across the country. And
9 through proration, the gap between income and
10 expenses only grows wider.

11 In fact, in the last 16 years, HUD's
12 formula funding achieved a proration rate of 100% or
13 more for New York City only three times.

14 Everyone wants to know, what's the plan?
15 How does NYCHA plan to manage these and any future
16 federal funding cuts?

17 The plan is this:

18 1. Washington does not get to walk away
19 from public housing, so we will fight any and all
20 cuts, and I hope you will join us.

21 2. As a City, we need to decide what
22 level of service in public housing we can tolerate.
23 There is no more doing with less, which is what we've
24 done every year for 15 years. So there will be tough
25 choices ahead.

3. NextGeneration NYCHA is the plan.

Even though it was drafted two years prior to the threat of millions in lost federal aid, it still provides a valuable roadmap of how we can fundamentally change the way we do business. Because without NextGen initiatives we've started to put in place, we'd be suffering deficits in the hundreds of millions every year.

It would be impossible for any landlord to operate with less revenue than they need to operate, with less capital dollars than they need to maintain their buildings, all while keeping rents the most affordable in the City.

There is no question there is more work than can and must be done by the Authority to increase efficiencies and lower expenses, but NYCHA's hands are tied on many fronts, including the cost of utilities, work rules, health care, and pensions. We are also limited in how we can bring in new revenue, because rents are capped to keep them affordable.

So a cut today means real service reductions -- an impact to residents that will be felt immediately, and mostly in maintenance and repairs. We are a 24/7 operation that only works

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2 between 8 and 4:30. We pay a premium for work to
3 occur outside those hours. If we decided to stop
4 paying a premium and stop work outside of the 8 to
5 4:30, residents would see longer waits and reduced
6 customer service. And at some point the question
7 again will come: What, as a city, is a level of
8 service we can tolerate?

9 Significant cuts to NYCHA's Section 8
10 program, which received an "A" rating from HUD, could
11 force us to decrease the number of families served;
12 lower the subsidy toward a voucher holder's rent,
13 which effectively increases their rent; potentially
14 stop issuing vouchers through attrition; and
15 eventually, remove families from the program.

16 As you know, our capital budget includes
17 three sources: federal funding from HUD, City funding
18 and federal FEMA funding.

19 In recent years, HUD has provided NYCHA
20 with about \$300 million annually in federal capital
21 dollars for infrastructure improvements and major
22 upgrades. This year, nearly three quarters of our
23 capital dollars will go toward structural and
24 exterior work, such as roof and façade repairs.
25 Sealing our buildings from the elements has a

1
2 significant impact on the quality of life that
3 residents experience in their homes.

4 While our capital funding is far from
5 sufficient to meet our buildings' \$17 billion in
6 needs -- has declined by a cumulative \$1.4 billion
7 since 2001 -- we're putting the money we do receive
8 to work for our residents faster and more
9 efficiently. We've accelerated the obligation of
10 these funds from 18 months in 2013 down to eight
11 months now, well below HUD's 24-month requirement.

12 On the City level, Mayor de Blasio has
13 demonstrated his commitment to public housing in a
14 very tangible way. He recently announced a \$1
15 billion investment over 10 years so we can replace
16 more than 700 of the most deteriorated roofs in our
17 portfolio. This is on top of the \$300 million he
18 already committed as part of NextGeneration NYCHA.
19 In total, we'll be able to tackle one of the biggest
20 structural challenges we face at more than 950
21 buildings, benefitting some 175,000 residents.

22 I'm also pleased to report we are ahead
23 of schedule with the installation of new safety
24 lighting for the MAP initiative, funded through the
25 partnership between the City Council and the Speaker,

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2 the Mayor's Office, and the Manhattan District
3 Attorney's Office. To date, we've installed an
4 impressive 1,781 new light fixtures. And as
5 promised, we installed or upgraded more than 600 CCTV
6 cameras at 121 buildings with Fiscal Year 2015/16
7 funding, thanks to support from the City Council.

8 Our Bond B work to complete about \$500
9 million of major improvements at 319 buildings is
10 nearly finished. Last year, our Capital Projects
11 Division had 120 projects in construction worth a
12 total of \$1.2 billion. We completed brick and roof
13 repairs in all five boroughs. We've spent nearly
14 \$500 million on Sandy recovery work, hiring 164
15 residents and beginning major construction at seven
16 developments; major construction will start at every
17 Sandy-impacted development by the end of this year.

18 All of this momentum to finally begin to
19 rebuild our infrastructure will be lost if we see
20 devastating cuts to NYCHA's federal capital budget
21 next year. Simply put, with fewer resources, there
22 will be fewer rehabilitation projects. Precious
23 dollars will be invested in the most dire properties,
24 while other projects in the queue will be shelved for
25 a future, uncertain date.

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2 NYCHA's fate is tied to our
3 infrastructure and our ability to operate. For
4 years, these functions have been starved of the very
5 resources they needed to survive. And since there is
6 no NYCHA fairy coming to save us, we must pursue
7 revenue-generating strategies to help save ourselves.

8 With so much uncertainty from Washington,
9 the debate on whether or not to build on public
10 housing land as a revenue source should be over. As
11 a city, the stakes are too high for us to disagree
12 amongst ourselves. Public housing will need
13 leadership and partnership like we've never seen
14 before, because of these unprecedented times.

15 In a win-win, NextGen Neighborhoods
16 offers the City more affordable housing and NYCHA
17 much-needed revenue to fund building upgrades.
18 Constructing a 50/50 mix of affordable and market-
19 rate housing on under-utilized land helps shore up
20 public housing. And this spring, we will announce
21 the selected developers for our first two NextGen
22 Neighborhood sites, Wyckoff Gardens in Boerum Hill
23 and Holmes Towers on the Upper East Side.

24 When tested, we can be entrepreneurial in
25 the way we approach challenges. Our NextGen strategy

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2 on RAD -- HUD'S Rental Assistance Demonstration
3 program -- is a public-private partnership and a path
4 forward to preserve affordable housing for the long-
5 term, and to improve the quality of life for
6 residents through major building repairs immediately.

7 In December, we closed our first RAD
8 agreement for Ocean Bay-Bayside in the Rockaways,
9 bringing in \$325 million to repair and modernize
10 1,400 apartments. In January, we received approval
11 from HUD to proceed with another 1,700 units, which
12 will enable us to invest an estimated \$300 million in
13 extensive repairs at 17 developments and 59
14 individual buildings throughout the Bronx and
15 Brooklyn.

16 NYCHA's survival hinges, in part, on
17 making our operations more efficient, a core tenet of
18 our NextGen vision and a key way that we are
19 providing better service to residents. One measure
20 of our success in this area is the time that it takes
21 to complete basic repairs. Last year, it was around
22 10 days. Today, we're just under six days.

23 NextGen NYCHA has taught us many things
24 -- none more important than local property management
25 matters. Our NextGen Operations model of localized

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2 property management is delivering faster repairs to
3 residents at approximately 67,000 units, by making
4 property managers more accountable as leaders of
5 their developments. Basic repairs are complete
6 within five days at these developments, down from 14
7 days in January 2015. Emergency repairs are being
8 completed within an average of nine hours, beating
9 our target of 24 hours and in comparison to about 12
10 hours in the rest of our portfolio.

11 Since operations is our core business, it
12 will be nearly impossible to shield it from the
13 impacts of lost operating dollars. The hard-fought
14 gains to improve service levels may slip backwards as
15 one of the first casualties of cuts.

16 While future funding levels may slow us
17 down, we are still proceeding with FlexOps, the
18 Flexible Operations pilot we launched last summer at
19 12 developments with our colleagues at Local 237. It
20 is another demonstration of our ability to adapt, to
21 the benefit of residents and staff alike. Through
22 multiple, staggered shifts for front-line staff,
23 residents are seeing cleaner hallways, elevators, and
24 lobbies when they leave for work in the morning and
25 can get repairs completed in their homes in the

1 evening, so they don't have to take time off from
2 work. We are looking to expand the pilot program at
3 up to 12 new sites.

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5 Through NextGen's digital initiatives,
6 we've laid the groundwork to be more resilient in the
7 face of fiscal uncertainty. NYCHA has joined the
8 digital age with a host of initiatives that improve
9 customer service by streamlining the work that our
10 employees perform at our residents' request. More
11 than 3,500 of our front-line staff are now equipped
12 with handhelds that allow them to open and close work
13 orders and get resident sign-off on the work on-the-
14 spot, increase transparency and eliminating paperwork
15 from the process entirely. Using their handhelds,
16 maintenance workers are now completing 15% more work
17 orders. Residents can now complete their annual
18 income certifications online, which cuts down on
19 paperwork, back and forth, and frees up our staff to
20 assist residents in other ways. Self-service kiosks
21 have been rolled out to property management offices,
22 enabling residents without computer access to
23 complete their annual recertifications online, in
24 addition to paying rent and even applying for jobs.
25 Our MyNYCHA app -- which just won the Citizens Budget

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2 Commission award for Public Service Innovation last
3 week -- has been downloaded nearly 48,000 times by
4 our residents.

5 As I've been speaking today, images of
6 our people, our neighbors have been scrolling beside
7 me, because when federal funding is on the line, it
8 really does impact real people and our city.

9 Consider this: One in a 14 New Yorkers
10 rely on NYCHA for housing, through public housing or
11 NYCHA's Section 8 program.

12 They are working families -- they are
13 teachers, caretakers and cops. In fact, the top
14 employers of our residents are the DOE, NYCHA and the
15 NYPD.

16 Some are seniors; actually, 76,000
17 residents are retired from the workforce, aging in
18 place on fixed incomes.

19 Others are formerly homeless, as NYCHA
20 has become the permanent home for more than 4,500
21 families over the past three years, and about 2,600
22 families transitioned from shelters into housing with
23 assistance from NYCHA's Section 8 program.

24 NYCHA isn't just in the business of
25 housing our residents, but connecting them to

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2 economic opportunities. Since it was founded in
3 2010, the NYCHA Resident Training Academy, a
4 collaboration with the Robin Hood Foundation and
5 best-in-class workforce development partners, has
6 trained more than 1,800 residents for careers in the
7 construction, maintenance and janitorial fields. In
8 addition, our Office of Resident Economic Empowerment
9 and Sustainability and its partners connected more
10 than 3,000 residents to good jobs last year.

11 We believe that public-private
12 partnerships can help us bring greater opportunity to
13 residents. To that end, we launched the Fund for
14 Public Housing, a nonprofit that seeks support from
15 philanthropists and businesses who value this
16 incredible institution and want to invest in NYCHA
17 residents and their communities. Jeffrey Levine, who
18 grew up in Linden Houses, is the first former NYCHA
19 resident to donate to the Fund: Over 10 years, he's
20 providing \$100,000 in scholarships to NYCHA residents
21 enrolled at City College, his alma mater. I'm proud
22 to note that the Fund for Public Housing was recently
23 named by *Fast Company* magazine as one of the 10 most
24 innovative nonprofits in the world.

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2 Last month, in Speaker Mark-Viverito's
3 final State of the City address, I was struck by the
4 powerful words she used to describe our city. She
5 really tapped into the ethos of who we are; something
6 powerful that resonates beyond our city limits, which
7 means something not just in Albany and in DC, but to
8 the entire world.

9 For 83 years we've put a stake in the
10 ground to say: Public housing is a New York
11 institution because our people deserve decent and
12 affordable housing -- this is who we are.

13 When brick towers in St. Louis and
14 Chicago were brought to rubble, New York's towers in
15 the park became a bastion for working families and
16 seniors in this increasingly unaffordable city they
17 call home -- this is who we are.

18 For the last 40 years, curve balls and
19 shortfalls, and even management missteps, have dogged
20 public housing, yet NYCHA, even with some bruises,
21 continues to rise above and carry on -- because this
22 is who we are.

23 We must refuse to allow Washington to
24 turn its back on 2.6 million public housing residents
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2 across the country, including the 400,000 here in New
3 York City.

4 While some may underestimate the
5 magnitude or uncertainty of this crisis, I can assure
6 you: History will judge us on what we did or did not
7 do to save public housing in New York City when we
8 had the chance. Now is our chance.

9 With that preface, I request of you this:

10 Join me in calling on Washington to meet
11 their obligations to public housing, invite your
12 constituents and your residents. Go to Albany, knock
13 on doors, and ask them to commit rebuilding public
14 housing, the way the Mayor and this Council has.
15 Raise your voices so there is no mistake that this is
16 who we are.

17 There may be a temptation to solve cuts
18 with short-term fixes instead of systemic changes,
19 systemic changes like we've outlined in Next Gen --
20 the type of change that can ensure the long-term
21 prosperity of public housing as we know it in New
22 York City. We must fight the urge to do what is
23 convenient and what others have done before us.

24 As Chair, I know I cannot do it alone. I
25 will need you, our workforce, our residents -- we all

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2 will have to come together to do whatever proves
3 necessary to prevent deficits, default, and the
4 dismantling of public housing. Because we can
5 provide safe, clean and connected public housing for
6 this generation and the next, because that is who we
7 are.

8 Thank you and we are happy to answer your
9 questions.

10 CHAIRPERSON TORRES: So obviously I'm
11 gonna begin with a few questions about the budget
12 cuts and then I'll give my colleagues an opportunity
13 to ask a few questions as well.

14 So my understanding is NYCHA has four
15 funding streams, right -- public housing operating,
16 public housing capital, Section 8 HAP, which is
17 rental assistance, and then funding for the
18 administration of Section 8 -- and out of those four
19 we have received updates about the funding levels for
20 three of them?

21 KAREN CALDWELL: Good afternoon; I'm
22 Karen Caldwell, CFO of NYCHA. That's correct; we've
23 only received letters on the three of them; we have
24 not received any information yet on the capital fund.

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2 CHAIRPERSON TORRES: Okay. And so
3 according to this PowerPoint -- and I guess I should
4 note that funding for public housing -- HUD has the
5 ability to cut funding for public housing without
6 congressional action.

7 KAREN CALDWELL: They can; there are a
8 number of ways they can do that... [crosstalk]

9 CHAIRPERSON TORRES: Right.

10 KAREN CALDWELL: through the formula or
11 they can anticipate what they believe their budget's
12 going to be and issue a letter and tell us that we're
13 gonna receive a lower proration starting at the
14 beginning of any month.

15 CHAIRPERSON TORRES: Right, so you could
16 have Congress either cut your budget directly or you
17 could have HUD, without congressional action, slash
18 your funding?

19 KAREN CALDWELL: Yes.

20 CHAIRPERSON TORRES: Right. It can
21 manipulate the formula?

22 KAREN CALDWELL: They can change the
23 formula.

24 CHAIRPERSON TORRES: Right. And then the
25 formula produces a number.

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2 KAREN CALDWELL: The formula produces a
3 number that says that this is the amount that it
4 costs to operate a unit... [crosstalk]

5 CHAIRPERSON TORRES: Right.

6 KAREN CALDWELL: so it's their formula to
7 determine what it costs to operate one apartment
8 unit.

9 CHAIRPERSON TORRES: But then the number
10 that it produces, you only receive a percentage of
11 that number, correct?

12 KAREN CALDWELL: Correct. So they come
13 up with an expense level per apartment and they
14 subtract from that what a tenant would pay in rent
15 and the difference, if we were receiving everything,
16 we would receive that difference, but instead that's
17 prorated based off of the number -- of the amount of
18 money they have available.

19 CHAIRPERSON TORRES: So it's complicated,
20 so... [crosstalk]

21 KAREN CALDWELL: It's complicated.

22 CHAIRPERSON TORRES: you can face budget
23 cuts from Congress, face budget cuts because of
24 changes within the formula and then budget cuts based
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2 on a lower percentage of the number that that number
3 generates.

4 KAREN CALDWELL: That's correct.

5 CHAIRPERSON TORRES: So that's three
6 layers of budget cuts. So according... So NYCHA, for
7 the Public Housing Operating Fund, the adopted budget
8 planned for an 87% proration?

9 KAREN CALDWELL: That's correct.

10 CHAIRPERSON TORRES: HUD has cut it down
11 to 85%...

12 KAREN CALDWELL: That's correct.

13 CHAIRPERSON TORRES: resulting in a \$27.7
14 million cut?

15 KAREN CALDWELL: Yes.

16 CHAIRPERSON TORRES: And so what's the
17 strategy for offsetting the funding loss of \$27.7
18 million?

19 SHOLA OLATOYE: Well I think the first
20 thing to note is; we anticipated some decrease in
21 federal support, both at the end of the result of the
22 election, but also taking a historical look at the
23 proration rates to the Housing Authority. So that
24 was the first thing, which is, we took a conservative
25 approach. The second thing is; something that was

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2 built into the 2017 budget was the elimination of
3 some expenses -- we, through attrition, cut about 152
4 positions at Central Office and that was a major
5 effort to really begin to right-size our Central
6 Office costs in relation to the rest of the agency.

7 And then the third thing that we've begun
8 is working on a strategy to provide subsidy to
9 approximately 4,000 units that are currently
10 unfunded, working closely with our career colleagues
11 at HUD to figure out a way to turn on some subsidy
12 for those 4,000 units, which translates into about a
13 \$25 million drag on our annual operating budget. So
14 we've begun, we've sort of started all of those
15 things in terms of how to prepare ourselves
16 financially.

17 The other thing I'll say is; because of
18 the conservative budgeting exercise, we had projected
19 approximately \$21 million in surplus for 2017 --
20 again, projection -- as an effort to continue to
21 build our cash reserve. As you'll recall, when I
22 came to this Council three years ago, we had just
23 about four weeks of operating reserve saved up, and
24 we know what happens when an unplanned event like
25 Hurricane Sandy could come and hit the Authority.

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2 Well that now is about two and a half months and
3 that's been the work of Ms. Caldwell and her team to
4 really make strategic decisions to build up that cash
5 reserve. So we've been planning and continue to do
6 the smart expense look on that side of the budget
7 while also pursuing the revenue-generating activities
8 as outlined in our plan.

9 CHAIRPERSON TORRES: Well those revenue-
10 generating activities have been in the works for
11 years, and even the 4,000 unfunded units that you
12 referenced. I think NYCHA has been struggling for
13 years to secure a dedicated funding stream for those
14 units. I think one of the themes of all the budget
15 hearings that we've held here in the City Council has
16 been a frustration with the unwillingness of the
17 Administration to plan for the Donald Trump
18 presidency, but NYCHA's case is different, because
19 with every other agency the cuts are hypothetical and
20 speculative; in your case, the cut is an operational
21 reality in the here and now. And so what actions are
22 you taking now to address the loss of \$27.7 million
23 for your Public Operating Fund; Section 8 HAP, you're
24 losing \$45.7 million; Section 8 admin you're losing

1
2 \$7.6 million; it's an \$81 million -- what actions is
3 NYCHA taking in the here and now... [interpose]

4 SHOLA OLATOYE: Yeah.

5 CHAIRPERSON TORRES: to address these
6 losses?

7 SHOLA OLATOYE: So couple things. One;
8 as you know, we're a 24/7 operation, but we work 8 to
9 4:30 and so we pay a premium for everything outside
10 of that timeframe, so we are taking a very real look
11 at the cost of those services outside of the
12 traditional workday. That will have a service
13 impact, because that has been one way in which the
14 Housing Authority has been able to sort of tackle
15 either preventive maintenance or other unplanned
16 services used within our portfolio, so that's the
17 first thing. The second thing is; we've taken a very
18 hard look; directed our capital projects team to
19 review all of our projects that are currently in
20 queue or in design that are not yet bid out and/or on
21 the street to see if there may be a way -- just to
22 understand where we are and if there are actual
23 resources already committed attached to those
24 projects. The third thing is; we are looking at
25 those services that can be narrowed; those services

1 that can be paused, and also, doing some things that
2 were already in progress; looking at maybe even
3 speeding them up. So for example, you know looking
4 at our fleet, which has been a major effort already,
5 in terms of streamlining it, really increasing a
6 level of transparency into it; are there other things
7 that we can do there? So there are a series of
8 actions that we're taking right now with regard to
9 our capital program. The other thing I would add is;
10 within our Section 8 program, it's funded a bit
11 differently and you have a little bit more program
12 flexibility, so the team is really looking at, first
13 and foremost, how do we ensure that the 85,000
14 residents that have vouchers on the street that we
15 protect that and we protect the level in which
16 they're funded and really taking in some measures,
17 some other things that we can do to accommodate for
18 that. HUD has ways in which you can apply for
19 shortfall funding and other things within the Section
20 8 program that we'll pursue right away. So there are
21 a number of things, like the team, we've been meeting
22 regularly -- weekly -- to really understand service
23 impacts -- what can be narrowed. And then I think
24 finally I'll say, you know we will fight these cuts;
25

1
2 we don't accept -- potentially the cuts that have
3 been reported on -- and so we are spending -- I'm
4 spending a fair amount of time in Washington with my
5 colleagues from across the country; with our
6 congressional delegation, really trying to amplify
7 the message and build the kinds of alliances that we
8 need in order to ensure that Washington does not walk
9 away from federal public housing.

10 CHAIRPERSON TORRES: And what's the
11 strategy for addressing the shortfalls in Section 8?

12 SHOLA OLATOYE: Well around Section 8 --
13 and our EVP for Leased Housing is here, Cathy
14 Pennington; I'll ask her to step up and share any
15 specific details -- she's right here.

16 CATHY PENNINGTON: Good afternoon, Cathy
17 Pennington. Primarily the way we can reduce the cost
18 is through program attrition. So the \$40 million
19 translates to approximately 4,000 families, so the
20 strategy would be as people leave the program we
21 don't replace those vouchers; that's the most
22 significant way that we can reduce the cost, but it
23 does shrink the overall size of the program, as has
24 been happening for the past several years.

1
2 CHAIRPERSON TORRES: Now attrition
3 depends on turnover, so you said \$40 million is about
4 4,000 vouchers; is that...

5 CATHY PENNINGTON: Correct.

6 CHAIRPERSON TORRES: So what is your
7 annual turnover?

8 CATHY PENNINGTON: It's anywhere between
9 3-4,000.

10 CHAIRPERSON TORRES: So there's a chance
11 that you might lose more vouchers than turnover?

12 CATHY PENNINGTON: Yes.

13 CHAIRPERSON TORRES: So attrition is the
14 easiest part; what happens beyond attrition?

15 CATHY PENNINGTON: When continuing
16 resolution ends, which is what we're currently in,
17 when the budget is finalized, HUD also funds some
18 additional streams of funding in Section 8 called
19 "shortfall funding" or "set aside funding," so if any
20 existing household's subsidy is jeopardized, we're
21 able to apply for -- it's a limited amount of funding
22 -- but we are able to apply for shortfall funding or
23 what they've referred to as "set aside funding,"
24 which covers additional expenses to the program.
25 Again, none of those numbers are confirmed, but those

1
2 are existing mechanisms within the HUD funding
3 formulas that we could apply for.

4 CHAIRPERSON TORRES: Is there a point at
5 which you risk losing vouchers?

6 CATHY PENNINGTON: I'm not sure what you
7 mean.

8 CHAIRPERSON TORRES: Losing vouchers.

9 CATHY PENNINGTON: To existing
10 households...? [crosstalk]

11 CHAIRPERSON TORRES: Yes.

12 CATHY PENNINGTON: That would be the last
13 resort. At this time we don't foresee that, but we
14 don't have a budget, we don't have a firm budget; we
15 just have the prorated 95% at this stage. So until
16 we really see the final budget numbers, we wouldn't
17 know, but we don't forecast that for this year.

18 CHAIRPERSON TORRES: But based on numbers
19 that we have, you suspect that the attrition is
20 sufficient to close the gap?

21 CATHY PENNINGTON: We hope so.

22 CHAIRPERSON TORRES: Do we know so?

23 CATHY PENNINGTON: Well we're basing it
24 on historical attrition numbers...

25 CHAIRPERSON TORRES: Okay.

1
2 CATHY PENNINGTON: so we think we would
3 come very close.

4 CHAIRPERSON TORRES: You know the rental
5 assistance that a Section 8 recipient receives is
6 based on the payment standard..

7 CATHY PENNINGTON: Correct.

8 CHAIRPERSON TORRES: right? And it seems
9 to me that if you're looking to generate revenue to
10 close a funding gap you can either reduce the overall
11 number of vouchers...

12 CATHY PENNINGTON: Yes.

13 CHAIRPERSON TORRES: or you can lower the
14 payment standard, which would mean raising rents...

15 CATHY PENNINGTON: Yes.

16 CHAIRPERSON TORRES: for everyone else.

17 CATHY PENNINGTON: The tenant portion
18 would go up, yes.

19 CHAIRPERSON TORRES: Right. And so do we
20 have a sense at what point do you have to make that
21 tradeoff?

22 CATHY PENNINGTON: Again, without having
23 a confirmed budget, it's very difficult to forecast
24 some of those changes; we can run an analysis if we
25 lower the payment standard by 1% or 2% or 3%.

1
2 Unfortunately... again, that's a worst-case scenario,
3 because it shifts the cost to the family and there is
4 a timing mechanism by regulation that the rollout of
5 any reduction can take up to 12 full months. So
6 there's this notification process with the tenants
7 and the landlord that doesn't permit you to implement
8 these cost reductions immediately.

9 CHAIRPERSON TORRES: So you only secure
10 the revenue gains 12 months from now, you...?

11 [crosstalk]

12 CATHY PENNINGTON: Correct. Correct.

13 CHAIRPERSON TORRES: So what do you do in
14 the meantime?

15 CATHY PENNINGTON: You keep monitoring
16 your costs. I mean there's... within the HUD
17 regulations there's very little you can do, and then
18 you apply for any resources. HUD typically will
19 prioritize funding agencies that are reporting they
20 have to remove families from the program. So
21 historically, HUD has always prioritized that they
22 would offer -- if they have it -- additional funding
23 to protect existing households.

24 CHAIRPERSON TORRES: And what are the
25 circumstances under which -- you mentioned shortfall

1 funding or gap funding -- what are the circumstances
2 under which you can obtain shortfall funding?

3 CATHY PENNINGTON: You have to
4 demonstrate through your statistics how many
5 households are affected; you have to demonstrate your
6 costs and do projections for HUD to show numbers of
7 households that are in jeopardy. So there's a
8 formula and criteria you have to submit to HUD to see
9 if your agency would qualify.

10 CHAIRPERSON TORRES: Is there a downside
11 to accepting shortfall funding?

12 CATHY PENNINGTON: Yes, because it
13 freezes any turnover. So in other words, if you're
14 eligible for shortfall, you shrink your program
15 smaller.

16 CHAIRPERSON TORRES: Meaning we
17 permanently lose Section 8 vouchers?

18 CATHY PENNINGTON: Yes. Yes.

19 CHAIRPERSON TORRES: Which is the
20 equivalent of losing affordable housing units, right?

21 CATHY PENNINGTON: Yes. Yes.

22 CHAIRPERSON TORRES: Right. And what are
23 the number... [crosstalk]

24 CATHY PENNINGTON: [inaudible]...

1
2 CHAIRPERSON TORRES: What are the number
3 of vouchers that you have?

4 CATHY PENNINGTON: Currently we have
5 85,000 that are active; our unit allocation is
6 actually 99,000, so the funding.. [crosstalk]

7 CHAIRPERSON TORRES: And at its prime,
8 how many vouchers did you have, the New York City
9 Housing Authority?

10 CATHY PENNINGTON: 92,000.

11 CHAIRPERSON TORRES: Okay, so we've lost
12 almost 10,000...

13 [background comment]

14 CATHY PENNINGTON: Yeah.

15 SHOLA OLATOYE: Correct.

16 CHAIRPERSON TORRES: of vouchers as a
17 result of..

18 CATHY PENNINGTON: Of funding, yeah.

19 CHAIRPERSON TORRES: of funding gaps?

20 CATHY PENNINGTON: Correct.

21 CHAIRPERSON TORRES: Development -- I
22 have a question about development for Nicole.

23 CATHY PENNINGTON: So just call people
24 up?

25 CHAIRPERSON TORRES: Yep; why not?

[laughter]

NICOLE FERREIRA: Why don't you start and then I'll... I'll uh...

CHAIRPERSON TORRES: Sure. I mean as you know, the Rental Assistance Demonstration program is one of the tools that NYCHA is using for rehabilitating, I believe ultimately 15,000 units in the long-term, but 5,000 units in the short-term, now in order for a RAD transaction to work, my understanding is that you need three financing tools -- LIHTC, Low-Income Housing Tax Credit, bond financing and Section 8 vouchers, and even with those tools there could be funding gaps. Is that a correct analysis?

NICOLE FERREIRA: Correct. Yes. Nicole Ferreira, EVP for Real Estate. Yes, so through our future RAD conversions we need RAD vouchers, other Section 8 resources, and these transactions are underwritten with tax-exempt bonds and Low-Income Housing Tax Credits.

CHAIRPERSON TORRES: Now the value of the tax credit has fallen dramatically; it was 1.25 at one point; it's now below a dollar or near a dollar. So what impact will that have on the public-private

1
2 partnerships or RAD transactions that NYCHA's
3 currently pursuing?

4 NICOLE FERREIRA: So the decrease in
5 value in the Low-Income Housing Tax Credit is clearly
6 a national problem facing affordable housing. We
7 have -- no deals have really closed yet that have
8 been below a dollar. We have adjusted our model for
9 -- as the Chair mentioned, we were approved for 1,700
10 units -- we have adjusted our models to take into
11 account a price decrease from \$1.20 to approximately
12 \$1.05 at this rate and they still underwrite. We
13 have made adjustments -- the way that you address
14 that is adjusting certain things in the model, like
15 reserving against hard costs, decreasing some hard
16 costs; using different financial products other than
17 tax-exempt bonds. So we have made those adjustments
18 through our models and they still work, but you know
19 this is something that changes with markets and we
20 have to adjust when the markets change.

21 CHAIRPERSON TORRES: And what are the
22 extent of the funding gaps that might result as a
23 result of declining tax credit?

24 NICOLE FERREIRA: So right now for the
25 RAD conversions we don't have funding gaps, but these

1
2 are projections, because we don't even have
3 developers, so we are going to release an RFP this
4 spring for developers for those bundles. We have
5 seen increased funding gaps in our 100% affordable
6 program, for example, and we are working with our
7 city and state partners; there's going to have to be
8 soft debt to come in to address some of those gaps.

9 CHAIRPERSON TORRES: What's the extent of
10 those funding gaps?

11 NICOLE FERREIRA: In various models, a
12 couple million dollars -- \$2-5 million in some of the
13 models.

14 CHAIRPERSON TORRES: Now in the case of
15 Ocean Bay..

16 NICOLE FERREIRA: Uhm-hm.

17 CHAIRPERSON TORRES: not only did you
18 have the tax credit, bond financing, Section 8; you
19 also had FEMA funding..

20 NICOLE FERREIRA: Correct.

21 CHAIRPERSON TORRES: which meant that you
22 had no gap..

23 NICOLE FERREIRA: Correct.
24
25

1
2 CHAIRPERSON TORRES: you're not going to
3 have that luxury with the other 1,700 units that are
4 in the pipeline for a RAD conversion..

5 NICOLE FERREIRA: Right.

6 CHAIRPERSON TORRES: so what's the
7 strategy there?

8 NICOLE FERREIRA: So the way that we are
9 approaching the conversion bundles is through a
10 blended Section 8 rent, so the RAD rents are very
11 low, because what HUD does is it shuts off operating
12 and capital subsidy on the public housing side and
13 shifts it to Section 8, which gives you a low public
14 housing rent, essentially. So we have been working
15 with HUD around.. [interpose]

16 CHAIRPERSON TORRES: So just very
17 quickly; what's the difference between a RAD rent and
18 a Tenant Protection Voucher rent so that.. [interpose]

19 NICOLE FERREIRA: The difference is, on
20 average, about \$1,000 for a RAD rent and \$1750 for a
21 tenant protection rent. So we would blend those two
22 together, so instead of having the FEMA funds, that
23 kind of protection rent would allow us to borrow the
24 debt we need to fix the building.

1
2 CHAIRPERSON TORRES: So for the financing
3 of those 1,700 units -- the rehab of those units --
4 for it to work, there needs to be some combination of
5 Tenant Protection Vouchers and RAD?

6 NICOLE FERREIRA: Correct; that's how we
7 have modeled the program.

8 CHAIRPERSON TORRES: So what percentage
9 of those units have to be Tenant Protection Vouchers
10 and what percentage could be RAD?

11 NICOLE FERREIRA: So at this moment in
12 time we've modeled the program to be about 40% RAD
13 and about 60% Tenant Protection Voucher, overall in
14 the program.

15 CHAIRPERSON TORRES: And if it's less
16 than 60% Tenant Protection Vouchers, then you have a
17 funding gap?

18 NICOLE FERREIRA: Yes, or we will make
19 other adjustments.

20 CHAIRPERSON TORRES: Well a thousand
21 versus 1,700 per voucher is a huge difference, so
22 it's not an adjustment that could be easily made.
23 But do you have enough Tenant Protection Vouchers to
24 make the transaction work for those 1,700 units?

1
2 NICOLE FERREIRA: So we get our Tenant
3 Protection Vouchers committed to us when we do a
4 Section 18 on those buildings, and at this point,
5 yes, HUD has been working with us on this program;
6 they understand the need for NYCHA, and we have no
7 indications that those would be pulled back from us.
8 They have approved based on... [interpose]

9 CHAIRPERSON TORRES: So they were
10 approved; you were approved for 60% Tenant Protection
11 Vouchers and 40% RAD; is that... [interpose]

12 NICOLE FERREIRA: For the first 1,700
13 units... [interpose]

14 CHAIRPERSON TORRES: For those first
15 1,700 units.

16 NICOLE FERREIRA: we do have 1,081 TPVs
17 that HUD is budgeting for NYCHA to make sure that
18 those 1,700 units total move forward.

19 CHAIRPERSON TORRES: Okay. Now even with
20 the TPV vouchers that you require, do you anticipate
21 any funding gaps?

22 NICOLE FERREIRA: Not at this time.

23 CHAIRPERSON TORRES: Okay. Okay. I have
24 a question about the roofs and then I will... The Mayor
25 allocated \$1.3 billion... [interpose]

1 SHOLA OLATOYE: Uhm-hm, that's correct.

2 CHAIRPERSON TORRES: to replace the worst
3 roofs in public housing; can -- just more details on
4 the precise impact that it would have...

5 SHOLA OLATOYE: Sure.

6 CHAIRPERSON TORRES: on the portfolio, so
7 what -- I know NYCHA rates the worst roofs on a scale
8 of one to five...

9 SHOLA OLATOYE: Uhm-hm, that's correct.

10 CHAIRPERSON TORRES: five being the
11 worst...

12 SHOLA OLATOYE: That's correct.

13 CHAIRPERSON TORRES: and so do we know
14 what are the number of roofs between four and five
15 and between three and four that are either at or
16 beyond their life ex...

17 SHOLA OLATOYE: So you are absolutely
18 correct, the Mayor recently added to his commitment
19 to roofs at the Housing Authority; there was already
20 \$300 million allocated to attach or work on our
21 attack, our worse roofs, which is rated five, as you
22 indicated. The other thing I'll note is; we
23 currently have a physical needs assessment underway;
24 HUD requires Housing Authority essentially refresh
25

1
2 that document every five years, so that is currently
3 underway, and that is the document that gives us that
4 \$17 billion capital need.. [crosstalk]

5 CHAIRPERSON TORRES: Yep.

6 SHOLA OLATOYE: that we talk about so
7 often, so there are \$300 million as part of
8 NextGeneration NYCHA; the Mayor just made a
9 commitment for an additional \$1 billion over the next
10 10 years, which will allow us to tackle approximately
11 900 -- I'm sorry, 700 roofs of our worst roofs, so
12 700 plus the approximately 250 that were going to be
13 tackled in the first 300 will get us to approximately
14 970 worst roofs. My capital team tells me that will
15 get us all fives, fours and threes, but as anyone who
16 is a homeowner or has a house like this, there's
17 lifecycles to roofs, so you know at that point there
18 will be... the twos will have moved up in that overall
19 cycle. So a billion dollars to tackle that work is..
20 \$1.3 billion is what's allocated. And we know,
21 through our own data and looking at our own work
22 order history, that with the replacement of roofs you
23 see an almost immediate decline in the kinds of
24 issues residents are facing in their apartments --
25 paint, mold, plastering issues -- if you're able to

1 seal the building with a new roof; with new cornices,
2 etc., so a really important investment to help us
3 tackle the structural challenge that we have.

4 CHAIRPERSON TORRES: So about 950 roofs
5 or 970 roofs... [crosstalk]

6 SHOLA OLATOYE: Nine...

7 CHAIRPERSON TORRES: somewhere between
8 900 or...

9 SHOLA OLATOYE: That's correct.

10 CHAIRPERSON TORRES: And you're telling
11 me that that is equivalent to the number of roofs
12 that fall within three to five?

13 SHOLA OLATOYE: That's correct.

14 CHAIRPERSON TORRES: So every roof that
15 is presently, not 10 years from now... [crosstalk]

16 SHOLA OLATOYE: Presently.

17 CHAIRPERSON TORRES: but presently -- at
18 or beyond their useful life is the phrase [sic]

19 SHOLA OLATOYE: That's correct.

20 CHAIRPERSON TORRES: is going to be
21 replaced under this plan?

22 SHOLA OLATOYE: That is correct.

23 CHAIRPERSON TORRES: Okay, very good.
24 With that -- I'll have more questions, but I want to
25

1
2 give my colleagues a chance... [background comments]
3 Council Member Cumbo.

4 COUNCIL MEMBER CUMBO: Thank you so very
5 much.

6 SHOLA OLATOYE: Good morning.

7 COUNCIL MEMBER CUMBO: Thank you, Chair
8 for being here today. The main question that the
9 constituents in my district have, and all throughout,
10 is; is there going to be an increase in their rents
11 as a result of these cuts? That seems to be the
12 major fear that people are facing when they're
13 hearing and reading the reports in the newspaper
14 about how is this going to impact my bottom line in
15 the immediate as well as mid-term and long-term
16 future?

17 SHOLA OLATOYE: Sure. Thank you,
18 Councilwoman. Look, I think this is obviously a very
19 real concern and threat that our residents
20 potentially face. We talk about public housing as
21 affordable house; it is the most affordable housing
22 in New York City and one of the reasons why that is
23 so is because something called the Brooke Amendment,
24 which is congressionally a law that essentially sets
25 the percentage of rent that families will pay to be

1 no more than 30% of their household income. We know
2 that fiddling with that has been something that
3 congressional republicans have been interested in for
4 a long time; it is absolutely something that is now
5 in the conversations; that, along with term limits
6 and other things that -- and these are not conspiracy
7 theories, you know Speaker Ryan has these things
8 outlined in his plan, A Better Way for America. So
9 while there is no immediate conversation about
10 revising or amending the Brooke Amendment or term
11 limits, these are issues that very much are on the
12 tongues of congressional leaders. What we have done
13 and will do in our conversations with congressional
14 leaders in Washington is to let people understand the
15 sort of grounded in data, you know we have half of
16 the apartments in New York City that rent at \$800 or
17 less, more than 57% of our residents have lived in
18 NYCHA for at least 21 years, and we have a 1% vacancy
19 rate at the Housing Authority, compared to the City's
20 vacancy rate at 3%. So when you begin to sort of
21 look at, you know, increasing people's rents and
22 putting term limits, you have to ask the question of
23 where will people go? So it is something that we
24 don't have any plans to do, but as a federally funded
25

1
2 agency, if this is something that we -- you know and
3 hopefully we can all fight it together -- but I think
4 it's just important that people know it's something
5 that is being discussed in various congressional
6 circles.

7 COUNCIL MEMBER CUMBO: Let me ask you
8 this question -- Council Member Torres had a very
9 powerful and meaningful press conference prior to
10 today's hearing, just a short few moments ago; Public
11 Advocate Letitia James spoke at that and also
12 challenged Dr. Ben Carson to come to New York City to
13 have a greater understanding of NYCHA, of the
14 portfolio; of the great need that is already in
15 existence, because cuts at these levels -- I don't
16 even know the appropriate word for it, because it's
17 so dramatic and so drastic and so dangerous to the
18 wellbeing and the health of an entire city -- have
19 you had an opportunity to sit directly and speak to
20 Dr. Ben Carson; has he been invited to New York City
21 so that he has a greater understanding of what he's
22 actually proposing and the impact that it would have
23 on the City?

24 SHOLA OLATOYE: So in short, no, I have
25 not met with Secretary Dr. Carson yet; we have sent

1 two letters of invitation to the Secretary, one upon
2 his acceptance of the nomination and then another
3 when he was confirmed by the Senate. We know that
4 our congressional delegation has also sent letters
5 and/or have made an invitation as well, so we stand
6 ready to welcome and really introduce Secretary
7 Carson to New York, to the New York City Housing
8 Authority and let him see both the work that we have
9 done over the past three years and why it's so
10 important to continue it. You know the one area that
11 he spoke about in his confirmation hearing was the
12 connection to health and housing and we know that
13 there's a direct connection to being able to seal our
14 buildings from water and deal with leaky pipes and
15 deal with issues that you know our residents are far
16 too plagued by, so we'd like for him to see that and
17 be able to give him before and after and you know,
18 with our colleagues from the Department of Health and
19 our residents, you know give him a real sense of the
20 portfolio that he's now in charge of.

22 COUNCIL MEMBER CUMBO: I hope that we can
23 join you in that effort, because it's important that
24 we, in this setting, turn up the volume in a way that
25 our invitations transition into demands of sorts that

1
2 are undeniable for him to respond to. This what has
3 been outlined is going to be horrific for the City of
4 New York.

5 Can you talk a bit about the billion
6 dollar roof repair program; is that program --
7 because it's a 10-year program -- and there was some
8 discussion about doing a \$500 million program over a
9 two-year period so that we can expedite that --
10 because my concern is that as these cuts are
11 implemented, will programs or funding have to be
12 reallocated in order to address those shortfalls?
13 That's question one. And then question two; where
14 will residents begin to feel this shortfall most
15 immediately?

16 SHOLA OLATOYE: So first, you are
17 absolutely right to acknowledge the connection
18 between capital and operating... [interpose]

19 COUNCIL MEMBER CUMBO: Uhm-hm.

20 SHOLA OLATOYE: we were talking about
21 this earlier, which is to say, because we have not
22 been funded to the levels that we are eligible for,
23 for some 20 years, resulting in a cumulative \$3
24 billion operating deficit and capital deficit; this
25

1
2 is what has driven the \$17 billion capital need, so
3 you're absolutely right to connect the two.

4 The billion dollar roof program is an
5 important down payment to allow us to really augment
6 our capacity. We have a \$1.2 billion of work on the
7 street right now -- roofs; other sort of important
8 façade work; other structural work to really protect
9 the integrity of these buildings; what this
10 additional billion dollars or \$100 million a year
11 allows us to do is to augment that work and take it
12 to new buildings that have not seen the types of
13 investments that we are currently doing.

14 And then the third question you asked is;
15 sort of how will residents experience these cuts
16 right away. As I said earlier, you know our first
17 and foremost response is to fight these cuts, but the
18 second response as an operator is to try and protect
19 the progress that we've made over the course of the
20 last three years; we know it's not enough and we know
21 we have a lot more to do, but we don't want to go
22 backward. So the first thing we need to look at is,
23 you know, what are the services that can be paused,
24 slowed down; narrowed that will have an impact for
25 residents, residents needing to wait longer on hold,

1 residents who may not get to have that service item
2 taken care of after 4:30 p.m. Those are the types of
3 things that will have a direct impact on the quality
4 of life for residents, and we are very sensitive to
5 that, so there is no reallocation of funding for us;
6 there are some small things that HUD allows you to do
7 in terms of moving money from capital to operating,
8 but we made a strategic decision to put all of our
9 capital funding into capital so that we can actually
10 fix some of our buildings. So you know, there will
11 be an impact and residents will feel it.

13 COUNCIL MEMBER CUMBO: My final question,
14 because I want all of my colleagues to be able to ask
15 questions -- you're welcome -- this is the most
16 challenging question for me because this goes into
17 NYCHA NextGen; it seems as if the major plan to
18 address a lot of these shortfalls is the dependency
19 on the NYCHA NextGen program. So with that, the
20 NYCHA NextGen program allows us the opportunity to be
21 able to have a capital investment by developers who
22 would be able to develop property on NYCHA's property
23 in order to cover some of those shortfalls, but if we
24 continue to rely on that program as a way to cover
25 these shortfalls, aren't we at the same time while

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2 we're preserving NYCHA's existence also allowing an
3 economic driver in the development world to benefit
4 from the fact that we have these shortfalls at this
5 particular time so that while we're fighting the fact
6 that these cuts are happening, by utilizing the NYCHA
7 NextGen program we're also empowering the same people
8 that we're fighting to end those cuts simultaneously,
9 if you understand what I'm saying in that...

10 SHOLA OLATOYE: Uhm-hm.

11 COUNCIL MEMBER CUMBO: we're fighting
12 cuts but at the same time we're employing and
13 empowering the same people that we're looking to end
14 that same dynamic. What is the future of NYCHA
15 NextGen; is it going to be accelerated; are there
16 going to be substantially more programs?

17 SHOLA OLATOYE: Okay.

18 COUNCIL MEMBER CUMBO: As you know -- and
19 it's not as if I'm revealing something -- there is a
20 great fear of NYCHA residents of privatization and if
21 we expedite a program such as this in order to cover
22 those shortfalls, in some ways it would play into --
23 to me, in my opinion -- exactly where this particular
24 administration would want to see us.

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2 SHOLA OLATOYE: So first let me say you
3 know NextGeneration NYCHA was released two years ago
4 and it's a 100-page document, it's a plan; plans
5 evolve, plans adapt; they need to, otherwise, you
6 know, we would be operating without real-time data.
7 NextGen was always more than development; it was a
8 clear line in the sand that as a housing operator we
9 had to do things differently, so there were a lot of
10 things that were talked about in the plan; yes,
11 development was one of the revenue-producing
12 strategies outlined, but it wasn't the only thing.
13 We were very clear that there needed to be a
14 fundamental change to the way that we do business, so
15 really, you know joining the Digital Age to help us
16 eliminate paper, upscale our workforce, deliver on
17 better customer service; all things that take a lot
18 of time and lot of commitment and a culture change,
19 to be totally candid, so I think it's important to
20 note that it's more than development.

21 The other thing is; I have spent hours,
22 lots of time with residents and I both have heard and
23 see and I see the fear that people have when they
24 look around what's happening in their neighborhood
25 and then they see what we are doing, what we need to

1 do in order to raise some unencumbered revenue for
2 the Authority. So I think there are a couple things
3 that we've done to try and counter that. One is to
4 try and give people facts about where we are
5 financially, that we don't have the luxury of not
6 doing things because they're hard or that they're
7 unpopular; that this is also not a silver bullet;
8 we've never said development was the only way that
9 NYCHA was going to right itself, there were some
10 conservative estimates about the revenue that we
11 expect over the next 10 years and then, you know, as
12 the Chair indicated in some of his questioning, given
13 what could happen in the broader sort of economic
14 market, those numbers could change as well. So we
15 don't have the luxury of not doing some of these
16 things; I do think it means it's ever more important
17 that we begin with engagement first and that we give
18 people facts about what the capital needs are of
19 their development and the very real choices that
20 we're having to make; of course we want people to
21 have new kitchens and bathrooms; of course we want
22 people to have new windows that aren't windy and
23 leaking; our ability to meet those needs are nearly
24 nonexistent and so I completely hear you in terms of
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2 are we not trading one thing for another, but in the
3 hear and now, unfortunately I don't have the luxury
4 of not exploring these opportunities; happy and
5 welcome other ideas that we should be looking at. I
6 also think it's important that as our development
7 work is, first and foremost for us, looking to raise
8 revenues, but it's also seeking to add to the broader
9 affordable housing supply for the City, which we know
10 is a huge need. We have 250,000 people on our
11 waiting list and we know that there are many more who
12 seek affordable housing. So these aren't easy
13 decisions that we've come to, but I think if we can
14 lead with facts, with a lot of meetings and a lot of
15 time with our residents; I am not saying that I will
16 convince people that this is the thing that is... you
17 know that they will be happy about it, but hopefully
18 people can understand our commitment to trying to
19 keep public housing public and trying to ensure that
20 they can see some meaningful investments in their
21 building, and we might look different in five or 10
22 years, but our buildings and our commitment to the
23 most affordable housing in New York City remains.

24 COUNCIL MEMBER CUMBO: Thank you.

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2 CHAIRPERSON TORRES: I owe Council Member
3 Van Bramer an apology because you had the previous
4 slot of questioning, so I apologize about that; that
5 was an oversight on my part.

6 COUNCIL MEMBER VAN BRAMER: No worries; I
7 will take double the amount of time that Council
8 Member Cumbo took. [laughter] Thank you very much,
9 Mr. Chair.

10 So I was struck by something that you
11 said in your testimony, Madam Chair, and that is; you
12 asked the question: What is the level of service we
13 can tolerate? And I know how you meant that and I
14 know how you conveyed it, but in the spirit of citing
15 these absurd, draconian and really dangerous cuts, I
16 would say we should be asking President Trump: What
17 is the level of service people in public housing
18 deserve? What is the level of service that people
19 living in public housing in our country need? What
20 is the level of service that people in public housing
21 are entitled to? Because housing is so basic, it's
22 so elementary; it's about dignity and I don't think
23 that [background coughing] President Trump
24 understands that or could even begin to understand
25 that. But I just want to say that -- are you alright

1
2 there? That's alright, ma'am [sic]. Donald Trump
3 gets a lot of us very upset and I understand your
4 reaction, [laughter] so I just want to say -- you
5 asked us to fight, right and I represent, as you
6 know, Queensbridge Houses, Ravenswood Houses and the
7 Woodside Houses and I'm ready to fight and we've been
8 fighting and will continue to fight because cutting
9 HUD, reducing funding for NYCHA and Section 8 is
10 deplorable; we should be talking about increasing
11 funding dramatically. But I wanted to ask you a
12 little bit about the fight, so there's such a spirit
13 of activism right now in this country; it's the only
14 good thing that's come of this, is that so many young
15 people are fired up and ready to go, as President
16 Obama asked us all those years ago, and obviously
17 you, as an agency and we as a city can't engage in
18 partisan political activities, but we can sure as
19 hell advocate; we can sure as hell lobby for the
20 things that we believe and are good, so I just wanted
21 to ask you, because you know and you've talked to
22 other chairs; is there a march on Washington for
23 public housing and if there isn't, shouldn't there
24 be, and you have 400,000 residents, at a minimum, and
25 how are we mobilizing and organizing and harnessing

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2 that power, right, to shame this president into doing
3 the right thing, because that may be the only way he
4 does the right thing is if he's shamed into doing the
5 right thing?

6 SHOLA OLATOYE: You're right; I was
7 having a reaction. [laughter] So you are absolutely
8 correct that this is going to require a concerted and
9 sustained effort; there isn't, that I know of, a plan
10 to march on Washington, but perhaps there should be,
11 but I think, more importantly, beyond one day of
12 action, which is important and symbolic, what we have
13 been focused on, and I'm very sensitive to our role,
14 my role as a public official and stewarding public
15 resources, is really partnering with out colleagues
16 around the country looking for some unlikely voices
17 as well. It's a little known fact that Section 8 has
18 been a bipartisan program, one that is supported by
19 republicans and democrats alike; there are a lot of
20 small and rural towns who have a lot of Section 8 and
21 so we are actually partnering with our colleagues at
22 NAHRO, which is a national affordable housing
23 industry group, the Council on Large Public Housing
24 Authorities, the Low-Income Tax Credit Coalition, and
25 others, to identify who those folks are. So we also

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2 are working very closely with our congressional
3 delegation who has begun to map those members -- and
4 probably more senators -- who have large Section 8
5 portfolios in their regions, because really -- you
6 know it's interesting; my colleagues from -- I
7 believe it's El Paso, Texas -- when they talk about
8 the Rental Assistance Demonstration program, they
9 talk about jobs created, they talk about capital and
10 economic impact, it's the same program, and I think
11 that there's an opportunity for some unlikely
12 alliances there for us to amplify the message of why
13 it's so important to continue investing in public
14 housing. So I think there's a huge opportunity; I
15 will rely on our labor colleagues and our colleagues
16 in the community-based space; we will provide data,
17 we will provide information to help mobilize I think
18 what has been referred to as the "sleeping giant"
19 that is NYCHA, because I think this is a real
20 opportunity for us to make our voices heard and
21 finally see the types of resources that we know we
22 need. I don't think it's going to be easy, but you
23 know what our focus has to be on, in addition to
24 fighting these cuts, is trying to maintain a level of
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2 basic services to the 400,000 residents of public
3 housing and the 200,000 in Section 8.

4 COUNCIL MEMBER VAN BRAMER: Right. And I
5 think that's where you came from with that -- what is
6 the level of service we can tolerate -- given the
7 assault on public housing that we're currently
8 seeing. And all of that work with the congressional
9 and senate delegations obviously have been incredibly
10 vital and important, but I thought I heard you say in
11 the testimony, maybe in response to the Chair's
12 question, that there are some cuts that can be made
13 by the executive branch and by the Secretary; no
14 doubt... [crosstalk]

15 SHOLA OLATOYE: That's correct.

16 COUNCIL MEMBER VAN BRAMER: congressional
17 approval... [interpose]

18 SHOLA OLATOYE: That's correct; that's
19 what we've experienced to date, right... [interpose]

20 COUNCIL MEMBER VAN BRAMER: Right. So...

21 SHOLA OLATOYE: are the administrative
22 changes.

23 COUNCIL MEMBER VAN BRAMER: Right. So
24 that's staving off maybe, you know, the worst
25

1
2 potential outcomes, but there are still horrific
3 outcomes that are possible and even being realized...

4 SHOLA OLATOYE: Right.

5 COUNCIL MEMBER VAN BRAMER: without the
6 ability for that well-meaning senator or
7 congressional representative from a red state...

8 SHOLA OLATOYE: Right.

9 COUNCIL MEMBER VAN BRAMER: joining those
10 of us in the blue...

11 SHOLA OLATOYE: Right.

12 COUNCIL MEMBER VAN BRAMER: states that
13 agree.

14 SHOLA OLATOYE: So you know look, I think
15 this is why it's so important to have a face-to-face
16 with Secretary Carson, to sit with whoever is on his
17 team to let them know what the impact is of these
18 administrative changes that result in real changes...

19 [crosstalk]

20 COUNCIL MEMBER VAN BRAMER: Right.

21 SHOLA OLATOYE: cuts for us. You know I
22 will be in Washington tomorrow and be meeting with my
23 sort of career colleagues at HUD to talk through what
24 this means, what should we expect; I mean, in
25 fairness to them, I don't think that they know,

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2 honestly, but I think it would be really important
3 for us and we welcome your help in making the case to
4 the Secretary and his team that, you know we have to
5 explain what this means for 400,000 people.

6 COUNCIL MEMBER VAN BRAMER: Yeah. No, I
7 wish you Godspeed in your meeting with Secretary
8 Carson, should and when that happen, but obviously I
9 am concerned, as you are; as we all are, about what
10 this means for the residents of Queensbridge and
11 Ravenswood and Woodside and all of our public housing
12 developments all across the city.

13 I thought you also said that we don't yet
14 know what's in store capital-wise...

15 SHOLA OLATOYE: That's correct.

16 COUNCIL MEMBER VAN BRAMER: and how are
17 you planning for that; accounting for that, given
18 what already appears to be a lack of support and a
19 lack of a commitment for public housing in this city
20 and this country? One might assume that once we see
21 a budget for real from this administration that we
22 may see steep cuts in capital as well.

23 SHOLA OLATOYE: That's right, we've not
24 received any formal notification on the capital
25 program and we are in constant contact and checking

1 the website to see if there's anything posted. As I
2 said earlier, you know we have already asked the
3 capital group to take a look at all of our projects
4 that are currently in design, things that haven't
5 made it to the bidding stage yet, things that don't
6 have actual dollars attached to them, to both
7 understand the scale and scope of those projects, but
8 also to see you know kind of where they are in terms
9 of resources expended already, staff resources
10 expended, potential... you know, A&E contracts,
11 architecture and engineering contracts that may have
12 already been expended, because we have to understand
13 the cost benefit of pulling something where we may
14 have already spent resources on. So that is an
15 exercise that we're doing right now, but you
16 absolutely are right; fewer resources, fewer capital
17 resources will mean fewer rehabilitation projects
18 underway.

20 COUNCIL MEMBER VAN BRAMER: I'll just
21 close with this; obviously we have a long way to go,
22 but I feel like from the City of New York, and I
23 think from the City Council there has been a real
24 commitment to public housing and obviously the Mayor
25 has contributed an awful lot too; I'm looking at an

1 article in the current edition of the *NYCHA Journal*
2 and it's about Queensbridge, and it's about an event
3 that you and I participated in, and in some ways --
4 you know maybe renaissance is a very strong word, but
5 I feel like things are really happening, at
6 Queensbridge in particular, and certainly many of our
7 public housing developments because of the
8 investments that you outlined in this article, which
9 I know you know are both the Administration and
10 [background comment] the City Council working
11 together jointly to create the amazing victories that
12 you outline in this piece. So it's particularly
13 devastating that at a time when we feel like maybe
14 we're turning a corner, we're making up for some of
15 the lack of investment, the years of lack of
16 investment; that just as the city is really, really
17 driving this home as a priority, and it matters, that
18 the federal government and President Trump, who
19 ironically comes from Queens, but let me just say, he
20 does not represent Queens any more, and certainly
21 doesn't represent our values in Queens, that this is
22 happening. So I just want to say that there's a lot
23 of victories, there's a lot of great things
24 happening; I'm really proud of the partnership
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2 between the Council and the Administration to make
3 that happen; that's why we have to fight this even
4 more, to make sure that we continue to go in the
5 right direction and not take any steps back, because
6 public housing residents deserve nothing but the very
7 best, so thank you.

8 COUNCIL MEMBER MENCHACA: Thank you
9 Majority Leader Van Bramer, and next on the queue is
10 Council Member Salamanca from the Bronx.

11 COUNCIL MEMBER SALAMANCA: Thank you.
12 How are you, Madam Chair?

13 SHOLA OLATOYE: Good afternoon.

14 COUNCIL MEMBER SALAMANCA: I want to get
15 to... I have a few questions; in terms of the ticket
16 process, when there is an issue in your apartment,
17 can you explain how does that work in terms of you
18 call in actually or use your app; someone comes to
19 your apartment, they inspect; what happens then, when
20 they finally say the ticket is closed?

21 SHOLA OLATOYE: So... and I will make the
22 distinction between a basic repair and then a more
23 sort of complicated or a repair that requires skill
24 trades, so painting, plastering, electrician, or
25 something of that manner [sic], and they are

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2 different and I'll say why. So the first thing, a
3 resident can call our Customer Contact Center or they
4 can, as you indicated, can file a maintenance request
5 ticket via the app; it is scheduled; it then goes to
6 the development and is scheduled; goes to our
7 planning unit, per the borough; it's scheduled; if
8 it's a basic repair it's something that typically, on
9 average, we're getting to in about six days, and
10 basic is everything from, you know, a washer, a
11 doorknob, you know something that doesn't require
12 sort of opening of walls or electricity of some sort.
13 The maintenance person comes to the apartment, the
14 work order is on their handheld, they are assigned,
15 they get there; those are assigned every morning;
16 they blow through them even more quickly than we --
17 we are up about 15% in productivity in our
18 maintenance work orders because of the handhelds --
19 they go to the apartment; if the person is home that
20 work should be done; the resident signs off that that
21 work was done; that is a new step so that we are able
22 to understand sort of accountability at that level
23 when work is getting done; did the resident sign off,
24 etc., and then the ticket is closed.

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2 On the more complicated, sort of skill
3 trades work, where there are multiple steps involved
4 -- a leak has to be fixed, so the plumbers need to
5 come and fix the actual pipe, or actually check
6 oftentimes the entire line of apartments -- that has
7 to be scheduled and sequenced, meaning that plumbing
8 often happens first; then depending on the building,
9 we have 2,600 buildings; they're not all plaster,
10 some of them are different in terms of building
11 construction type, but typically then a plasterer
12 comes in to seal whatever hole had to be made and
13 then a painter has to come and paint that work. I
14 will tell you the sequencing of that work is one of
15 our biggest challenges; while we are much better than
16 we were when we came in, that was upwards of almost
17 70-80 days for that entire process, we're down now to
18 about 55 days; it is still a major pain point for us,
19 the scheduling, when the child ticket is created;
20 child ticket is the next set of tasks that happen
21 once one trade has been done. So this is work that
22 we are currently reviewing very carefully with our
23 business process review team; we know that there are
24 major pain points, both in -- are the supplies at the
25 development; does the person have the right

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2 information about what is needed to complete the
3 repair. These are all things that we're literally
4 learning and pulling apart as we speak. So I'd love
5 to give you a very straight answer, but it is a
6 process that we are very, very deeply immersed in and
7 we know that there are a lot of challenges with it.

8 COUNCIL MEMBER SALAMANCA: So in that
9 process, when a skill trade is needed, the ticket,
10 the original ticket, does NYCHA indicate that the
11 ticket is closed, in terms of the status?

12 SHOLA OLATOYE: If there is more work to
13 be done there is a child ticket that is open, so that
14 ticket remains open and a child ticket is created.

15 COUNCIL MEMBER SALAMANCA: So the
16 original ticket stays open?

17 SHOLA OLATOYE: It should remain open.

18 COUNCIL MEMBER SALAMANCA: Okay.

19 SHOLA OLATOYE: If it hasn't; please see
20 me afterwards and we'll...

21 COUNCIL MEMBER SALAMANCA: So I know you
22 helped me with a constituent of mine at 825 Cauldwell
23 Avenue, where last week her ceiling fell at 6 in the
24 morning, her bathroom ceiling fell at 6 in the
25 morning and she has I believe two children in her

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2 apartment, and I know that she went about three days
3 without water or a working toilet and when I reached
4 out to you personally, that's when things started to
5 expedite and she was able to get her toilet working
6 and her, I guess her wall repaired so that she can
7 use her bathtub, but I'm concerned because -- and I
8 don't mind sharing this with you -- the Sergeant-of-
9 Arms, if you can give the Madam Chair a copy of this.
10 I have tickets going back to September 12 for this
11 particular tenant, where she is complaining about her
12 ceiling leakage from her neighbor upstairs, the water
13 coming down to her bathroom; there's multiple tickets
14 that she had put in and obviously she -- it looks
15 here that she did it via text -- and on the status of
16 all the tickets, if you can see, they all say closed,
17 and then it took -- on March 1st she indicated that
18 she informed Steve, who is from management, to
19 express here concerns that the leak is getting worse
20 in her ceiling and she spoke to a supervisor there
21 and she was simply told that they understand the
22 issue and that the issue would be followed up, and
23 five days later her ceiling fell at 6 in the morning
24 on a Monday, when she has children at home; who knows
25 at what time they get up to get ready to go to

1 school, and I can sympathize with her, 'cause I have
2 a 2-year-old at home, so you know, just to know that
3 you have children at home, and this could have been
4 prevented, and obviously nothing was done and she has
5 documentation that she reported it over and over and
6 over again and nothing was done, is frustrating to me
7 and it's upsetting to me, because here we are talking
8 about the cuts that this president's going to do to
9 NYCHA, but here we have a budget and we can't even
10 resolve the basic needs of our tenants here; it's
11 difficult. So how are we going to improve this
12 process?
13

14 SHOLA OLATOYE: Well first of all, you
15 know, I can sympathize greatly with this case and I
16 don't know the specific details, and I will ensure
17 that my staff follow up; a) with, and one of the
18 important innovations that we now have is we actually
19 have staff accountability for this kind of work, so
20 we can drill down to that level, so we will most
21 certainly look to understand what happened in this
22 case and hold those folks who need to be accountable
23 accountable. The second thing is to say, this is a
24 very tough issue; not specific to this case, but
25 broadly, we have a system that frankly is paper-

1 driven still when it comes to scheduling complex
2 trades, despite our significant investment in
3 technology for staff and so things like this are not
4 acceptable, period, not acceptable -- I'm frustrated;
5 you're frustrated. We are trying to pull apart this
6 process; we are doing that in concert with our
7 colleagues from the trades; I will tell you that
8 there are some things that are sort of structural,
9 there are some rules that make things complicated to
10 actually sequence work in timing, and the expense of
11 this. So you are absolutely right to say we can't
12 even do the basics with what we currently have; we've
13 made a tremendous amount of improvement in three
14 years; there will always be, unfortunately, stories
15 -- we will have unfortunate issues like this and we
16 hope to have fewer of them, 'cause one is too many,
17 but this is absolutely one of our biggest pain points
18 as an operations agency, which is the scheduling and
19 planning of this type of work. So on this particular
20 issue we will deal with the individual ticket and the
21 folks associated with this issue; more broadly, our
22 entire support services and skill trades work is
23 actually under a very intense business process review
24 which is allowing us to really understand where there
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2 are holes; where there are gaps in communication; how
3 to improve; how to ensure things like resources are
4 where they need to be; how to have flags when
5 something should be caught when it is not. So that
6 is a process that we are currently working on and
7 we're starting to see some improvements, most notably
8 in our NGO or Next-Gen Operations portfolio, but I
9 don't sit here to tell you that this is not a major
10 challenge for us because it is.

11 COUNCIL MEMBER SALAMANCA: You know, as I
12 speak to my constituents day in and day out, I have
13 the third NYCHA largest [sic] NYCHA portfolio in the
14 City of New York and that's one of the biggest
15 complaints that I get, that they file a ticket and
16 they find out that the ticket is closed and repairs
17 are never done.

18 Just to move forward on another topic
19 here; how is your staffing on weekends and holidays?

20 SHOLA OLATOYE: Yeah. So as I said, you
21 know we're a 24-hour operations; there is an
22 expectation that people can get a level of service 24
23 hours, seven days a week. We only work straight
24 time, 8 to 4:30, so we pay a premium, the Authority
25 pays a premium for anything outside of that time;

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2 it's very expensive for us, very expensive. One of
3 the things that we had to do, to much consternation
4 when I came in, was to significantly reduce the
5 amount of staff on the weekend, because we simply
6 could not afford it given the structure of our
7 current CBAs. So we are at a very, very reduced
8 level of staff on the weekends; we simply have
9 caretakers right now from 8 to 1 and scheduled
10 maintenance. In the 4:31 to 7:59 a.m. hours, we have
11 an emergency services crew, approximately 12 crews
12 that service the entire city. At some point there
13 used to be 25, I believe; now it's down to about 12
14 -- 18; we increased it. Okay. Actually, it's about
15 18 crews; they are responsible for everything outside
16 of life threatening emergencies across the city. So
17 if someone has a leak; if someone of our team is
18 close, they are dispatched by our emergency services
19 team, and they get there in the order in which they
20 receive it. Is it sufficient? It absolutely is not
21 and yet it is one of our most expensive parts of our
22 service. So when we talk about the impact of these
23 cuts; that is an area that we're going to have to
24 look at even more.

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2 COUNCIL MEMBER SALAMANCA: Alright. You
3 know, again, I know I've reached out to you and I
4 reached out to Brian and your team; I just see a
5 pattern in my district; when there's a holiday
6 weekend and there's a holiday on a Monday, that the
7 grounds are not taken care of, garbage; nothing's
8 taken care of [background comments] and you know, I'm
9 getting calls and emails and email pictures on a
10 Tuesday of the conditions of these units, you know..
11 [crosstalk]

12 SHOLA OLATOYE: You're absolutely right.

13 COUNCIL MEMBER SALAMANCA: and it's
14 disheartening to see that when their rent isn't paid
15 they're immediately taken to court, you know, you're
16 knocking on their door; you're asking them to abide
17 by strict rules and all they want to do is live in a
18 clean environment, and that's all we're asking for.

19 SHOLA OLATOYE: You are absolutely right
20 to demand that and there is no question on Monday
21 mornings our developments are dirtier; we have a
22 reduced staff on the weekends; that is what we can
23 afford, and unfortunately that is exactly the result
24 of the types of financial choices that we've had to
25 make over the course of the last three years.

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2 COUNCIL MEMBER SALAMANCA: Thank you,
3 Mr. Chairman.

4 CHAIRPERSON TORRES: Before I move on to
5 the next questioner; I know NYCHA had a -- I remember
6 a year ago from last year's hearing you had a
7 projected deficit of \$60 million; is that...

8 SHOLA OLATOYE: That's correct.

9 KAREN CALDWELL: Yes, that's correct.

10 CHAIRPERSON TORRES: How did you close
11 that deficit?

12 KAREN CALDWELL: We closed it with an \$8
13 million surplus for 2016 and really just... you know a
14 lot of the efficiencies that had started with NextGen
15 NYCHA, you know had started to come into fruition.
16 You talked a little bit about Central Office; in 15
17 and 16 we really reduced head count by about 217
18 employees; I think 145 through attrition and 72 being
19 transferred to other City agencies; that amounts to
20 about a \$24 million a year savings for NYCHA.

21 CHAIRPERSON TORRES: Well just again,
22 'cause the \$60 million was based on projections of
23 the... [interpose]

24 KAREN CALDWELL: **[inaudible]**
25

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2 CHAIRPERSON TORRES: the impact of those
3 initiatives, so what was wrong with your projections;
4 what did you underestimate?

5 KAREN CALDWELL: There were a few things
6 that came in differently, so one is; our utility bill
7 was lower and utilities is, you know, we're really
8 making an estimate based off commodity prices, so
9 that was a change; another difference was, as I said,
10 head count; we saved in head count, and I believe
11 that the...

12 SHOLA OLATOYE: The rent.

13 KAREN CALDWELL: yeah, rent was a bit
14 higher, because as you recall, last year we moved to
15 more people paying the flat rent, and so that
16 increased our rent collection.

17 SHOLA OLATOYE: And then development.

18 CHAIRPERSON TORRES: So the head count,
19 the rent collection, and what was the third variable
20 that you mentioned...

21 KAREN CALDWELL: Utilities.

22 CHAIRPERSON TORRES: was enough to close
23 a \$60 million deficit?

24 SHOLA OLATOYE: Uhm-hm.
25

1
2 CHAIRPERSON TORRES: Did you receive the
3 same proration that you had expected or?

4 KAREN CALDWELL: So last year we received
5 90%, which was slightly higher -- 90.2 or so...
6 [crosstalk]

7 CHAIRPERSON TORRES: And did you...

8 KAREN CALDWELL: slightly higher than
9 what we **[inaudible]**.

10 CHAIRPERSON TORRES: And what did you
11 plan for?

12 KAREN CALDWELL: I believe it was 89.

13 CHAIRPERSON TORRES: Okay.

14 KAREN CALDWELL: Yeah.

15 CHAIRPERSON TORRES: Council Member
16 Menchaca.

17 COUNCIL MEMBER MENCHACA: Thank you,
18 thank you, Chair... Chairs. You know I think... I'll
19 start with what's in the news right now, where
20 everyone's preparing about the snow, and in Red Hook
21 we've had a lot of good times and bad times as far as
22 the kind of resources that are allocated to the
23 grounds for response, and so if you want to give a
24 general response for everybody about how we're
25 preparing for tomorrow's snow, that'd be great; the

1 things that are coming to us from the TA leadership
2 and from the residents are; we don't have enough
3 people on the ground that are both kind of removing
4 snow, (1); (2) spreading salt and so if there's a way
5 that you can kind of talk to us about how this
6 particular budget is responding to that so that we
7 can get the areas cleared for.. and I'm talking about
8 Red Hook specifically, but this is across the board,
9 for emergency services; (1), to all the services that
10 are coming, for medical reasons, food, nutrition and
11 all the health-related items; I'll leave you at that.

13 MIKE KELLY: Good afternoon, Mike Kelly,
14 General Manager. First of all, we're working very
15 closely with the City's Office of Emergency Response,
16 Emergency Services; in that regard we are developing
17 communication tools between us and to the other City
18 agencies for things like health and things like
19 transportation and schools and sanitation, etc. For
20 our purposes, we are spending the day today refueling
21 our equipment, ensuring that we have our assignments
22 in place for tomorrow morning; tonight we will
23 actually be starting things like this salting and
24 preparing; tomorrow is a regular workday for NYCHA;
25 we'll be looking at a 6 a.m. start and we'll go

1 through to ensure that we will not stop until the
2 snow is removed, because this is going to be an
3 extended period of cold and so we want to make sure
4 that the snow is off the ground so it doesn't create
5 black ice moving forward here.

7 COUNCIL MEMBER MENCHACA: Right. So
8 again, I hear the intention, I'm not questioning the
9 intention of NYCHA; what I am questioning is; do the
10 NYCHA campuses across the entire city have adequate,
11 and how are you measuring that they have the adequate
12 staff necessary? I just haven't seen it you know,
13 and the second piece is -- and this is budget-
14 related; are you calculating a new budget for this
15 next year that we'd like to respond to and understand
16 and see that responds to that need if that need isn't
17 being met? So how are you measuring your success in
18 the past -- I'm telling you you're failing -- how are
19 you measuring that success and how is this next
20 budget responding to that and making sure that we
21 have adequate resources on the ground to remove and
22 salt the areas?

23 SHOLA OLATOYE: So if I mean, I think
24 there are three different questions there; one is;
25 have we prepared a budget in response to the

1
2 President's budget, and the answer is no, because it
3 hasn't been released yet and we expect that may be, I
4 think at the end of this week, so we'll have a
5 clearer sense of what the anticipated cuts will be.
6 We've only seen what's been reported in the news;
7 we've not actually seen a HUD budget, so that's the
8 first thing. Secondly, we are, as I said earlier,
9 making an immediate review around services that might
10 need to be narrowed, shared, put on pause to deal
11 with what will certainly be additional cuts. The
12 third question you asked is; do we have adequate
13 staff; I guess a complicated question, as we have
14 lost \$1.2 billion in operating funding since 2001 on
15 the operating side, so if you talk to our colleagues
16 and our staff, they would say no, we don't have
17 adequate staff; we used to be at 16,000 and now we're
18 just under 11,000. So the reality is; we're staffed
19 at what we can currently afford. The budget that we
20 put together for 2017 was a conservative estimate.
21 We actually made some hard decisions, like cutting
22 Central Office positions and actually reinvesting
23 those back into the front-line, so as CFO Caldwell
24 said, 152 positions cut from the Central Office
25 actually translated into an additional 220 or so

1
2 front-line positions, which we're currently hiring --
3 caretakers and maintenance -- because we heard, I
4 heard; we hear, every development that we go to says
5 that they need more staff.

6 In addition to bodies though -- and yes,
7 we are an operations agency -- we also need to work
8 differently and that's what's been interesting about
9 our Flex Ops pilot, which is getting us to think
10 about how we do our work differently. And so at this
11 point can we say we have adequate staffing, given our
12 outcomes? I think that's a difficult proposition. I
13 can tell you the progress we've made, which is, we're
14 getting to work faster, we're 15% more productive in
15 terms of the maintenance -- what our maintenance men
16 and women are doing every day, I have that data --
17 and we know that there is more to do. So there's a
18 snow response, but then there's I think a global
19 response, which is what I heard you indicating.

20 COUNCIL MEMBER MENCHACA: Thank you.

21 Look, this is not going to be easy, but I guess what
22 -- we'll be there tomorrow and we'll monitor yet
23 again and we'll be measuring our own sense of your
24 success on that front, so I hope everything is kind
25 of set for and be ready for tomorrow's storm, and it

1
2 might be the biggest storm of the entire season. So...
3 [interpose]

4 MIKE KELLY: Yeah, if I can... if I can,
5 just a **[inaudible]**... [crosstalk]

6 COUNCIL MEMBER MENCHACA: Sure, go ahead;
7 I have a few other questions, but go ahead.

8 MIKE KELLY: Part of the next **[inaudible]**
9 NYCHA is actually geo mapping and setting priorities
10 around how we do snow removal and we have systems in
11 place for regular and periodic checking in on our
12 pre-established expectations of how major arteries
13 are cleared and then the secondary arteries, etc.,
14 etc., so I look forward to having that conversation
15 with you, because it just reinforces our double-check
16 of the systems we currently have in place.

17 COUNCIL MEMBER MENCHACA: Great; looking
18 forward to hearing more about the geo mapping.

19 So I want to move over to the kind of
20 Section 8 conversation that the Chair was having and
21 some others, and really kind of thinking about -- a
22 kind of general question, Chair. How do you see
23 yourself as an advocate for Section 8 beyond NYCHA,
24 and so are you our champion in the federal government
25 to really kind of push the conversations around

1
2 Section 8, even project-based Section 8 housing in
3 the city, and just kind of want to get a sense from
4 you about how you understand your responsibility as
5 NYCHA Chair?

6 SHOLA OLATOYE: Well as the head of the
7 country's largest housing authority, I think my
8 responsibility is pretty clear, which is to try and
9 steward the housing for more than 600,000 New
10 Yorkers, so that's never a question for me. I think
11 what has been elevated is the importance of the
12 national connections that we need to make and have
13 made. I think... you know there's a saying in the
14 public housing field, you know, New York goes the way
15 the rest of the country. So we have been very vocal;
16 I will continue to be very vocal in both speaking
17 engagements over the course of the next several weeks
18 in Washington in front of national audiences, talking
19 not just about the cuts to public housing; not just
20 what that risks in the public housing program, but
21 certainly in our Section 8 program. Look, you know
22 one of the things that we fought pretty vigorously at
23 the Chair's behalf, Chair Torres' behalf, was a
24 change to the Section 8 program that was proposed at
25 the end of the Obama Administration that would have

1 had an impact on some 52,000 households in the Bronx,
2 essentially lowering the amount of rent, the subsidy
3 to landlords; effectively increasing their rent.

4 This Chair, Chair Torres mobilized people across the
5 city, landlords got onboard; we had a very, very
6 robust conversation and pushback on -- and this
7 wasn't necessarily a political conversation; it was
8 really a sort of administrative and ideological
9 conversation happening within the halls of HUD to say
10 New York is different; New York is a low-vacancy,
11 high-rent city and changes that may have -- you know,
12 while laudable effort and objective around
13 integration and economic mobility, New York is a very
14 different marketplace, as are other low-vacancy;
15 high-rent cities. So our advocacy I think was born
16 out, you know really at the Chair's leadership and
17 this agency's to say Section 8 is an important
18 component and foundation of the affordable housing
19 infrastructure in New York City.

20
21 COUNCIL MEMBER MENCHACA: Thank you for
22 that. And it's really more -- just because I think
23 folks at home that are probably listening to this
24 right now are just trying to understand how it all
25 works and whether or not Section 8 is just a NYCHA

1
2 thing; really it's a kind of citywide thing outside
3 of NYCHA and you are in so many ways, including our
4 biggest champion here, Council Member and Chair
5 Torres, and so I guess what I want to do is just kind
6 of connect the dots in District 38, really connecting
7 the massive project-based Section 8 housing in Sunset
8 Park and really making sure that we think about this
9 holistically as we fight the big battle up in
10 Washington, and really relying on you to make sure
11 that that understanding is real and it is; I'm just
12 saying, this is an important thing for people at home
13 to hear as well, that you're going to be fighting for
14 the kind of larger system itself; the bigger items,
15 but also the kind of smaller pieces, like you just
16 mentioned.

17 SHOLA OLATOYE: Yeah. And I guess I
18 would say, you know, absolutely it's important for
19 the public to understand the differences, but you
20 know, Section 8 is a bedrock -- most affordable
21 housing in New York City outside of public housing is
22 actually in very small homes of which Section 8 is a
23 primary revenue to those landlords and to those
24 communities. So you know, I think we will continue,
25 and if I haven't done so, I will be even more vocal

1
2 about it, about how important not only the Section 8
3 program is, but also HAP, not only in supporting the
4 families that receive it, but in the creation of
5 additional affordable housing; this is how we have
6 been able to support the HPD Affordable Housing
7 program with additional HAP contracts. So this is a
8 very important resource that is also at risk.

9 COUNCIL MEMBER MENCHACA: Well and on
10 that note, some of our Section 8 housing residents in
11 the district are really kind of pushing a new kind of
12 concept to really open -- and this actually something
13 we said at the press conference earlier -- that the
14 ingenuity of the City and how can we respond with the
15 resources we have now and the infrastructure to help,
16 say through economic empowerment, through REES and
17 other kind of food business pathways, all these other
18 programs and making them actually available to all
19 Section 8 housing residents, to really make sure that
20 we encompass a larger impact for support. And so is
21 that something that has been thought of from you and
22 the kind of perspective of what NYCHA's doing...?

23 [crosstalk]

24 SHOLA OLATOYE: I don't think I
25 understood your question, I'm sorry.

1
2 COUNCIL MEMBER MENCHACA: Plainly said,
3 could a Section 8 housing recipient, from Sunset Park
4 say, use the REES resources...? [crosstalk]

5 SHOLA OLATOYE: Absolutely.

6 COUNCIL MEMBER MENCHACA: And so that's
7 not something that's understood and so, for example,
8 like, I didn't know that that's possible and that's
9 something that we could tout in our district offices
10 and say, if you're here for an empowerment program,
11 we can take you to this NYCHA piece, and that's --
12 and this is news to me; this is why I'm asking,
13 because our residents didn't know that, and so I
14 don't know if there's any Sunset Park folks here
15 right now, but it'd be good to talk about that,
16 rebrand that and bring more avenues of access to that
17 empowerment.

18 SHOLA OLATOYE: Well I definitely will
19 look forward to working with your office and others
20 to make that a reality.

21 COUNCIL MEMBER MENCHACA: Awesome. Thank
22 you. Great... [crosstalk]

23 SHOLA OLATOYE: I don't have any money
24 **[inaudible]**, but other than that, we can talk about
25 it.

COUNCIL MEMBER MENCHACA: Great news;

let's work together very quickly to kind of turn that around. Which brings me to another, a larger kind of outreach question; so many of our residents, and some of them are here from Red Hook, don't believe anything that we're saying on the ground about what's happening, specifically in some of our Sandy-impacted neighborhoods where they're saying nothing's happening, and so I don't believe that because I know that that's not true, but what responsibility do you have to get that outreach out about what's actually happening and how are you measuring that success on the ground to get more people knowledgeable about the texture of the work and the impact that you're having -- again, just with one concept, the Sandy dollars that are coming down; we're in the middle of design; I mean we're so far ahead, there's jobs on the way, there's a lot of work that's happened here, so what's your responsibility on outreach and does this budget -- and again, this is more of the city money; does our city influx into NYCHA address that outreach question?

SHOLA OLATOYE: No, there's no city money for outreach. So you know, I actually, I think I

1 would love to ask you what more we should be doing in
2 the Sandy work, because we have, with your help, I
3 think done a tremendous amount of -- I mean the Sandy
4 team actually is a completely separate team from the
5 rest of the resident engagement work that we do at
6 the Housing Authority, and so I'd love to, you know
7 with your office, you know sit down and get some
8 additional recommendations about what more we can do.
9 I know in 2016 alone there were over 300 meetings in
10 Sandy-impacted developments; there's effort to, in
11 terms of, you know materials in multiple languages,
12 you know mailings, robocalls, lobby meetings,
13 resident association meetings, meetings with you;
14 breakfast with others, so you know I think in
15 addition to an actual Sandy newsletter that sort of
16 talks about the progress of work in the 35 impacted
17 developments. So you know, look, I think when it
18 comes to engagement the lesson is more and often, and
19 it is something that has been a really important
20 lesson for the Authority, but also a bit of a culture
21 change. As a large organization, a post goes out and
22 of course we assume 400,000 people know about it. We
23 recognize now, and this has been a process in how we
24 train and up-skill staff to recognize that there may
25

1
2 be different ways in which people get information;
3 there may be multiple way... you may have to tell
4 people the same thing 10 times before they believe
5 you or before they hear you. So I don't know that
6 there is... and there's some data and I'm sure the
7 Sandy team would be happy to sit with you to talk
8 about the number of meetings, the number of high
9 touches that we've had, the number of meetings, the
10 sign-in sheets, all of that, the sort of kind of
11 input data.

12 COUNCIL MEMBER MENCHACA: Right.

13 SHOLA OLATOYE: I think the real proof
14 will be construction start in those apartments and
15 those buildings are brought not only back, but more
16 resilient, and I think that will be the test and
17 that's clearly what we also have to be focused on as
18 an agency.

19 COUNCIL MEMBER MENCHACA: And so I think
20 in your response, putting it back on me and I thank
21 you for that, because what I'll do is, I'll bring it
22 back to the community and ask them what more we can
23 do and I'll be happy to bring that back to you on
24 just like the kind of outreach... [crosstalk]

25

1
2 SHOLA OLATOYE: And one other thing, if I
3 could just say, is, you know, particularly in the
4 face of what is a significant uncertain financial
5 future, we made a resource commitment to do
6 engagement differently at the Housing Authority as
7 part of NextGeneration NYCHA; it's baked into the
8 plan; it's the fourth pillar of our plan. Have we
9 always gotten it right? No. Has it changed; does it
10 need to adapt? Absolutely. But it's actual
11 personnel staff and expenses that goes to doing the
12 kind of evening meetings, which will mean overtime;
13 weekend meetings which, will mean overtime. So I say
14 that to say we absolutely want to have a conversation
15 with you about additional work, with an
16 acknowledgement that at some point we're making
17 decisions between meetings and maintenance.

18 COUNCIL MEMBER MENCHACA: And again, I
19 thank you for that and we're looking forward to the
20 conversation that'll happen by putting residents at
21 the core... [crosstalk]

22 SHOLA OLATOYE: Great.

23 COUNCIL MEMBER MENCHACA: and center of
24 that conversation about how they want to be contacted
25 and outreached to, which kind of leads me to -- I

1
2 have two more questions -- the next segue is
3 participatory budgeting and something that we have
4 been doing citywide through our capital discretionary
5 program at City Council; can you tell us a little bit
6 about that and how you're thinking about that and
7 supporting or not supporting or kind of adopting the
8 concepts of participatory budgeting, bringing our
9 residents into the decision-making about how to
10 really allocate resources, and there are multiple
11 resources that are going into NYCHA'S campuses; how
12 do you understand the concept of a people's budget as
13 the chair and what role you can play to bring that
14 into NYCHA?

15 SHOLA OLATOYE: So I think the most
16 honest response that I could have to that question
17 is; at our 50/50 sites, or our NextGen Neighborhood
18 sites is where I think the truest form of what you
19 would call the people's budget actually would exist.
20 You know one is; there are new resources and I think
21 it's a different conversation when you have new
22 resources as opposed to not enough resources or very
23 constrained resources. So at our NextGen
24 Neighborhood sites, in consultation with our
25 residents at those two sites, we made a commitment

1 that 50% of the revenues generated from the
2 development at those sites will go back to that
3 development and that residents would have a role in
4 determining how those resources are spent. So, for
5 example, here is the updated physical needs
6 assessment for Holmes or for Wyckoff; we know that --
7 and I'm making this num.. you know -- bathroom costs
8 \$20 million or windows cost, you know, \$15 million --
9 let's have a conversation about how the resources
10 generated from that development can go meet those
11 needs. So I think that's probably where you will see
12 where we hope to see the truest form of residents
13 really understanding the capital needs of their
14 developments. Look, there is no question that
15 residents want to see a lot of things, as they
16 should, everything from new play space and greenery
17 and farms and things that are more than just the
18 building. But here and now our first and foremost
19 priority has to be to keep these buildings standing,
20 and so that is a conversation that, you know with
21 that context, that we would look forward to working
22 with our residents on.

24 COUNCIL MEMBER MENCHACA: I think you're
25 right, and maybe we can talk a little bit later about

1
2 that kind of commitment; what that commitment is and
3 numbers and then... [crosstalk]

4 SHOLA OLATOYE: We don't have the numbers
5 yet, but **[inaudible]**...

6 COUNCIL MEMBER MENCHACA: yet, okay. So
7 then soon you can get that back to us. And that kind
8 of leads to a comment and then my final question, but
9 the Red Hook Initiative recently took it upon
10 themselves, with community-led discussion and survey,
11 to bring something to light about mold in Red Hook
12 Houses and really kind of did a real analysis about
13 how mold is impacting apartments in the Red Hook
14 community and where apartments that never had mold
15 before have it now post Sandy and really looking at
16 even the kind of real health impacts, where seniors
17 that never had asthma before are now seeing and
18 exhibiting asthma for the first time. These are real
19 issues and I think a lot of what the Sandy project is
20 kind of geared to do will solve some of that, but
21 that's where community came in, made it their
22 priority, did their own analysis, and brought it out
23 to light and that's a people's budget, it's bringing
24 the kind of democratic process back to the people to
25 teach us and tell us how we need to focus on time

1 [sic]. And I know we have a lot more questions, but
2 the last one is regarding the \$100 million of State's
3 enacted budget; can you give a status of that
4 allocation; how has it been made available to NYCHA
5 and are those things being and.. well actually, just
6 give us an update; what's going on with those...?
7

8 [crosstalk]

9 SHOLA OLATOYE: Sure. Sure. So you're
10 referencing the \$100 million that was in the 2015
11 State budget that was allocated for the Authority but
12 dispersed or set aside to be administered through HCR
13 and the Dormitory Authority of New York. So as I
14 understand it -- and I'll tell you why I say it like
15 that -- there are about \$12 million that's actually
16 been expended in projects that are complete -- and
17 this is an estimate -- I know seven security projects
18 have been completed and there are many appliances
19 that have been purchased and installed. There's
20 another \$30 million or so that's in design or under
21 review and then the remaining part, the balance are
22 projects that are under scope, from what I
23 understand. Our staff works very closely with the
24 Dormitory Authority, weekly calls to both assist them
25 in understanding our campuses -- they've never worked

1 on Public Housing Authority before or building, so
2 some of these buildings are single standalone
3 buildings -- to understand the contracting that comes
4 along with it and to understand some of the
5 challenges of our buildings -- you want to put new
6 appliances into our apartments, that's great;
7 oftentimes some of our gas lines have not been
8 replaced in 30 years; when you turn off the gas and
9 you turn it back on, the gas lines are probably not
10 going to sustain the test. So there are some issues
11 like that that we've had to kind of work through from
12 an operational standpoint. So you know, we, aside
13 from providing a lot of information and a lot of
14 coordination support to them, it's really something
15 that the Dormitory Authority is leading.

17 COUNCIL MEMBER MENCHACA: Got it. And
18 that kind of reminds me of a situation in Red Hook
19 where a whole gas line went down and really congrats
20 to your team -- Brian Honan and really the entire
21 team just gave us all the information we needed to
22 address it; didn't remove the fact that the entire
23 line was down for two months and you responded, but
24 that just presented a larger conversation about the
25 entire Red Hook East and West; not just that, but

1
2 citywide, where gas lines are needing repair, and so
3 again, this is, for me, your kind of report about the
4 State allocation; it's a little... it's discombobulated
5 in how you're essentially purchasing items that might
6 not end up being able to go into the apartment
7 because of the issues that you... and so the
8 coordination there seems -- and this is something
9 that the Chair has been fighting on a lot of
10 different fronts, but just confirm that that's the
11 truth and how you're dealing with it moving forward,
12 because I think there's a lot of misinformation on
13 the ground about what this is and this isn't.

14 SHOLA OLATOYE: So first, a couple
15 things: 1. we're not purchasing anything; this is
16 money that the Dormitory Authority has; 2. one of the
17 results of having old buildings that haven't been
18 invested in is when you do go and try and bring
19 buildings up to 2017 building codes, oftentimes you
20 have system failures. This does not mean that we
21 have unsafe gas issues throughout our portfolio that
22 are unreported or etc.; the City, this Administration
23 has taken those issues very, very seriously. It is
24 when you go to do an upgrade that you recognize that
25 there are more infrastructure issues that need to be

1
2 addressed. So we are very committed and ultimately,
3 these are resources for our residents to improve the
4 quality of life. Whatever coordination and support
5 we can offer our colleagues at the State to do this
6 is absolutely in our interest and is something that
7 -- I was in Albany last Tuesday talking about this
8 and this remains a really important part of our work.

9 COUNCIL MEMBER MENCHACA: Thank you,
10 Chair.

11 CHAIRPERSON TORRES: I want to follow up
12 on Council Member Menchaca's question, because
13 obviously much has been said about the federal
14 government, which is the primary funder of public
15 housing. You noted that the Mayor and the City
16 Council are making an historic investment, about \$1
17 billion over 10 years; it seems to me the State is
18 missing in action and about two years ago the
19 Governor decided to divert \$100 million away from
20 roofs toward these member item, ribbon-cutting
21 projects and when asked why he insisted on going
22 through DASNY rather than NYCHA, he said; I quote,
23 "The State has a superior record of construction."
24 So I would love to compare NYCHA's record to DASNY's
25 record, so over the last two years you're telling me

1
2 that out of \$100 million, only \$12 million has been
3 spent; only 12 million projects over the course of
4 two years has been completed?

5 SHOLA OLATOYE: That's correct.

6 CHAIRPERSON TORRES: So 12% of projects.
7 And how many roofs have you replaced over the last
8 two or three years?

9 SHOLA OLATOYE: Over the last two or
10 three years -- I'll have to get you that exact
11 number. Another measure -- and while they're looking
12 at that; they'll tell me -- How much?

13 CHAIRPERSON TORRES: Well I guess a quick
14 question is; the largest public housing development...

15 SHOLA OLATOYE: 400? Go ahead. Sorry.

16 CHAIRPERSON TORRES: The largest public
17 housing development is Queensbridge...

18 SHOLA OLATOYE: That's correct.

19 CHAIRPERSON TORRES: you got it done?

20 SHOLA OLATOYE: Yes, under... six months
21 ahead of schedule.

22 CHAIRPERSON TORRES: That alone is
23 hundreds of roofs.

24 SHOLA OLATOYE: Forty-three roofs.
25

1
2 CHAIRPERSON TORRES: Forty-three roofs.
3 Okay. Any other projects you got... [interpose]

4 SHOLA OLATOYE: The -- well as you know,
5 we worked together at Parkside; it's soon to be
6 completed there... [crosstalk]

7 CHAIRPERSON TORRES: Yeah.

8 SHOLA OLATOYE: Another important
9 indicator that HUD judges authorities by is the
10 amount of time that it takes us to actually attach
11 money to a project and then spend it; in 2013 it was
12 about 18 months; that's down to eight months now and
13 you have up to... and we're now spending their
14 resources in less than 24 months. So we are getting
15 money; we are obligating money faster and we are
16 getting more work done faster.

17 CHAIRPERSON TORRES: Right, so over the
18 past two years, NYCHA has successfully installed
19 roofs in the largest public housing development in
20 North America... [crosstalk]

21 SHOLA OLATOYE: And we're **[inaudible]**...

22 CHAIRPERSON TORRES: whereas the State is
23 struggling to install toasters over a two-year
24 period; [laughter] is that... so that's the Governor's

25

1 description of his superior record of construction.

2 Council Member Gibson.

3
4 COUNCIL MEMBER GIBSON: Thank you very
5 much, Chair Torres. Good afternoon, Chairwoman...

6 [crosstalk]

7 SHOLA OLATOYE: Good afternoon.

8 COUNCIL MEMBER GIBSON: it's good to see
9 you and your team and I agree and echo the sentiments
10 of Chair Torres. I think the bureaucracy, and as a
11 former member of the State Assembly and recognizing
12 that the \$100 million that we were given is being
13 funneled through two agencies is a major problem.
14 It's concerning that it's been two budget years and
15 we're still not at a place where the full \$100
16 million has been spent. Most of that money has been
17 given out to, obviously, State Assembly Members and
18 they have put in their allocations, so it's a little
19 challenging and we're working with our State
20 colleagues and our money is moving at a quicker pace
21 than our colleagues in Albany. So it's very
22 frustrating and I know that if it was any other
23 agency in this city, the conversation would probably
24 be a little bit different, so I'm sad that
25 unfortunately NYCHA is being penalized for Albany red

1
2 tape, but certainly I want you to still be
3 encouraged, right? We're still having conversations
4 and the money is still trickling very slowing down
5 the pipeline, but hopefully, and in maybe the next
6 budget cycle we'll have the \$100 million spent; we'll
7 see. I'm trying to remain positive and optimistic.

8 But I certainly wanted to echo the
9 sentiments of Council Member Menchaca as we prepare
10 for tomorrow and the weather; many of us, and just
11 speaking about myself, I worked directly with my
12 tenant association president just to make sure that
13 the grounds, the walkways; the entrances and exits of
14 our developments are covered, so if I do get any
15 concerns, Brian knows that I will call him, 'cause I
16 call him all the time. But I just want to make sure
17 that we're getting prepared as best as we can.

18 SHOLA OLATOYE: Sure. So one of the
19 important things that we have instituted is; 1. just
20 communicating out what the plan. So I think you all
21 should've... all of the members of Council should've...
22 or staff at least, should've received an email this
23 morning I think with an [background comment]
24 invitation to a webinar or a conference call
25 [background comment] about NYCHA's snow emergency

1
2 plan. The other thing I would say, just the
3 residents at are here; if predictions are to come
4 true, this is going to be a very heavy and very
5 continuous snowstorm, so our staff -- give us the
6 benefit of a doubt that we are coming back around;
7 staff actually have to report in at, I believe, the
8 8 a.m. or 8:30 a.m. muster to talk about what they've
9 already done in terms of a first pass; that occurs
10 several times over the course of the day, [background
11 comment] and then we have spot checks that will
12 [background comment] happen as well; I will be out
13 throughout the city, as I am every snowstorm. And
14 you know, the most important thing for us to make
15 sure that our employees remain safe [background
16 comment] and that we keep them refreshed so that --
17 tomorrow's going to be a very long day, [background
18 comment] so if residents do not have to go out,
19 [background comment] I would encourage them not to,
20 because the more people out for us means having to be
21 more aware of pedestrians and other type of campus
22 activity.

23 COUNCIL MEMBER GIBSON: Right; agreed.
24 And you know, feel free; we certainly want to help
25 you in that regards. I know while most services are

1 shutting down, City workers are always working..

2 [crosstalk]

3 SHOLA OLATOYE: That's right.

4 COUNCIL MEMBER GIBSON: and we appreciate
5 everything they do, whether it's snow, sleet, rain,
6 or any other kind of weather...

7 SHOLA OLATOYE: We'll be there.

8 COUNCIL MEMBER GIBSON: so I appreciate
9 the work we do and I know sometimes we only
10 acknowledge them when we need to, but we should
11 acknowledge them every day, so I just want to say
12 publicly on the record; certainly on behalf of all of
13 my developments, from Highbridge Gardens, Sedgwick,
14 Forest, Butler, Morris, Webster, Franklin, Claremont
15 Consolidate, thousands of residents that live in my
16 district, I certainly want to thank all of you in
17 advance for all of the work you do. The last
18 snowstorm I was impressed; my district as well as the
19 Bronx was well taken care of, so I appreciate it in
20 advance, so let's make sure we stay prepared.

21 SHOLA OLATOYE: Absolutely.

22 COUNCIL MEMBER GIBSON: I wanted to ask a
23 couple of questions and certainly I've been working
24 with you and your staff; we have countless meetings,
25

1
2 and while I may criticize, I always complement and
3 give credit, right, because I want to make sure I do
4 my part so I don't just say that we need to fully
5 fund NYCHA -- the Federal Government, the State, as
6 well as the Council and this Administration, but
7 through my own local pot, I make sure every year that
8 one or more of my developments is getting funding.
9 So I don't just talk about it; I make sure I invest
10 money where my commitment is, because I recognize
11 that the residents that live in our developments,
12 their services shouldn't be impacted by the President
13 that sits in the White House, unfortunately. We have
14 to not only be creative, but we have to find ways to
15 work within the system, because at the end of the day
16 it's not their fault, it's not any of our fault, but
17 we are the ones that they are holding accountable.
18 So I pledge to work with you to find ways to be
19 creative, because we know the financial challenges
20 that NYCHA already has and obviously could
21 potentially get worse. So I wanted to ask a question
22 about elevators. I know the Mayor made an
23 announcement on the roofs over a 10-year allocation;
24 is there a plan in place to look at some of the
25 elevators in our developments; is there an assessment

1
2 that your team does to determine what's the worst;
3 what's moderate in terms of replacement; and how can
4 we be helpful for many of our developments that are
5 aging in terms of their elevators?

6 SHOLA OLATOYE: Thank you for your
7 question. So elevators are, you know, NYCHA has the
8 largest elevator program in the city, something like
9 three billion trips a year, so just the sheer scale
10 of our operation is pretty significant; approximately
11 \$100 million every year in expenses to run that
12 portfolio. At any given time, the sort of outage
13 rate is less than... less than one outage a month and
14 in terms of the assessment that you asked, as part of
15 our overall physical needs assessment, elevators are
16 certainly a part of that, and as I mentioned earlier,
17 we are currently updating that physical needs
18 assessment, so we are actually going to a select
19 number of developments to assess which elevators and
20 their state, etc.

21 As part of our Five Alive campaign that
22 we launched last year, which is really about employee
23 safety and resident safety, we instituted a number of
24 sort of policy and protocol changes around
25 assessments and checks, and I'm please to say; in

1 less than three -- I believe it was three months --
2 we were able to check all of our elevators and so
3 have a very clear sense of where our issues are and
4 have then deployed our staff to now do preventive
5 maintenance. So one of the issues that I hear when I
6 go out to developments is; NYCHA took the elevator
7 out of service; we are doing that more to actually
8 get on top of and in front of the now preventive
9 maintenance that we know we need to do. As part of
10 our major modernization efforts, there are some
11 elevator replacements as part of that; we can get you
12 the specific numbers... [crosstalk]

14 COUNCIL MEMBER GIBSON: Okay. Within the
15 factors that you use to assess the level of priority
16 on renovation and/or replacement, how do you use
17 tenant complaints? So if we have developments in our
18 district where elevators are always out of service --
19 and I think of one of my developments that you're
20 well aware of -- should I have the residents continue
21 to call? And in particular, some of the developments
22 that I think we should always look at, in terms of
23 more, are senior buildings. Senior-designated
24 buildings need more attention than average, just
25 because they're seniors. So to what level are you

1 including the residents' complaints and the number of
2 calls you're getting about elevator malfunctions in
3 your assessment of a level of priority?
4

5 DEBORAH GODDARD: Good afternoon, I'm
6 Deborah Goddard, EVP for Capital Projects. We have
7 our five-year plan and assessments; we look at the
8 work order tickets and we sit down with our
9 [background comment] elevator unit in Operations, so
10 we do look at that information to prioritize what
11 we're putting into our capital plan.

12 COUNCIL MEMBER GIBSON: Okay. How often
13 do you look at the tickets?

14 DEBORAH GODDARD: We amend our capital
15 plan once a year; it's on a once-a-year cycle, so
16 we'd be sitting down generally once a year with the
17 elevator group to find out what their priorities are
18 in terms of replacing units versus just fixing them.

19 COUNCIL MEMBER GIBSON: Okay. Do you do
20 anything within that year?

21 DEBORAH GODDARD: From a capital
22 perspective, we are [sic] talking about replacing..
23 [crosstalk]

24 COUNCIL MEMBER GIBSON: Yeah.
25

1
2 DEBORAH GODDARD: the elevator group is
3 doing repairs all the time.

4 COUNCIL MEMBER GIBSON: Okay. Okay,
5 thank you; nothing else on the elevators.

6 I wanted to ask about the NYCHA-run
7 senior centers; we had 15; last year we allocated \$3
8 million to keep them open one more year; I believe
9 one of them, Manhattanville, I believe, was a senior
10 center that we were able to contract out; there were
11 14 remaining, I represent two of them -- Highbridge
12 Gardens and Sedgwick -- these are small senior
13 centers; enrollment numbers are probably not where
14 they should be, but I think it's because of the level
15 of services that are in these centers. NYCHA still
16 runs them, there are very little services and there's
17 no food; when you don't have food, seniors don't come
18 out; that's just the way it is. When you have no
19 food, most people don't come out, let alone seniors.
20 So I wanted to find out with this budget year are you
21 still having conversations with DFTA and where are we
22 with these 14 NYCHA-run senior centers; what are we
23 doing this year with them?

24

25

1
2 SHOLA OLATOYE: So the 14 centers that
3 you referenced are some of the smallest remaining in
4 our portfolio... [crosstalk]

5 COUNCIL MEMBER GIBSON: Yes, but still
6 important.

7 SHOLA OLATOYE: Absolutely. And one of
8 the reasons why they don't have food is because they
9 don't have kitchens and so that is one of the primary
10 reasons why the numbers are where they are. Our
11 intention is that these centers will remain open and
12 that the services that are currently provided would
13 continue.

14 COUNCIL MEMBER GIBSON: What was the last
15 part?

16 SHOLA OLATOYE: Would continue.

17 COUNCIL MEMBER GIBSON: Okay. Okay. And
18 some of the Council Members -- at least just let me
19 speak for myself -- I'm willing to work with NYCHA in
20 terms of some of the services that we would like to
21 see at those centers; I don't know how we can get a
22 food program without a kitchen thought, that may be a
23 challenge; what about Food Pantry, Food Bank of NYC,
24 one of the organizations that could provide a level
25 of food services; is that an option?

1
2 SHOLA OLATOYE: Well those organizations
3 tend to provide more staples in terms of food; not
4 necessarily.. [crosstalk]

5 COUNCIL MEMBER GIBSON: Okay.

6 SHOLA OLATOYE: meals, and those are two
7 of our biggest partners; they serve a number of our
8 developments on a weekly basis, so we do have
9 partnerships with them, but I think what you're
10 talking about is an actual meal and delivery program...
11 [interpose]

12 COUNCIL MEMBER GIBSON: Uhm-hm.

13 SHOLA OLATOYE: that, you know, DFTA
14 would be the expert here in understanding how to
15 support that and how to fund it.

16 COUNCIL MEMBER GIBSON: Okay. The
17 Neighborhood Map program, the 15 NYCHA developments
18 that we've been working extremely well with, the
19 multi-agency; the \$200 million we've invested,
20 recently you and I were at Castle Hill; we announced
21 the installation of the LED lights for the 15
22 developments, not just Castle Hill, but Butler as
23 well; many residents that live in NYCHA that don't
24 live in the 15 really like the LED lighting and I
25 know that obviously there is a cost, but outside of

1
2 the Neighborhood Map, outside of the 15, are there
3 any plans to install those type of enhanced lighting
4 at any of our other NYCHA developments?

5 SHOLA OLATOYE: Well first I want to
6 thank you as Chair of Public Safety Committee,
7 because you have been a real advocate for these
8 resources, [background comment] and hopefully more,
9 which is an answer to your second part of your
10 question. We have completed construction at nine of
11 the 15 on the permanent, new LED lighting..

12 [interpose]

13 COUNCIL MEMBER GIBSON: Uhm-hm.

14 SHOLA OLATOYE: more often than not, they
15 also include new CCTV and new doors as well at those
16 developments; the other developments are currently
17 underway, and we have been in very active
18 conversations with our colleagues at OMB to really
19 think about not just the continuation of temporary
20 lighting, but what a permanent plan would look like.
21 So it's something that we know residents would like;
22 we have certainly made that case and so we'll have
23 to, with your leadership and perhaps our colleagues
24 at MOCJ and others, can hopefully see some additional
25 resources to support a permanent lighting program.

1
2 COUNCIL MEMBER GIBSON: Okay. And it
3 will be helpful as we keep talking if we could see
4 numbers... [crosstalk]

5 SHOLA OLATOYE: Absolutely.

6 COUNCIL MEMBER GIBSON: just in terms of
7 how much it costs; I know most of the item we're
8 talking about are big ticket and they're expensive,
9 and to the extent that we can, lighting is a public
10 safety component; not just cameras and inner common
11 [sic] new doors, but people generally feel safe when
12 the lighting is better in their development, so while
13 I appreciate Neighborhood Map and what it's done for
14 the 15, I want to make sure I can get the rest of my
15 developments and others covered as well.

16 The \$100 or so million that was allocated
17 through the District Attorney of Manhattan, DA Cy
18 Vance has been gracious with asset forfeiture
19 dollars; that \$100 million included a security plan;
20 the installation of cameras and other measures at
21 some of our NYCHA developments; I'm not sure where we
22 are with that and I guess my concern was; it seemed
23 like a one-time infusion and even after the
24 installation of the cameras and other measures, it's
25 really left up to the Housing Authority to maintain,

1
2 which we don't have money for. In terms of outside
3 of your budget, there is no other revenue stream that
4 would provide the mechanism to operate these cameras;
5 right?

6 SHOLA OLATOYE: That is correct...

7 [crosstalk]

8 COUNCIL MEMBER GIBSON: Okay.

9 SHOLA OLATOYE: there is an ongoing
10 operating cost that is associated with CCTV
11 installation and maintenance; I have a whole team of
12 people who spend time fixing cameras, pulling tape
13 and while we acknowledge the importance of them, it
14 is a cost that's currently not funded. In terms of
15 the District Attorney's resources, that money has
16 been part of the map initiative, so that has gone to
17 support the construction of the permanent lights at
18 the 15.

19 COUNCIL MEMBER GIBSON: And it moved
20 faster than money from the State. It did. Yes,
21 that's great.

22 SHOLA OLATOYE: Yes it did.

23 COUNCIL MEMBER GIBSON: Just for the sake
24 of time, I know that -- I'll turn it back over to our
25 Chair, but you know, your job is an incredible

1 challenge, as is everyone else's job, but one thing I
2 can say is; I appreciate your consistency; whenever I
3 call; whenever I reach out, there's always a response
4 and you understand that we're your partners; we want
5 to compliment the work you're doing. It's not easy;
6 I applaud the efforts traveling to DC and making our
7 voices heard; it's really sad that we have to do this
8 in this climate, because the challenges we're facing
9 with potential cuts from the feds, it only make sit
10 worse, but I know that at the end of the day I'm
11 going to do my best, I'm going to do my part to make
12 sure that we reassure our residents that their
13 quality of life is important, regardless of anything,
14 we have to continue to fight the good fight, stand
15 tall where we can and make sure that we can get the
16 funding that we need. So you can certainly count on
17 me on behalf of my borough; more than happy to help
18 you and keep having conversations about how we can
19 continue to support. I guess my last comment is the
20 god awful scaffolds that are all over NYCHA and the
21 work that is not being done. What I didn't
22 understand before until I spoke to your staff is; in
23 many instances the Department of Buildings goes out
24 and puts the scaffolding up; whether you have the
25

1
2 money or not to address the issue; whether it's
3 infrastructure, falling debris, etc., so without any
4 funding or plan, for that matter, the scaffolding
5 remains up. So I sat with your team several months
6 ago and we went over every one of my developments and
7 where we are with the scaffolding, the timeline of
8 removal, and you know again, it's a challenge,
9 because as you have a schedule, I turn around and
10 there's another scaffolding at another development,
11 and so I can't keep up, you know, I'm losing control
12 of my scaffolding; I don't know... every time I think I
13 get one down there's another one that goes up..

14 [crosstalk]

15 SHOLA OLATOYE: Welcome to our world..

16 [crosstalk]

17 CHAIRPERSON TORRES: It's Whac-A-Mole,
18 Whac-A-Mole; right?

19 SHOLA OLATOYE: Welcome to our world,
20 Councilwoman... [interpose]

21 COUNCIL MEMBER GIBSON: Very frustrating.

22 SHOLA OLATOYE: So you are I think
23 rightfully expressing the frustration that I'm sure
24 our residents feel and certainly my staff feel, so I
25 think a couple things; one, it was really important

1
2 to this Mayor and to this Administration that we make
3 a concerted effort to remove decades-long...

4 [crosstalk]

5 COUNCIL MEMBER GIBSON: Right.

6 SHOLA OLATOYE: scaffolding that had been
7 up for years with no work, and so we took down close
8 to nine miles of scaffolding across the city when we
9 first came in. You are correct; as part of a sort of
10 cyclical program that the Department of Buildings
11 oversees -- Local Law 11 -- there are constantly
12 changing requirements that landlords have to be
13 compliant with and one of those is, under the new set
14 of rules or requirements; if an inspector deems
15 something unsafe, you put up scaffolding; god forbid
16 you don't and something tragic happens, so we have
17 done that, like every landlord in New York City.

18 This Mayor has made a tremendous investment; we made
19 the case that this was something that our residents
20 were disproportionately being affected by, so I
21 believe there is \$72 million in this year's capital
22 budget that will be utilized for Local Law 11

23 [background comment] -- and I'm looking at my capital
24 team -- you know, we'll complete that work this year
25 and another cycle will happen next year. So look,

1
2 two-thirds of our buildings are 60 years old or more,
3 so it is not surprising that we have issues like this
4 and that our colleagues at DOB and the inspectors who
5 work hard, who are also municipal workers, would find
6 issues that need to be rectified. Our challenge is:
7 a) the resources to do it, 'cause we are not funded
8 by the federal government [background comment] to be
9 compliant with Local Law 11, and so to date, the
10 Mayor has certainly supported us to address some
11 portion of those scaffolds and the scaffolding, but
12 this remains a challenge for us as we try and
13 preserve our buildings, either through the roof
14 replacement program or others.

15 The other side of scaffolding is; there's
16 a lot of work happening; we're doing \$1.2 billion of
17 rehabilitation projects on the street, and so what
18 that means for residents is fewer leaks, fewer issues
19 in terms of water in their apartments and coming
20 through their windows... [crosstalk]

21 COUNCIL MEMBER GIBSON: Uhm-hm. Right.

22 SHOLA OLATOYE: Construction is a messy
23 and uncomfortable business and we know that that has
24 an impact on our residents. On the other side, we

25

1
2 are doing much needed and overdue work that is also
3 important to preserving these buildings.

4 COUNCIL MEMBER GIBSON: Agree. And I
5 know that the majority of the scaffolding that's up,
6 there is work being done, but then there's a large
7 portion where they are up and there is not work being
8 done, and I think while we make efforts as a city to
9 be extremely careful and cautious and we take every
10 precaution seriously, putting these scaffoldings up
11 when there is no work being done creates a jeopardy
12 to public safety for residents there, it creates the
13 shadows, it creates, you know, certain corners where
14 people just don't feel safe. So I see it from both
15 sides, like you do, and certainly, you know whatever
16 we can do to be supportive, I would be grateful,
17 because I feel like I'm losing control and I don't
18 want to feel that way. Thank you very much, Chair
19 and thank you Chair Torres.. [crosstalk]

20 SHOLA OLATOYE: Thank you.

21 CHAIRPERSON TORRES: Although those
22 scaffolds are **[inaudible]** into Local Law 11 which we
23 do control, so the Council's to blame here.

24 The billion dollars over the course of
25 the next 10 years, is that there were many advocates,

1 including myself, who thought the billion dollar
2 investment was substantial but not sufficient, right;
3 according to NYCHA's own capital needs, you have \$4.8
4 billion worth of building exterior needs and then \$2
5 billion worth of mechanical, electrical, plumbing;
6 heating needs, and those are the needs that you have
7 at this moment in time, right; not 10 years from now.
8 And so many of us feel strongly that the City could
9 do more and should be investing more; I've said if we
10 could invest \$2 billion in a streetcar, why not
11 invest in the homes of half-a-million New Yorkers, so
12 I do believe we have our priorities in the wrong
13 place. But then a second point has been made about
14 the timeframe, is why 10 years; why can't we get it
15 done in five; why can't we get it done in two or one
16 year? Does NYCHA have the capacity to execute this
17 capital project in an expedited timeframe? What's
18 the limit of your capacity?

20 SHOLA OLATOYE: Anticipating this
21 question we absolutely went back and sharpened our
22 pencils and we can do it in five years; that is what
23 we currently do; we receive about a -- have received,
24 I should say -- about \$1.2 billion from the federal
25 government for a five-year capital plan. So if we

1
2 were to receive an additional \$1 billion over five
3 years, we could absolutely do that; we are doing it
4 now.

5 CHAIRPERSON TORRES: Okay, so that will
6 inform the position that the Council will take; is
7 that you could actually spend \$1 billion over five
8 years...

9 SHOLA OLATOYE: That is correct.

10 CHAIRPERSON TORRES: that's... Okay, very
11 good.

12 SHOLA OLATOYE: The one thing I will say,
13 and this is something that is not specific to NYCHA,
14 is; with more work in the marketplace, costs will be
15 higher, so just as a -- you know, there is a lot of
16 work down the street [sic]... [interpose]

17 CHAIRPERSON TORRES: Right. It's also
18 true that if you defer these improvements costs will
19 be higher, so... [crosstalk]

20 SHOLA OLATOYE: Absolutely. Absolutely.
21 So there... But I just think... think it's important...
22 [crosstalk]

23 CHAIRPERSON TORRES: and that cost will
24 be much higher **[inaudible]**.

1
2 SHOLA OLATOYE: from a procurement and
3 contracting perspective, if we start... and we're
4 already seeing contracts that are coming in at 20;
5 25% higher than what we had already engineered and
6 bid, so it's just... we can absolutely do it from a
7 capacity standpoint; it will be a bit more expensive.

8 CHAIRPERSON TORRES: And as far as
9 closing the operating deficit, my understanding is
10 that NYCHA has the ability to transfer some of their
11 capital funding to operations; is that correct?

12 KAREN CALDWELL: That is correct; we can
13 transfer capital to operating. The issue we have is
14 that, our capital budget has been about \$300 million...
15 [interpose]

16 CHAIRPERSON TORRES: Right.

17 KAREN CALDWELL: a year coming, from the
18 federal government, and over a five-year period, our
19 five-year physical needs assessment is \$17 billion,
20 so we're only talking about getting a fraction of
21 what we need and so to try to move that into
22 operating, I'm not saying we don't have the ability
23 to do it, but it might in the end cost us more
24 because we're deferring... [interpose]

1
2 CHAIRPERSON TORRES: So my concern is
3 that you might transfer dollars away from
4 infrastructure improvements to close your operating
5 deficit. So are you telling me that that's off the
6 table?

7 KAREN CALDWELL: Well we were able to not
8 do it in 2016, because again, as I stated, we came
9 out with an \$8 million surplus and it was certainly...
10 it is not built into our 2017 budget, but our 2017
11 budget which we adopted had a \$21 million surplus and
12 that was in advance of these further reductions and
13 proration that we're receiving, so I can only tell
14 you that at this point **[inaudible]**... [crosstalk]

15 CHAIRPERSON TORRES: Was that an
16 exceptional year or are you able to normally avoid
17 diverting funds away from capital toward operation?

18 KAREN CALDWELL: I don't believe that
19 prior to my joining NYCHA -- I'm not sure
20 **[inaudible]**... [crosstalk]

21 CHAIRPERSON TORRES: Well you've only
22 been here for a year, so that's not representative...
23 [crosstalk]

24 KAREN CALDWELL: That's what I'm saying;
25 I'm not sure whether or not in the past people have...

1 that NYCHA has not taken money out of cap;

2 [background comment] I think routinely they had and
3 now, you know we were trying to shift away from it.

4
5 SHOLA OLATOYE: So historically we -- and
6 I just think it's important to note -- HUD does allow
7 public housing authorities... [interpose]

8 CHAIRPERSON TORRES: Yeah.

9 SHOLA OLATOYE: to use up to 20% of their
10 capital funding to support operations. I think on
11 average we had done between 10 and 12%, and I think
12 going back to about 2001... [interpose]

13 CHAIRPERSON TORRES: Is that the federal
14 portion of your capital funding?

15 SHOLA OLATOYE: The federal portion of
16 our capital... [crosstalk]

17 CHAIRPERSON TORRES: Okay.

18 SHOLA OLATOYE: budget. We had done
19 between 10 and 12%, so 10 or 12% of our capital was
20 going to operating; largely in the form of staff
21 salaries, etc. We made, as an executive team, a
22 strategic decision to not do that in 2017 because of
23 the very real and sort of dire state that we find our
24 buildings in. Because of the work that we've been
25 able to do around NextGen; because of the operational

1
2 work and changes that we've made, we felt like this
3 was the year to actually push as much money into that
4 capital program as possible. I would be lying to you
5 if I said it's completely off the table in the face
6 of what could be additional cuts. That was the
7 decision that we made in 2017 and we're still holding
8 to that; if it has to change, we certainly would make
9 you aware of that.

10 CHAIRPERSON TORRES: And the 4,000 units
11 -- as you pointed out earlier, there are 4,000 units
12 in the portfolio that have no dedicated funding
13 stream, neither Section 9 funding nor Section 8?

14 SHOLA OLATOYE: That's correct.

15 CHAIRPERSON TORRES: My frustration with
16 NYCHA is that every year I get a new number, so last
17 year I was told that you forewent -- what was it, \$60
18 million in revenue [background comment] and now
19 there's a new revenue estimate; am I...

20 SHOLA OLATOYE: I don't know that it was...
21 well, there were about 4,500 units last year and
22 frankly, due to our work to try and turn -- when
23 those units have come open from a vacancy
24 perspective, we've been able to put a Section 8
25 voucher in, which is frankly the way that we've been

1
2 able to reduce that number since they were
3 federalized in **[inaudible]**... [crosstalk]

4 CHAIRPERSON TORRES: There was a dramatic
5 difference between the number that was reported.
6 What is the number this year?

7 KAREN CALDWELL: \$25 million.

8 CHAIRPERSON TORRES: So \$25 million; last
9 year we were led to believe the number was \$60
10 million or somewhere in the range of \$60 million.
11 But you're foregoing \$25 million of revenue, so it
12 seems like NYCHA has made gradual progress, but for
13 the most part, failing to aggressively or
14 expeditiously convert those units. Is there a new
15 strategy that you're pursuing this year or?

16 SHOLA OLATOYE: I'm going to invite Cathy
17 Pennington to answer your question.

18 CATHY PENNINGTON: So the good news is;
19 you know there's two portfolios -- LLC I and LLC II
20 -- in LLC I, actually 95% of what we call the
21 eligible units for conversions have been converted;
22 there's only about 100 units left, which we'll
23 handling during turnover. LLC II is the portfolio
24 that has no subsidy, and again, we can only turn
25 those units over at vacancy, so since we projected

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2 that would take another 10 years to fully subsidize
3 those properties, we have submitted a plan to HUD to
4 request their assistance to do an in-place conversion
5 plan; it's at the very early stages; we submitted the
6 plan to HUD for guidance... [interpose]

7 CHAIRPERSON TORRES: Is this your first
8 time submitting that plan?

9 CATHY PENNINGTON: This revised plan,
10 yes.

11 CHAIRPERSON TORRES: Have you requested
12 in-place conversion in the past?

13 CATHY PENNINGTON: No.

14 CHAIRPERSON TORRES: So this is your
15 first time in... in... [crosstalk]

16 CATHY PENNINGTON: Yes, because the last
17 conversion...

18 CHAIRPERSON TORRES: since 2008.

19 CATHY PENNINGTON: was what they called
20 voluntary; it was a voluntary conversion previously.
21 So we are beginning discussions with HUD on that
22 plan; in fact HUD, many of the headquarter staff are
23 coming to NYCHA this week and we will continue the
24 conversation... [interpose]

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2 CHAIRPERSON TORRES: But I just find that
3 remarkable; I mean, the voluntary Section 8 program
4 dates back to 2008.

5 CATHY PENNINGTON: Yes, but voluntary
6 meant that the residents could choose to take Section
7 8, the residents who live there now...

8 CHAIRPERSON TORRES: Right.

9 CATHY PENNINGTON: or not, and they chose
10 not to take Section 8. And NYCHA did not have a
11 vehicle by which to force someone in voluntary...

12 [crosstalk]

13 CHAIRPERSON TORRES: But it just seems
14 for... for NYCHA to go nine years without requesting
15 the ability to have an in-place conversion uh just
16 strikes me remarkable; I mean we've been foregoing
17 hundreds of millions of dollars in revenue; if we had
18 the revenue from the voluntary conversion, there
19 would be no deficit. So it's just a frustration; I'm
20 not clear if it... [crosstalk]

21 CATHY PENNINGTON: Yeah, I would agree,
22 yeah.

23 SHOLA OLATOYE: Look, I think that there
24 is... this was one of the issues that we identified as
25 a major drag for us on the annual operating budget.

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2 I will say because of how we're funded and because of
3 how these units are funded, we need HUD to say yes;
4 we need HUD to partner with us. Could this have been
5 done four or five years ago? Perhaps. Was there an
6 appetite for it? I don't know. Here is where we are
7 now. I will tell you; the ability to even get to
8 this point for HUD to accept a plan has taken a lot
9 of time and effort, because HUD initially didn't want
10 to, for whatever reasons and decisions that were made
11 as part of the previous Administration. So we are
12 working very closely; we hope to get a positive
13 result, and you know, this is an area where we have
14 some control; as units become available we turn on a
15 Section 8 voucher, but it would be most expeditious
16 for us to just have HUD give us their blessing to
17 make it mandatory.

18 CHAIRPERSON TORRES: Sure, I agree with
19 that and it's worth the effort, but if HUD is
20 currently cutting your funding; something tells me
21 that they don't want to take on more of your units
22 for the purpose of funding them. And so what's the
23 plan in the absence of HUD approving your request for
24 in-place conversion... [crosstalk]

25

1
2 CATHY PENNINGTON: The plan is continue
3 with the conversions as the units are vacated...
4 [interpose]

5 CHAIRPERSON TORRES: Are there incentives
6 that you can offer the residents to convert their
7 units to Section 8?

8 SHOLA OLATOYE: We have not explored the
9 incentive piece for us, from our funding, given our
10 limited sources, but if that's something that you
11 would be willing to talk with us about, we'd
12 absolutely talk to you about it... [interpose]

13 CHAIRPERSON TORRES: Well if it means
14 that you generate... that's an ongoing revenue source
15 for the Housing Authority, right; if you convert
16 those units, it's not a one-time infusion; it's an
17 ongoing revenue source, so the one-time incentive
18 that you provide the resident is far outweighed by
19 the benefit of a perpetual revenue source for those
20 4,000 units. So... [background comment]

21 SHOLA OLATOYE: You know and I think
22 incentives sound interesting and I think for us, we
23 have to just be mindful that we're using public
24 resources and we don't also want to put the resident
25 in danger of all of a sudden their income being now

1
2 different and then their overall rent calculation's
3 changing. I think your point -- and we hear you very
4 loudly -- is that it was a missed opportunity; now we
5 are focused on it and we are working with HUD to make
6 it happen. And you know we're operating in the now;
7 another discussion is, you know, is there another
8 affordable housing disposition that could be done;
9 could we use tax credits; could this become an
10 affordable housing transaction as well? That
11 obviously would need to be part of a broader
12 conversation in terms of the resources that we need
13 in other parts of our portfolio. So we're pursuing
14 this as a strategy and if we need to do something
15 different, we will have to pivot and do that.

16 CHAIRPERSON TORRES: You referenced the
17 Capital Needs Assessment earlier; the \$17 billion
18 capital need dates back to the 2011 Capital Needs
19 Assessment, so has there been -- you said you're in
20 the process of finalizing the Capital Needs
21 Assessment for 2016...? [crosstalk]

22 SHOLA OLATOYE: It's in process now.
23 It's in process now... [crosstalk]

24 CHAIRPERSON TORRES: And...

25 SHOLA OLATOYE: HUD...

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2 CHAIRPERSON TORRES: is the number
3 rising; do we have a number beyond the \$17 billion?

4 SHOLA OLATOYE: We'll know year end; it's
5 a process that's currently underway.

6 CHAIRPERSON TORRES: Okay. You have no
7 number at the moment?

8 SHOLA OLATOYE: I don't have a number.

9 CHAIRPERSON TORRES: So you couldn't tell
10 me whether it's rising or falling?

11 SHOLA OLATOYE: I could make an
12 inference, but I don't... [crosstalk]

13 CHAIRPERSON TORRES: Okay.

14 SHOLA OLATOYE: I mean but I don't have
15 any data to support it... [crosstalk]

16 CHAIRPERSON TORRES: What is your best
17 inference; do you believe that the capital need has
18 risen or fallen?

19 SHOLA OLATOYE: I think our buildings
20 have gotten older; I think that we have not invested
21 and we are making significant investments, but if I
22 were, you know, inferring based on what we've seen
23 and **[inaudible]**... [crosstalk]

24 CHAIRPERSON TORRES: So even with the
25 investments that we've made...

1
2 SHOLA OLATOYE: There's a lot of work
3 underway, but there's a cyclical nature to this work;
4 I would imagine that was done in 2011; you know, it's
5 been a while and that number probably will increase.

6 CHAIRPERSON TORRES: HUD is proposing a
7 \$6 billion reduction -- I'm sorry, the Trump
8 Administration is potentially proposing a \$6 billion
9 reduction in HUD's budget, right, which is separate
10 and apart from the prorations; do we know what that
11 translates into, in terms of lost funding for NYCHA?
12 Can you give me a sense of the impact that it would
13 have on the operation of the Housing Authority?

14 KAREN CALDWELL: The only thing I can do
15 is refer to the article that talked about HUD's
16 annual budget going from \$4.5 billion to \$3.9
17 billion, which is a 13% reduction. For us, if it
18 were to translate through in terms to proration,
19 every 1% is \$10 million, so I would say somewhere
20 between \$100 and \$150 million to NYCHA.

21 CHAIRPERSON TORRES: And what if those
22 cuts were to materialize; what happens? What's the
23 worst-case scenario? I mean, people want to know...
24 [crosstalk]

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2 SHOLA OLATOYE: You know one of the
3 things that we have been preparing for, and I think
4 for those residents who lived through Hurricane
5 Sandy, a major event that hit the Authority when we
6 didn't have cash reserves to rely upon was a major
7 challenge just in the basic operations of the day-to-
8 day. So we have worked to get that from four weeks
9 to two and a half months, and so that is your sort
10 of, your rainy day fund. What we need to do and are
11 doing as we speak is looking at those services, as
12 I've mentioned, that occur after hours, on the
13 weekends; things that are, frankly, some of the more
14 expensive things that we pay for, given the way that
15 we're structured.. [interpose]

16 CHAIRPERSON TORRES: Yeah, but it seems
17 to me if the cuts rise to the level of hundreds of
18 millions of dollars, we're not only talking about
19 after-hour services; we're talking about core
20 operations, right?

21 SHOLA OLATOYE: We are trying to first..
22 [crosstalk]

23 CHAIRPERSON TORRES: But you've lost,
24 what, 2,000 employees over the last decade?

25

1 SHOLA OLATOYE: That's correct -- a
2
3 little bit more than that; we were at 16,000.

4 CHAIRPERSON TORRES: Right. You have a
5 \$17 billion capital need..

6 SHOLA OLATOYE: Uhm-hm.

7 CHAIRPERSON TORRES: right; you're
8 struggling to survive under current circumstances;
9 now we're in the dark age of Donald Trump and I just
10 want to have a clearer sense of what the worst-case
11 scenario looks like. I know it's partly speculative,
12 but I think people should know how much worse it can
13 get.

14 SHOLA OLATOYE: Look, you've spoken about
15 this, you know, very eloquently, which is, you know
16 the dismantling of public housing has happened in
17 other parts of this country; we don't have to look
18 far -- St. Louis, Chicago -- buildings disappear;
19 people are dispersed, so that is not a future that I
20 think this city wants; we've made a very clear
21 commitment to the residents who live in public
22 housing. So I believe that's the worst-case
23 scenario. I think we have an obligation and a
24 responsibility to try and ensure that that doesn't
25 happen and so we're fighting the fights in

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2 Washington, we're looking to see what other changes
3 that we need to do to our core business while also
4 raising revenue, and recognizing that there will be
5 an impact, there will be a service level impact.
6 Your point, I think every level of government needs
7 to be at the table, must be at the table; this has a
8 real impact on 600,000 people.

9 CHAIRPERSON TORRES: The only criticism I
10 have -- and I'll repeat what I said earlier -- is I
11 think for every other agency the budget cuts are
12 speculative and hypothetical; for you it's an
13 operational reality, and I've heard some general
14 ideas about how NYCHA intends to respond, but I have
15 not heard a specific plan for closing the deficit
16 that confronts you. And so if you don't have one
17 now, at what point will you have one?

18 SHOLA OLATOYE: Well I think one of the
19 things that we look forward to is first,
20 understanding what the HUD budget is. Right now this
21 is all speculation in terms of what the future cuts
22 will be. In terms of responding to the \$36 million
23 cut that we just received, I've been pretty clear
24 about needing to look at some of the immediate
25

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2 services that will have a service level impact to
3 respond to that. The broader... [crosstalk]

4 CHAIRPERSON TORRES: But even... that's a
5 general idea; I guess at what point will you have a
6 specific plan telling me here's what we're going to
7 do, here's how much revenue it's going to generate;
8 here's how it's going to close the deficit. At what
9 point are we going to have a detailed plan?

10 SHOLA OLATOYE: Well we'll be working on
11 that over the course of the next several weeks and
12 we'll look forward to sitting down with you to share
13 that as we have it and figure out a communication
14 plan not only to you, but also to our residents and
15 employees. And we do this, you know in concert not
16 only with our colleagues at City Hall, but with our
17 labor partners and so this will be a very real and
18 important conversation that we have to have that
19 isn't meant to happen in open session.

20 CHAIRPERSON TORRES: Fair enough, but the
21 cuts are happening in real-time, so. And I think
22 people are entitled to know...

23 SHOLA OLATOYE: Absolutely.

24 CHAIRPERSON TORRES: how NYCHA is
25 adjusting immediately to those operational realities.

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SHOLA OLATOYE: I agree with you.

CHAIRPERSON TORRES: Thank you for your testimony.

SHOLA OLATOYE: Thank you.

CHAIRPERSON TORRES: Thank you. We're going to take a... [background comment] no, we're going to call the second panel -- Ms. Braxton, Sheryl Braxton; Ms. Daphany Sanchez; [background comments] Gregory [sic] from Fiorello Houses for the Homeless; [background comment] and Ms. Torres from Alfred E. Smith Houses. [background comments] Okay, this... So we're going to put a timer, for the sake of time, two minutes each and then... [background comments] Brevity is the soul of wit, so.

SHERYL BRAXTON: Hi, my name is Sheryl Braxton and I'm from Red Hook, and I thank you guys for giving me the opportunity to speak today. It was very important that I spoke because Sandy was really devastating to me; I was a volunteer of Occupy Sandy, and today it's just getting worse, like, Red Hook is tearing apart; we have more mold issues or garbage issues; a water issue with lead, and also our grounds, out trees are trees are just disappearing. I did everything and everything I can to reach out

1 and to still volunteer in the neighborhood; we don't
2 have a senior citizen home. Although the Mayor is
3 fixing roofs, we still are stuck with lots of mold in
4 the buildings. I don't know what happened to our
5 lights since Sandy, 'cause we still have some of them
6 stuck; the lights are a serious problem on campus; we
7 have a lot of shootings; you can't see anything if
8 something happens. And I would just like the mold
9 fixed and hopefully -- I don't know where this
10 funding -- it doesn't take effect on us because we
11 have been in deficit for the past 10 years, 20 years
12 before President Trump has come aboard. If I
13 personally get a chance to even... actually have a
14 chance to talk to him, I would, because they need to
15 see the conditions. I mean we could sit here and
16 talk and I have come up with a few things to help the
17 neighborhood too, 'cause right now we're meeting
18 together and we're going to the library and we're
19 talking to try to come up with some way that we can
20 help the seniors, because they have nowhere to go.
21 But I would hate [bell] to see a real bad cut; I
22 mean, we can't afford it -- the elevators, the
23 buildings, I mean the stairs; some of the stairs are
24 even broken; this is past... 20 years now and Sandy

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2 just made it worse for us, so when are we going to
3 really come up with something that we can help, and
4 if you did, I wouldn't mind volunteering to actually
5 help out, because it's really bad. I mean, my... you
6 have kids that's 6 and 7 years old; playing in this
7 kind of condition is unsafe, because these parks are
8 filled with lead and dirt; they did nothing but take
9 the water out and now we're having buildings that are
10 without gas, some lighting problems, and some roofing
11 problems. So I know I only had two minutes, but I
12 would love to meet with anyone that's willing to work
13 with me to helping make Red Hook Houses a little
14 better and thank you for my time.

15 CHAIRPERSON TORRES: Thank you so much.
16 You may proceed.

17 GERRY FROHNHOEFER: My name's Gerry
18 Frohnhoefer; I'm an Adjunct Professor at LaGuardia
19 Community College. Two years ago we started this
20 association, the Fiorello Homes for the Homeless
21 Campaign Association, and our purpose here today, and
22 we have over 3,120 signatures, is to build new public
23 housing, okay?

24 Building new public housing is obvious,
25 Fiorello LaGuardia saw the need.. [crosstalk]

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2 CHAIRPERSON TORRES: Although I should
3 note that there is a federal law that prohibits.

4 GERRY FROHNHOEFER: Excuse me?

5 CHAIRPERSON TORRES: There is a federal
6 law that prohibits the construction of new public
7 housing, yeah... [crosstalk]

8 GERRY FROHNHOEFER: I heard that. I
9 heard that, but the Mayor of Los Angeles is going
10 ahead and doing it with the 33,000 homeless he has in
11 his city. I heard that from other people; I looked
12 at it, I looked at the law, I looked at what it says;
13 there's ways we can change the law. We're a country
14 that changes its laws; we can change our laws. He
15 saw it during the Great Depression; he saw that we
16 had Hooverville in Central Park; he did something
17 about it; why can't we do it now? How many of us
18 once lived in public housing and have made great
19 careers for ourselves, as yourself, Mr. Chairman?
20 Let's not let our people down now.

21 Can it be done? Was the Empire State
22 Building built in 18 months? Take a look -- it's
23 still there. What do we need? Land -- we have it,
24 over 1,100 pieces of public land in New York City --
25 not counting state land and federal land -- that is

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2 vacant; nothing on it. Okay, we have the land.
3 There's no need to buy it, no need for evictions or
4 even eminent domain. We have the money. A lot was
5 talked today is about money; we have the money.
6 We're in the richest city in the world; we have the
7 money. We spend \$1.6 billion on shelters, hotels,
8 motels, and slum housing each year; it's gone up a
9 billion dollars, \$1.10 billion, \$1.20 billion; up to
10 \$1.6 billion. Where is this money coming from?
11 Obviously we have the money; why are we going to
12 build new shelters when we should be building
13 permanent housing? [bell] And that today was even
14 said by Letitia James in her interview with
15 **[inaudible]**. The money is there. I'm going to leave
16 all this with you. I've talked to developers; you
17 can build one- and two-bedroom apartments for
18 \$125,000 on public land and you can do it with
19 modular housing; you can do it with green housing and
20 save constructions and also recycling costs and the
21 fact is, is you can eventually give people the option
22 to buy so that it becomes theirs and it can be
23 constantly rolled over for new needs and for new
24 people. Thank you.

1
2 CHAIRPERSON TORRES: Ms. Torres. No
3 relation, but Ms. Torres.

4 HIXA TORRES: Good afternoon. I'm
5 speaking on behalf of the residents of Alfred E.
6 Smith Houses, and even though with NYCHA, since this
7 new administration has been in place, Smith Houses
8 has worked closely. Personally, I am grateful that
9 they gave us new gas pipes, because what happened in
10 Harlem and what happened on 2nd Avenue could have
11 happened in Alfred E. Smith had our gas pipes not
12 been replaced, and all of these things take money.
13 The fact the budget should reflect what needs to --
14 once again, I'm not asking; I'm basically, as a
15 taxpayer, because the residents in Alfred E. Smith,
16 we pay taxes, we pay rent; a lot of us are paying
17 mortgage rent with this new flat rent thing. One of
18 the things that needs to be done is -- at least in
19 Smith -- is the pipes; that needs to be changed. The
20 Chairwoman did speak about the infrastructure; it
21 needs to; Smith is as hold as I am and I'm falling
22 apart, as my doctors will tell you; ultimately if
23 these pipes are not... and if the money is not invested
24 in the roof, in the structural integrity of the
25 building. Right now they're creating mildew; they're

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2 creating other diseases like asthma, respiratory
3 problems and at the end of the day it affects the
4 safety and the quality of life of the residents; not
5 only in Smith, but in all the developments that are
6 old, you know they need repairs, they need check-ups.
7 Right now I'm in the process of developing a task
8 force of the elected officials and the agencies,
9 besides with NYCHA and residents to begin to address
10 the piping issue that needs to be addressed [bell]
11 and all of those things that need to be addressed in
12 Smith, because -- and so it's important that when
13 they allocate the money for the budget, personally, I
14 feel it should be \$5 billion instead of \$1 billion
15 for this year, because for the last 20 years -- and
16 I'm gonna finish with this -- we have been the
17 residents of public housing at the expense, at our
18 expense of our quality of life, have been totally
19 ignored and NYCHA gave and gave everything for this
20 city to maintain it except maintaining our buildings.
21 Thank you for this time.

22 CHAIRPERSON TORRES: Thank you.

23 DAPHANY ROSE SANCHEZ: Hi, good afternoon
24 everyone. My name is Daphany Rose Sanchez; I am an
25 Energy Efficiency Consultant for the City of New

1
2 York. As a second generation New York native, my
3 roots, my community is similar to all of you; most
4 importantly, my development, Cooper Park in
5 Greenpoint, Brooklyn; not East New York [background
6 comment][laugh], it's very important to me, because
7 this is where my family grew up and NYCHA has given
8 me the opportunity to come here today to provide you
9 with my testimony of my life and as a NYCHA resident,
10 and many people before you have given me the
11 opportunity because they have advocated, they had
12 created policies for me and others to be here today
13 and advocate to you.

14 So I wanted to give you a little context
15 before I -- 'cause you know, I have a little bit of
16 time. But my parents, at the age of 24, during the
17 coldest winter of '96, had the opportunity to go from
18 a shelter into a NYCHA development and this
19 opportunity helped them prioritize their
20 responsibilities and also have financial stability
21 and economic equity. When I grew up, I was able to
22 go into NYCHA as well, have my own apartment, go to
23 school full-time, study engineering, as well as keep
24 a full-time job, as well as maintaining an
25 internship, as many universities require.

1
2 I stand here now today with my master's
3 two years ago and now I work as an energy efficiency
4 consultant. I realize the value that NYCHA has given
5 to me. You're right, a lot of times there's moldy
6 apartments, there's a lot of crazy roaches and all
7 that stuff, but at the end of the day the opportunity
8 to live in a home that's warm in the winter; to have
9 cool showers in the summertime has given me the
10 opportunity to ensure that I can help other people,
11 and so just quickly; I do know my time is up, [bell]
12 but in my current job I've been able to help over
13 3,800 buildings in New York City, which equals 8% of
14 the building square footage and reducing their energy
15 efficiency and maintaining sustainability in their
16 homes, so I've been able to help tenants the same way
17 NYCHA has helped me. Thank you... [crosstalk]

18 CHAIRPERSON TORRES: That's great.
19 That's a beautiful story.

20 DAPHANY ROSE SANCHEZ: Thank you.

21 CHAIRPERSON TORRES: Thank you for your
22 testimony everyone; thank you for sharing that story.
23 Thank you. For the next panel is Victor Bach; Rose
24 Fernandez from Community Voices Heard; Kwanzaa from
25 Furee; Dante from Furee -- left? Okay -- Monica

1 Underwood -- left? Okay. James from the Center for
2 Court Innovation. He left. Gregory from United
3 Neighborhood Houses. Victor, [background comment]
4 you may proceed.

5
6 VICTOR BACH: Okay. Thank you for
7 inviting me. As we grapple with Trump's looming
8 budget cuts, I think we need to remember his election
9 campaign, when he addressed inner-city audiences and
10 asked; "What have you got to lose?" It's becoming
11 quite clear what we've got to lose. Now more than
12 ever we can't rely on Washington to save our public
13 housing; now more than ever we have to rely on the
14 City and the State to deepen their investments in
15 public housing.

16 We're used to thinking of New York as two
17 cities; our just-released CSS report is called
18 "Public Housing: New York's Third City" and one of
19 the reasons we call it a third city is because NYCHA
20 seems to be a stepchild in the context of being
21 considered as separate from the rest of our political
22 leaders' major housing agendas. As we know, both the
23 Mayor and the Governor have launched multibillion
24 dollar affordable housing initiatives that
25 concentrate exclusively on the preservation and

1
2 construction of affordable housing in the private
3 sector while they largely ignore the needs of public
4 housing. We commend Mayor de Blasio for proposing a
5 capital budget that commits an additional billion
6 dollars over the next 10 years; that's a major step
7 toward breaking down the firewall that separates
8 these major multibillion dollar housing initiatives
9 from what NYCHA needs. [bell]

10 But more is needed, we all know, to
11 address the \$17 billion backlog in infrastructure
12 improvements; that's why we join our allies in
13 calling for a billion dollars a year, not over 10
14 years, from the City to deal with NYCHA's backlog,
15 and of course, the State needs to make a similar
16 commitment. The City and State firewall still
17 exists; this is the time for the City and State to
18 match their commitment to private affordable housing
19 with parallel commitments to preserve and reinvest in
20 public housing and its residents. Thank you.

21 CHAIRPERSON TORRES: Although I just have
22 one question, 'cause your position is a billion
23 dollars every year -- the more money the merrier.
24 But I asked NYCHA: What's your capacity to spend?

1 NYCHA said a billion over five years is the limit..

2 [crosstalk]

3 VICTOR BACH: Over five years..

4 CHAIRPERSON TORRES: of our capacity. So
5 giving them a billion a years, it seems like... it's
6 not clear whether NYCHA has the capacity to spend it...

7 [crosstalk]

8 VICTOR BACH: Yes, I heard that loud and
9 clear, but I think the question is how they can build
10 the capacity. The capacity is not limited..

11 [interpose]

12 CHAIRPERSON TORRES: Maybe Daphany can
13 offer us... [interpose]

14 VICTOR BACH: Huh?

15 CHAIRPERSON TORRES: Maybe Daphany can
16 help us out.

17 VICTOR BACH: Right.

18 CHAIRPERSON TORRES: Okay. But fair
19 enough; maybe... [crosstalk]

20 VICTOR BACH: But I think that's the
21 question is uhm... [crosstalk]

22 CHAIRPERSON TORRES: maybe expanding
23 NYCHA's capital program.
24
25

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2 VICTOR BACH: given a \$17 billion
3 backlog, you would think that there would have to be
4 some investment in expanding that capacity.

5 CHAIRPERSON TORRES: That's something we
6 will research further.

7 VICTOR BACH: Okay.

8 CHAIRPERSON TORRES: Thank you.

9 JAMES BRODICK: So good afternoon, Chair.
10 My name is James Brodick and I am the Director of
11 Brooklyn Justice Centers for Center for Court
12 Innovation. I appreciate the time today.

13 As you know, the Center for Court
14 Innovation has been around for over 20 years, with a
15 real focus on public safety. But what I wanted to
16 talk about is a couple things today; one is this idea
17 around access to justice. You know we really believe
18 that the most vulnerable New Yorkers deserve the best
19 of services and at the forefront of that are the
20 residents who live in public housing. There are a
21 few things that we've been thinking about in regards
22 to access to justice and it's on a most basic of
23 levels, and that starts in the household. How can we
24 ensure that tenants get their repairs done in a way
25 that makes sense and we could avoid evictions? We do

1 that in Red Hook, in Bed-Stuy, Crown Heights, and in
2 South Bronx, working very closely with the housing
3 resources centers and NYCHA to ensure that management
4 says what they say they're going to do and tenants do
5 likewise. We believe tenants have to pay their rent,
6 but NYCHA has to do the repairs.
7

8 We also do a lot of work with the young
9 people and families who are impacted by the criminal
10 justice system. As you know, we offer diversion
11 programs where we've served over 6,000 families and
12 young people over the course of the last year. And
13 when we think about NYCHA, it's always been a
14 springboard to the next thing -- springboard to
15 middleclass, springboard to opportunities, like
16 yourself -- and we believe doing so is by providing
17 educational and vocational opportunities. Many of
18 our pay programming for young people not only train
19 them for the workforce, but also give them the
20 confidence to put themselves out there in a world
21 that they've been avoiding and get past that block
22 that they live on.

23 As we think about other work that we're
24 doing moving forward, our diversion work and our
25 reentry work is paramount to us; there are many

1
2 people who come back home to public housing who at
3 first is not welcomed back and when they are welcomed
4 back, it is done in a way that NYCHA management
5 doesn't make it easy, and so we believe if we can
6 meet people in the detention centers and Rikers
7 Island, offer them programs and services, reconnect
8 them with their families, and work with the
9 management; we could connect families and keep them
10 together.

11 So we are asking that the City Council
12 continue our support [bell]; we're asking for
13 \$700,000; \$500,000 which is for core programming,
14 which you've done in the past, and an additional
15 \$200,000 for alternatives to incarceration program
16 that will expand throughout the city. Thank you so
17 much for your time.

18 CHAIRPERSON TORRES: Thank you.

19 ROSE FERNANDEZ: Hello, my name is Rose
20 Fernandez and I've been a resident of **[inaudible]**
21 Houses for **[inaudible]** years and I'm also a member..

22 [background comments]

23 ROSE FERNANDEZ: thank you -- also a
24 member of CVH, Community Voices Heard. I'm here
25 today with NYCHA residents from all over the city --

1
2 even though some have already left -- but for those
3 that are here, if you could wave your hand, just to
4 show how many are here still -- thank you. And
5 earlier when I said my name, I should've said Subject
6 Zero; at least that's how housing makes me feel, like
7 a thing. I'm tired of feeling like I am nothing and
8 don't matter to the City. My son and I have suffered
9 at times with no hot water, no heat and toxic mold,
10 just to name a few things. The level of neglect and
11 disinvestment is disgusting and makes me feel
12 worthless. As a direct result of this neglect, I'll
13 give you an example of symptoms both my son and I
14 suffer from: numbness of the hands, light
15 sensitivity, severe headaches, fatigue, weakness,
16 joint pain, blurred vision, shortness of breath, poor
17 memory; colds that don't seem to go away. These are
18 just a few of the symptoms we both suffer from and
19 I've had to go to the emergency room a few times
20 because of these symptoms. The cause: toxic black
21 mold, a huge patch right smack in our kitchen ceiling
22 that housing has been fixing for years. Why does it
23 have to come to this? Why do they treat us like
24 we're nothing? We are human beings with rights.
25 What did we do to deserve this inhumane treatment?

1
2 I've heard that the tale of two cities ended --
3 really? Well those things that are turning a blind
4 eye because I and many others still don't see it; we
5 still see the haves and have-nots. And even though
6 Mayor de Blasio has taken a small step in the right
7 direction [bill] with his \$100 million a year
8 proposal, I can't wait 10 years to get my roof fixed.
9 What about the pipes leaking in the walls or the
10 winter nights without heat and having to use the oven
11 to make it warm? What about asbestos and lead; plus
12 toxic mold that's poisoning us? Why isn't their
13 health and the health of our elders and our children
14 a top priority? Why? Many have talked about
15 resisting Trump. Okay. So put your money where your
16 mouth is; I mean, doesn't the \$84 billion city budget
17 give the City the power to do just that? And on top
18 of everything else, we have NYCHA giving our land
19 away to Ron Molles [sp?] and we still don't know
20 which development is targeted next for in-fill. This
21 will create no low-income housing and very little
22 money compared to the deficit. How is his making a
23 profit for private developers the solution for us or
24 the next generation? And speaking of which, in NYCHA
25 there's a deficit of funding and a surplus of

1
2 incompetence. Community Voices Heard and allies have
3 a simple solution in the people's NYCHA plan; it
4 demands that the City invest \$1 billion a year into
5 NYCHA and put it under the control of a residence
6 oversight council in order to preserve our low-income
7 housing stock and ensure healthy homes for all.
8 Today we the people call on all of you in our City
9 Council to work with us to make this a reality. Not
10 taking action is condemning us and our families to
11 toxic and inhumane living conditions. So let us
12 stand together against the cuts in the federal
13 government and now more than ever, New York City must
14 protect NYCHA from Trump's agenda. I thank you all
15 for listing.

16 CHAIRPERSON TORRES: Can I ask; how much
17 black mold do you have in your apartment?

18 ROSE FERNANDEZ: In my particular...
19 [crosstalk]

20 CHAIRPERSON TORRES: Yeah, **[inaudible]**...

21 ROSE FERNANDEZ: kitchen, it's about as
22 long as that table in the kitchen... [crosstalk]

23 CHAIRPERSON TORRES: Uhm...

24 ROSE FERNANDEZ: they came, they peeled
25 the paint and just left it open.

1
2 CHAIRPERSON TORRES: Okay, we should
3 have... has NYCHA gone to your apartment?

4 ROSE FERNANDEZ: They came to peel the
5 paint and then left if that way; they have not been...
6 that was in September of last year and they haven't
7 come back.

8 CHAIRPERSON TORRES: Make sure my office
9 gets your information before you leave... [crosstalk]

10 ROSE FERNANDEZ: No problem.

11 CHAIRPERSON TORRES: Okay. Thank you.

12 GREGORY BRENDER: Good afternoon. Thank
13 you for the opportunity to testify. My name is
14 Gregory Brender; I'm from United Neighborhood Houses.
15 We are the Federation of New York City Settlement
16 Houses. Settlement houses are operating at 112 sites
17 within public housing developments at 56 different
18 developments, providing a broad range of services --
19 really everything from early childhood education to
20 senior services, with programs for teenagers,
21 programs for like adult literacy, workforce
22 development, and so our member agencies, the
23 settlement houses, actually work to be the connected
24 part in NYCHA, to make sure that NYCHA residents have
25 the opportunity to build community and we believe

1 that the partnership that settlement houses; other
2 community-based organizations have with NYCHA are one
3 of the reasons that despite the incredible challenges
4 NYCHA has on a fiscal level, that NYCHA defies the
5 narrative you always hear about public housing as
6 destined to fail. We believe that New York has
7 resilient public housing communities and the
8 challenges are coming from the failure of government
9 at all levels, but especially now at the federal
10 level to adequately fund, so the -- I have a
11 testimony here with lots of stuff, but the only
12 really message I want to really put out there is our
13 willingness to stand with you, to stand with tenants
14 and other groups to fight against these cuts and
15 ensure that there is adequate and fair funding for
16 NYCHA. Thank you.

18 CHAIRPERSON TORRES: And I want to thank
19 everyone for their testimony. Thank you.

20 ROSE FERNANDEZ: Thank you.

21 CHAIRPERSON TORRES: Thank you. The next
22 panel will include Rachel Fee, from New York Housing
23 Conference; Daisy Rodriguez from the American Museum
24 of Natural History; Jessica Hurd from Housing Court
25 Answers; Mara Cerezo from Green City Force. Alright.

1
2 By the way, we're imposing a fee for testifying.

3 Okay. Rachel.

4 RACHEL FEE: Thank you, Committee Chair
5 Torres. My name is Rachel Fee; I am the Executive
6 Director of New York Housing Conference (NYHC).
7 Thank you for the opportunity to testify.

8 New York Housing Conference is a
9 statewide affordable housing policy and advocacy
10 organization. Our mission is to advance City, State
11 and Federal policies and funding to support the
12 development and preservation of decent and affordable
13 housing for all New Yorkers through our broad-based
14 coalition.

15 NYCHA is an invaluable resource to New
16 York City and an important part of our affordable
17 housing infrastructure. Maintaining NYCHA's housing
18 stock is essential not only for residents living in
19 public housing, but also to New York City the
20 neighborhoods in desperate need of more affordable
21 housing options.

22 New York City commends Mayor Bill de
23 Blasio for providing a framework for reinvestment and
24 revitalization in NYCHA's NextGen Strategic Plan and
25 also for the commitment to provide \$100 million

1 annually over the next 10 years. We applaud the
2 significant improvements made by Chair Olatoye to
3 transform management and operations of the Housing
4 Authority and the concerted efforts made to improve
5 resident engagement. We also support the
6 Administration for employing HUD's Rental Assistance
7 Demonstration (RAD) program to leverage investment
8 through RAD conversions while making meaningful
9 reductions to the citywide capital backlog.
10

11 While local support for NYCHA is an
12 improvement over past Administrations, more must be
13 done to make up for projected federal cuts. Based on
14 President Trump's stated plan to increase defense
15 spending by \$54 billion by cutting non-defense
16 discretionary spending and new reports on preliminary
17 budget documents, we can assume the President's
18 budget will likely feature 15% overall budget cut to
19 HUD. Public housing alone would lose \$2 billion in
20 funding nationwide with a reduction of 13% or \$600
21 million in operational funds and a reduction of 32%
22 [bell] or \$1.3 billion in capital funds. This will
23 turn NYCHA's projected operating surplus into a \$153
24 million operating deficit. Budget reductions at this
25

1 level will directly impact the quality of life,
2 health and safety of NYCHA residents.

3 Over the past 15 years, the federal
4 government has shortchanged public housing; this has
5 prevented NYCHA from performing necessary building
6 maintenance work, which has resulted in this \$17
7 billion backlog.

8 We urge the City Council and Mayor de
9 Blasio to prioritize additional NYCHA funding in this
10 budget.

11 Thank you for this opportunity.

12 CHAIRPERSON TORRES: Thank you so much.

13 DAISY RODRIGUEZ: Chairman Torres, my
14 name is Daisy Rodriguez; I am here to offer testimony
15 on behalf of the American Museum of Natural History
16 in support of our increased funding for cultural
17 organizations, to advance the work that they to do
18 engage New York City Housing Authority residents in
19 life-long learning programs.

20 We commend the Council and the
21 Administration for supporting programs through which
22 cultural organizations provide programming and
23 services to NYCHA residents. One such program at the
24 Museum, called the *Family Science Program*, serves
25

1 families from NYCHA developments and underserved
2 communities throughout the city.

3
4 With support from Speaker Melissa Mark-
5 Viverito, yourself and the City Council, the *Family*
6 *Science Program* was launched in 2014 and serves up to
7 1,200 participants annually. The program aims to
8 make the Museum and its resources even more
9 accessible to families by teaching parents and
10 guardians how to access and utilize the Museum's
11 scientific and educational activities and program
12 effectively. The Museum seeks to empower
13 participants to view cultural institutions like our
14 as attractive and accessible sites for family
15 learning.

16 Key features of the program include
17 opportunities for families to use scientific tools,
18 explore specimens and collections so families build
19 direct connections to the natural sciences and
20 develop their abilities to explore nature together in
21 their own neighborhoods. The program includes
22 translators, food, transportation, and educational
23 activities and tools to use at home and in their
24 community, as well as free vouchers for return
25 visits. Additionally, we include information on ID-

1
2 NYC to encourage families to participate in the
3 program.

4 Since its pilot year, the program has
5 grown to serve four Council Districts to 26 Council
6 Districts this year and we hope to keep increasing
7 that number.

8 The Museum and the cultural organizations
9 want to sustain and expand programs like this that
10 serve NYCHA residents, but we need continued support
11 to do so. We therefore urge you to support increased
12 funding to the Department of Cultural Affairs to
13 preserve and grow these vital programs. Thank you.

14 CHAIRPERSON TORRES: Thank you. My
15 constituents **[inaudible]**.

16 JESSICA HURD: Good afternoon. My name
17 is Jessica Hurd; I am the Assistant Director for
18 Housing Court Answers.

19 Housing Court Answers assists
20 approximately 4,200 NYCHA tenants every year; we do
21 this at our information tables in the Housing Court,
22 also through a hotline and our information table at
23 the NYCHA in-person hearing office at 250 Broadway.

24 I am here today to ask the City to
25 prioritize funding for NYCHA to fund for repairs,

1 maintenance and infrastructure upgrades. NYCHA is an
2 affordable source of housing for many low-income New
3 Yorkers who rely on NYCHA in a city that is
4 experiencing a steady decrease in affordable places
5 to live.
6

7 Our city relies on NYCHA tenants -- they
8 are the teachers, maintenance workers and police
9 officers -- and these tenants are reporting that they
10 are living in apartments that are in serious need of
11 repairs and maintenance.

12 NYCHA is also home to caregiver service
13 workers and other very low-income tenants who cannot
14 just give up and move to a market rate apartment if
15 their apartment becomes unlivable or when their
16 unresolved conditions make their families sick.

17 We don't want NYCHA just to fix what's
18 broken, but we also want to see the City invest and
19 make NYCHA the good faith [sic] affordable housing it
20 was built to provide.

21 In the coming years, the need for NYCHA
22 apartments is only going to increase as the cost of
23 private housing continues increasing. We urge the
24 City to invest in public housing; this will send a
25 message to NYCHA tenants -- most of which are low-

1
2 income people of color -- that they belong in the
3 community that they built. Thank you.

4 CHAIRPERSON TORRES: Thank you.

5 MARA CERREZO: Good afternoon. My name is
6 Mara Cerezo and I'm the Senior Program Officer for
7 Green City Force. In addition to working with young
8 adults from public housing, I am also an individual
9 whose family personally benefitted from public and
10 subsidized housing. In fact, my father grew up in
11 Red Hook Houses -- and fast forward about 40 years; I
12 was back in those very same houses while Green City
13 Force built our first urban farm. I am here to
14 testify that NYCHA is both a backbone and a ladder
15 for communities across this city, providing strength
16 and mobility.

17 Today NYCHA is facing the largest funding
18 decrease it has seen in five years, hundreds of
19 thousands of families, seniors, young adults, and
20 children will be negatively affected by the proposed
21 cuts. Now more than ever NYCHA needs partnership at
22 every level of government and continued support from
23 the de Blasio Administration and City Council to
24 offset these dire financial straits.

1
2 NYCHA is working hard to leverage its
3 limited resources to benefits residents and create
4 opportunities for them to thrive. We work closely
5 with NYCHA's Office of Resident Economic Empowerment
6 and Sustainability for our recruitment efforts and
7 we've engaged over 450 young adults from public
8 housing developments across this city in our program.
9 They have their high school diploma or GED and have a
10 drive to begin and advance their careers. They are
11 intelligent, capable and motivated and we believe
12 NYCHA understands and appreciates the diverse
13 experiences and needs of its residents, and has taken
14 great strides to improve their lives.

15 NYCHA is a reliable source of housing for
16 working class New Yorkers and investing in NYCHA is
17 providing strength and mobility for people and
18 communities across this city. NYCHA has the
19 leadership, vision and partnerships to sustain its
20 buildings and land for the next generation of
21 residents; it is absolutely critical that they also
22 have the funding, so please. Thank you.

23 CHAIRPERSON TORRES: Thank you. And I'm
24 happy to hear you have roots in public housing, so
25

1
2 I'm enjoying the NYCHA nostalgia that has been
3 running through the hearing.

4 I have one question for Rachel. I had
5 expressed to NYCHA concerns about the feasibility of
6 RAD in the age of Donald Trump with a declining tax
7 credit. Do you have any thoughts to that effect?

8 RACHEL FEE: You know I expect that the
9 Trump Administration will be more favorable to RAD
10 than they will be to increasing public capital
11 funding for sure. I think, you know having the
12 resources to pair RAD with the Low-Income Housing Tax
13 Credit and also tax-exempt bonds, which will be under
14 threat in tax reform; I mean that's really going to
15 be the important piece. We are seeing that pricing
16 is slipping on the tax credit, but not to the degree
17 that it would make RAD impossible. We may have to
18 put in more local resources; like you were pointing
19 out, Ocean Bay has some FEMA funding in there; it may
20 be that we need some additional capital from the City
21 and State to make those projects feasible.

22 CHAIRPERSON TORRES: Great. Thank you
23 everyone for your testimony.

24 RACHEL FEE: Thank you.
25

1
2 CHAIRPERSON TORRES: The next panel --
3 Terry Grace from the Emergency Shelter Network; we
4 have Daniel Carpenter-Gold from the New York Lawyers
5 for the Public Interest; Tanya Lloyd from REES/TDX
6 Construction Corporation; Joann Poe from REES Food
7 Business Pathways; Maria Forbes -- she's not here;
8 Miss Brown from Community Board 8, and I believe
9 that's the... yeah, this will be our final panel. I
10 think my hearings are too short; I think they need to
11 be longer. You may proceed.

12 TERRY GRACE: Can you hear me?

13 CHAIRPERSON TORRES: Yeah.

14 TERRY GRACE: Hi. Thanks for your email
15 inviting me to come down here to this really, really
16 important panel and the whole hearing -- amazing.

17 I ditto to what everybody else said; I
18 think that public housing is a bedrock of affordable
19 housing in New York City. One of the reasons why is;
20 last night I stayed overnight in a faith-based
21 shelter with seven guys; I was the only host. That
22 kind of brings it all right down to ground level for
23 me and I've been supporting affordable housing supply
24 I think for 20 years; it's part of my faith

25

1
2 imperative to do that, so I have a couple of
3 questions I'd like to ask and also make comments.

4 It seems from this discussion today, with
5 lots of numbers flying around, millions and billions
6 and everything, and it all boils down to human
7 beings, people who cannot afford market rate rents
8 and buildings are going up like grass in a field in
9 this city, and particularly on Manhattan, which is
10 where I live. I don't know why, don't know why half
11 of those apartments are empty; they're all investor
12 money from some hedge fund.

13 So I'm wondering how many actual NYCHA
14 apartments are lying empty because they are not
15 repaired or because they're uninhabitable and have
16 been that way for a long time, and I'm wondering --
17 it sounds like they have a staffing problem and a
18 staffing scheduling problem -- do they have qualified
19 staff to fix the apartments and then they only work
20 8:30 to 4 -- What? I've scheduled unionized
21 employees for years and you don't have to pay
22 overtime, [bell] you can do just flat rate -- you get
23 this shift 'cause it works for your family and you
24 get that shift because it -- there's no reason for us
25 to be shafted; the public owns the land, these are

1
2 the public housing for all of us and we should not
3 become a for-profit whatever.

4 The other thing I'd like to find out is;
5 what can the faith community -- which has worked with
6 Habitat for Humanity, which has worked with a lot of
7 other things -- can we collaborate with the staffs of
8 NYCHA to go in with future tenants and current
9 tenants and do the stuff that's not the super heavy
10 infrastructure stuff, but do the stuff that is I'm
11 sure bid out at way over cost; you slap some.. you
12 know, you get some plaster there, you put up
13 wallboard, you can run some electrical cords. I've
14 done it before for Habitat for years and years; why
15 can't we have a volunteer corps come in and work
16 alongside them; get these apartments online; the
17 people need it, it's our housing for our people, and
18 that's what I wanted to say, and thank you so much
19 for... [crosstalk]

20 CHAIRPERSON TORRES: Okay, can you just
21 quickly say your name for the record?

22 TERRY GRACE: Terry Grace.

23 CHAIRPERSON TORRES: Okay, great.

24 TERRY GRACE: I'm a member of St. James
25 Episcopal Church, so that's what brought me here.

1
2 CHAIRPERSON TORRES: Well thank you for
3 being here.

4 TERRY GRACE: Thank you.

5 CHAIRPERSON TORRES: And I think we need
6 a faith voice in the conversation about public
7 housing to underscore that it's a moral imperative...

8 TERRY GRACE: Thank you, yes **[inaudible]**...
9 [crosstalk]

10 CHAIRPERSON TORRES: so I agree with
11 that.

12 TERRY GRACE: Yeah.

13 DANIEL CARPENTER-GOLD: Yes, hello. My
14 name is Daniel Carpenter-Gold; I am here from New
15 York Lawyers for the Public Interest (NYLPI).

16 On behalf of NYLPI, I'd like to thank the
17 Council Member and the Chair for conducting this
18 meeting and wish you good afternoon.

19 NYLPI is a nonprofit organization; we
20 focus on civil rights law and we have a Healthy
21 Housing program that is focusing on the healthy
22 impacts of housing conditions and poor housing
23 conditions and so, we have a special interest in the
24 impact of housing conditions on people who have
25 asthma, because poor housing conditions can create

1 conditions that really exacerbate; arguably, even
2 cause, but definitely exacerbate asthma conditions,
3 sends more people to the hospital, sense more people
4 to the emergency room and it can really impact lives,
5 and because asthma has such a strong impact on
6 children it is an especially negative impact to have
7 these housing conditions because it keeps children
8 home from school with asthma attacks, etc.

10 So I think Council Member Menchaca
11 mentioned that the Red Hook Initiative has done some
12 excellent work investigating the extent of mold,
13 which is a particularly dangerous asthmagen -- asthma
14 allergy trigger -- so I'd just like to emphasize that
15 work. In there they surveyed 280 residents; they
16 found that 40% currently had mold in their apartment;
17 that 94% of the residents surveyed had mold at some
18 point during their tenancy. So NYLPI would just like
19 to urge -- as would everybody else -- strong support,
20 as much funding as there is capacity for, for
21 continued infrastructure repairs that will avoid mold
22 and will avoid other allergy hazards such as pests
23 and vermin.

24 And in addition to that, we'd like to
25 stress the importance of transparency, making sure

1
2 that tenants are notified on a continual basis when
3 work will be done and what sort of work needs to be
4 done and that [bell] the rest of the New York
5 community, to the extent possible, has information as
6 to the extent of the mold problem and the extent of
7 the pest and vermin problem in NYCHA properties.

8 Thank you very much.

9 CHAIRPERSON TORRES: And I want to
10 reassure you that mold remediation is a priority for
11 the Public Housing Committee and in fact, I believe
12 we're holding a hearing at Red Hook Houses on mold
13 removal, so.

14 DANIEL CARPENTER-GOLD: Yes; I hope to be
15 there.

16 CHAIRPERSON TORRES: It's the next
17 hearing, and I know NYCHA's excited about it.

18 MRS. BROWN: Good afternoon. My name is
19 Mrs. Brown and I wear many hats. I am the Co-Chair
20 of Community Board 8 in Manhattan; I also serve on
21 NYCHA's Resident Advisory Board and NYCHA's Section 8
22 Resident Advisory Board, as well as the President of
23 my tenant's association. I was asked to come and
24 give testimony on a successful Section 8 story, so I
25 am going to try to stick to that script.

1
2 In 2011, my son had suffered a heart
3 attack, and therefore it was necessary for me to port
4 to New York City. I was blessed to be selected for a
5 lottery apartment; twice. Presently, I reside in a
6 421-a luxury development with all of the amenities
7 that one could desire -- washer and dryer inside of
8 my apartment.

9 I am 84 years old, and on the downside of
10 my journey. I had been a successful small business
11 owner and was enjoying my retirement -- living
12 proudly; with dignity -- when I experienced the
13 second cancer episode.

14 Further, it is sad that our system does
15 not completely allow one to have government medical
16 assistance without depleting all of one's assets.
17 With that said, Section 8 is allowing me to complete
18 that journey in a healthy, clean and safe
19 environment. I am experiencing the same quality of
20 housing that I had become accustomed prior to my
21 previous cancer episode -- thanks to Section 8.

22 In closing, homelessness creates poverty.
23 Therefore, any proposed cutting federal spending,
24 city or state for everything but defense over the
25 next 10 years would decimate all affordable housing

1
2 programs, which would increase housing poverty and
3 homelessness. I am grateful that the federally
4 assisted housing program is available to me and other
5 low-income and marginalized Americans.

6 This is a scary time and let us all unite
7 to protect Section 8 funding.

8 Thank you for allowing me, Chair Torres,
9 to share my experience.

10 Now a sidebar; when Council Member
11 Menchaca talked about outreach to Section 8, if the
12 City has money, I think it would be important that we
13 provide informational meetings and that we form a
14 501(c)(3) so that we can generate money so that we
15 can get education and training. When I was in
16 Boston, I served on their Resident Advisory Board and
17 we had a Section 8 Healthy Homes program with the
18 various hospitals and universities and we helped many
19 Section 8 families who had children who had asthma.
20 And in addition to taking care of a lot of these work
21 orders, I would like to see the City Council and the
22 State Assembly get together and create a bill where
23 we could have a lottery card just for public housing.
24 I see there are so many people in public housing that
25 play the lottery; why not have a card designated just

1
2 for public housing; the monies from that would be
3 taking care of the outstanding work orders, and for
4 those housing authorities in Upstate, a portion of it
5 would go to them. Just thinking outside the box,
6 okay? It's an idea. It's an idea. And thank you so
7 much. And with regard to Section 3, I want to talk
8 with you about that; how we can make a difference;
9 not for REES, but resident-owned businesses. Thank
10 you.

11 CHAIRPERSON TORRES: I'd be happy to have
12 that conversation. Well thank you for telling..

13 MRS. BROWN: Sure.

14 CHAIRPERSON TORRES: what is truly an
15 extraordinary story and it's an inspiring note on
16 which to end today's hearing. Thank you everyone.

17 I would like to submit for the record
18 testimony by The Legal Aid Society; by Dr. Robert
19 Lafayette; by CAAAV Organizing for Asian Communities,
20 and that's the extent of the testimony I'm submitting
21 for the record. Thank you everyone; this hearing is
22 adjourned.

23 [gavel]

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COMMITTEE ON PUBLIC HOUSING

C E R T I F I C A T E

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



Date April 6, 2017