

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE JOINTLY WITH COMMITTEE ON
PUBLIC HOUSING, COMMITTEE ON LAND USE, COMMITTEE ON
TECHNOLOGY AND COMMITTEE ON PARKS AND RECREATION

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May 18, 2017
Start: 10:31 a.m.
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HELD AT: Council Chambers - City Hall

B E F O R E: JULISSA FERRERAS-COPELAND
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Chairperson

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Chairperson

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Andrew Cohen
Alan N. Maisel

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

Shola Olatoye, Chair and Chief Executive Officer New
York City Housing Authority, NYCHA

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

Nicole Ferreira, Executive Vice President
Real Estate
New York City Housing Authority, NYCHA

Brian Honan, Director
Office of State and City Legislative Affairs
New York City Housing Authority, NYCHA

Anne Roest, Commissioner & Chief Information Officer
Dept. of Information Technology & Telecommunications

Annette Heintz, Deputy Commission
Financial Management and Administration
Dept. of Information Technology & Telecommunications

John Winker, Associate Commissioner
Financial Services
Dept. of Information Technology & Telecommunications

Michael Pastor, General Counsel
Dept. of Information Technology & Telecommunications

Stanley Shor, Assistant Commissioner of Franchises
Dept. of Information Technology & Telecommunications

Mitchell Silver, Commissioner
Department of Parks and Recreation

Liam Kavangh, First Deputy Commissioner
Department of Parks and Recreation

Matt Drury, Director of Government Relations
Department of Parks and Recreation

Dorothy Lewandowski, Commissioner
Borough of Queens

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TECHNOLOGY AND COMMITTEE ON PARKS AND RECREATION 5

[sound check, pause][gavel]

CHAIRPERSON FERRERAS-COPELAND: Good

morning and welcome to today's Finance Committee

hearing. My name is Chair Ferreras-Copeland. I'm the

chair of the committee. I want to begin by thanking

my co-chair Council Member Ritchie Torres and the

members of the Public Housing Committee for joining

us. I wanted to acknowledge the members of both

committees who are here with us. We have Council

Members Mendez, Matteo, Treyger and Gibson. This

morning the committee to continue its look at Fiscal

2018 Executive Budget with the New York City Housing

Authority. We will hear from NYCHA Chair and CEO,

Shola Olatoye. I'll begin with a brief overview of

NYCHA's Budget, which I would note is not a part of

the city's budget, and which follows the calendar

year. The Authority's total revenues for 2017 are

approximately \$3.26 billion around one-third of which

comes from the tenant rent. NYCHA's total

expenditures for 2017 total approximately \$3.24

billion, over 40% of which are for personnel services

including salaries and fringe benefits. This gives

NYCHA a projected surplus of \$21.1 million in 2017's

adopted operating budget. Finally, NYCHA reports

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approximately 2.-2.6 months of operating reserves,
which is in accordance with the amount recommended by
the Department of Housing and Urban Development. On
a small portion, about 2.5% of NYCHA's Fiscal 2017's
operating budget comes from city funds. The city's
Fiscal 2018's Executive Budget provides \$16.7 million
in city operating funds for Fiscals 17 to 21 to
support operating costs of NYCHA's core services.
Highlights include funding for façade repairs and
NYCHA managed senior centers. Before we hear from
the Chair, I wanted to highlight a few concerns that
I hope to discuss further to this morning's hearing.
In the Council's Budget Response this year we urged
additional funding for several cruise ship programs
and services. This includes an expansion of the food
business Pathway's program, which has helped nearly
140 NYCHA residents receive training to start
business and the childcare business Pathways program,
which assists NYCHA residents in developing home-
based childcare businesses. These programs have
provided vital opportunities for NYCHA residents.
Yet the Administration ignored (sic) our call to
allow others to benefit from these programs.
Furthermore, we encourage the Administration to align

funding for roof repairs with NYCHA's capacity to complete them. Currently, there is \$533 million over five years allocated for this program to address health hazards posed by NYCHA's residents—posed to NYCHA's residents. However, NYCHA has stated that it would—would be able to complete a billion dollars in roof repairs over this period. We will continue to work with the Administration to address these issues as we move towards budget adoption.

Next, the city's Fiscal 2018 Executive Plan provides \$2.8 million funding for NYCHA's senior centers. In recent years NYCHA has transitioned the management of most of these centers through the Department for the Aging, and one of the many steps that NYCHA has take towards eliminating its structural deficit. However, NYCHA continues to operate 14 senior centers across the city with funding for these operations set to run out in June of 2018. I hope to hear about NYCHA's plan to transition the remaining centers to DFTA so that senior residents at these facilities can properly benefit from programming. Finally, I must address what I know is a concern for most of us: The risk of our public housing posed by the Trump Administration.

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NYCHA relies heavily on federal assistance, which
comprises about 58% of its operating budget and a
significant portion of its Capital Program. However,
NYCHA is projected funding is always subject to
federal actions and appropriations. President
Trump's initial budget plan is would have imposed
devastating cuts to the authorities with some
estimates ranging as high as \$150 million.
Fortunately, the Appropriations Bill passed by
Congress at the beginning of this month did not
include these cuts. However, there is still
significant uncertainty around the level of federal
funding that NYCHA will receive in the coming years.
I want to be sure that in the event of federal cuts
the city is doing all it can to protect the 400,000
New Yorkers who live in public housing. I look
forward to hearing about these issues and more at
today's hearing. Before turning it over to my co-
chair, I want to thank the Finance staff that helped
prepare for this hearing, Regina Poreda Ryan, Nathan
Toth, Chima Obichere, Sarah Gastelum and Eric
Bernstein. I will now turn it over to Chair Torres
for his opening remarks.

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CHAIRPERSON TORRES: Thank you. Thank
you, Madam Chairwoman. In the interest of time I'm
going to forego an opening statement, and we'll
proceed directly to the New York City Housing
Authority.

CHAIRPERSON FERRERAS-COPELAND: I feel
like a few people clapped.

CHAIRPERSON TORRES: Okay.

CHAIRPERSON FERRERAS-COPELAND: Alright.

CHAIRPERSON TORRES: I think it's the
best speech I ever made.

CHAIRPERSON FERRERAS-COPELAND: [laughs]
Thank you, Chair, and after my-our counsel swears you
in, you may begin your testimony.

LEGAL COUNSEL: Do you affirm to tell the
truth, the whole truth, and nothing but the truth in
your testimony before the committee today, and to
respond honestly to Council Member questions?

SHOLA OLATOYE: I do. [background
comments] Thank you. Good morning, Chair Ferreras-
Copeland, Chair Ritchie Torres, members of the
Committees on Public Housing and Finance, and other
distinguished members of the City Council. I'm Shola
Olatoye, Chair and Chief Executive Officer of the New

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York City Housing Authority. Joining me here today
is Karen Caldwell, Executive Vice President and Chief
Financial Officer of and other members of the NYCHA
executive team. Thank you for this opportunity to
once again share with you the 2017 financial status
of the authority. I'd also like to highlight some of
our accomplishments since the launch of Next
Generation NYCHA in May 2015. We've been working
tirelessly to secure NYCHA's future, and to create
the safe, clean and connective communities that our
residents deserves. We are proud of the progress
we've made despite the systemic challenges and
political threats confronting public housing in our
city and across the nation. I want to thank Speaker
Melissa Mark-Viverito for her supporting a variety—a
variety of Next Gen initiatives that are moving our
agency forward and promoting opportunity for
residents. I also want to acknowledge partners like
Chair Torres, the New York City Congressional
Delegation—Delegation, Assemblyman and Housing Chair
Steven Cymbrowitz, and the Teamsters Local 237 for
their steadfast advocacy and investment in the
Housing Authority. Around the time of our
Preliminary Budget hearing in March, we learned

1 details of the President's Skinny Budget, which
2 proposes more than \$6 in cuts to HUD amounting to
3 hundreds of millions of dollars in potential losses
4 to NYCHA's capital and operating funds and Section 8
5 program. Mayor de Blasio and I took this as a
6 rallying cry immediately stepping up to fight this
7 vicious assault on public housing and other
8 affordable housing programs. With a coalition of
9 allies at our side like Senator Schumer—Charles
10 Schumer, Congresswoman Nydia Valazquez, Council
11 Member Torres, residents and advocates in no
12 uncertain terms we called on our representative and
13 the nation at large to consider the importance of
14 public housing, the high stakes and the need for
15 increased investment rather than crippling cuts. My
16 colleagues and I spent hours—countless hours in
17 Washington and Albany to make the case the public
18 housing and the 2.6 million Americans it serves. We
19 brought together a diverse alliance of leaders and
20 experts who labor, construction, business, national
21 trade associations, and the health sector to support
22 and elevate our cause. We are forging new
23 partnerships with other public housing authorities
24 from Oakland, California to Oneida, New York to build
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1 a national network to lead the conversation on the
2 connection between housing and health. At
3 conferences and in rallies on the street, through
4 letters to governments and op-eds from our allies, we
5 made clear that public housing is vital
6 infrastructure worth preserving and protecting. Our
7 relentless advocacy did not go unnoticed. Earlier
8 this month we learned that for fiscal year 2017
9 Congress increased public housing capital funding by
10 2%. However, it decreased operating funding and
11 Section 8 proration by 2%. But let me be clear, the
12 fight is far from over, and we are not out of the
13 woods. This 2017 HUD funding bill was developed
14 during the Obama Administration. It's a stop gap
15 measure that gets us through September. 2018 is a
16 tremendous concern when Congress—when this Congress
17 will strive to enact the vision outlined in the
18 President's Skinny Budget. We cannot let Washington
19 off the hook. We must fight for every dollar that
20 public housing needs for this and future generations.
21 Support from the state and city and our advocacy in
22 Albany has also had an impact for this year. The
23 State is providing \$200 million in capital funding,
24 the most money that they've committed to NYCHA since
25

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1998. We are excited about a plan that we developed
to use these funds to fix boilers and elevators most
in need of repair. Mayor de Blasio continues to lead
the way in ensuring that NYCHA is here for the next
generation. He recently announced a \$355 million
investment in façade improvements. This is on top of
the unprecedented-unprecedented \$1.3 billion he
committed for the replacement of more than 950 of our
worst roofs. While support from the city and the
state is address vital issues at our developments,
NYCHA relies on the federal government for the
majority of its funding. Let me take a moment to
update you on what we know about the rest of the
fiscal year. Having spent a lot of time in DC
recently I can say with certainty that these are
uncertain times. We may not receive notice of the
final operating fund proration rate for the rest of
2017 until late June. If drastic cuts for 2018 come
to pass, the impact to residents will be great.
There have been threats to public housing before, but
this is not normal. Continued and significant
underfunding follows years of disinvestment. We have
lost nearly \$3 billion in federal funding since 2001,
and our buildings suffer from a 2--\$17 billion--\$17

1 billion in capital needs. On May 19, 2015, Mayor de
2 Blasio and I released Next Generation NYCHA. Our
3 long-term plan to address the challenges to stabilize
4 the authority's finances, become a better landlord
5 four residents, and ensure that NYCHA remains one of
6 the institutions that make our city so great and
7 strong. We've made significant strides in changing
8 the way we do business, strengthening our
9 organization and improving residents' quality of
10 life, progress that would dissipate from multi-
11 million reductions to our federal funding. Here are
12 just a few examples of what we've accomplished. We
13 increased rent collection by more than 3% generating
14 \$32 million in additional revenue and activated 19
15 formerly vacant non-residential ground floor spaces
16 bringing more services to the community and revenue to
17 the authority. We're transforming into a modern more
18 customer focused agency saving \$1.2 million in
19 clerical costs, by equipping property management
20 staff with Smart phones and nearly a million in
21 customer contract center labor costs with the My
22 NYCHA app. We're more sustainable. Every single
23 NYCHA development now has access to recycling and our
24 first \$56 million energy performance contract is
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creating \$3.5 million in annual utility cost savings.

We're rebuilding to benefit the community and the city at large. We have more than a billion dollars of capital-of capital work on the street including \$500 million in Sandy recovery construction underway at 50 buildings employing over 165 residents. We're investing more than \$600 million in 3,100 units through HUD's rentals assistance demonstration.

Nearly 1,500 units of affordable housing are in development, and as part of our work to create more affordable housing for New Yorkers and more revenue for the Authority, we announced the newest site in our Next Gen Neighborhoods program, La Guardia Houses and selected a developer for Holmes Towers. We're creating opportunity, connecting nearly 6,000 residents to jobs and more than 13,000 residents to partner services. We are at another critical with our efforts and our vision tested by vagaries of Washington, but let me repeat our vow: We will not give up on public housing, nor will we allow Washington to do so, and we will not go backwards. We will keep fighting to preserve our accomplishments and to continue our progress. Turnaround efforts take time. We are in year 2 of a ten-year plan. In a

recent piece I the Gotham Gazette, our three resident board members wrote that "Residents are starting to feel these changes, and feel their voices are being heard. That doesn't mean there isn't work left to be done. There is, but we know that NYCHA is moving in the right direction and lives are improving as a result." For the 600,000 New Yorkers who depend on us, we must continue to deliver on our promise of safe, clean and connected communities. We must continue rallying support for public housing at the state and national level stressing its crucial role in fostering healthy strong neighborhoods in cities, spurring investment and creating jobs. Thank for standing with us as we march onward. We are happy to answer any question you may have.

CHAIRPERSON FERRERAS-COPELAND: Thank you very much for your testimony. We have a—I have a few questions and the Chair will ask his questions, and then we will open it up to members. I wanted to talk about the Operating Budget Deficit and the closure of your deficit. NYCHA was able to close its 2016 Adopted Operating Budget deficit of \$60 million at the end of 2016. Can you provide the committee with details on how the authority was able to close the

deficit, and while the 2017-2021 Adopted Operating Plan reflects a surplus in the immediate terms [coughs], in 2017 and 2018 the Operating Budget reflects a deficit of about \$20 million in '19 and the deficit grows to \$57 million in '21. Can you also provide additional details on the major drivers contributing to this long-term operating deficit?

KAREN CALDWELL: Good morning. I'm Karen Caldwell, CFO of NYCHA. First, let's talk about 2016. So, 2016, you are correct, we came in expecting a \$60 million deficit and came out with an \$8 million surplus. How did we do that? Well, in 2016, we actually collected more rent than we had projected and so that was a positive outcome for us. Additionally, the proration that we received was actually higher than we had budgeted. We received 90.21% proration, and I think we had budgeted 88% and so that was a positive inflow for us. The other thing is that we had lower utility expenses, and that really is just due to the reduction in natural gas prices, which will also give us lower electric—electricity prices. So, those are really the primary drivers that, you know, to close our gap in 2016. In 2017, we come in with a \$21 million surplus as we

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1 budgeted. We do a five-year plan, as you know, in
2 December. The Board ratified it and that was the \$21
3 million and the \$60 and then some deficits in the-in
4 the following years. What I will say to you is that
5 it really has been a time of us sort of reigning
6 ourselves in, and-and really trying to be as prudent
7 as possible. We also obviously have received help
8 from the city, which has been, you know, very helpful
9 to us. In our 2017 Budget we have about \$150 million
10 coming into our Operating Budget from the city either
11 for the general wage, senior centers and some of the
12 things that we've talked about, and so that has been
13 helpful to us there. Oh, you-you want to talk about
14 the out years?

16 CHAIRPERSON FERRERAS-COPELAND: Yeah, I
17 want to talk about 19 and the deficit that grow to
18 \$57 million by 2021. What is-what's the factor or
19 the driver contributing to the-that you see the long-
20 term deficit?

21 KAREN CALDWELL: So, some of our Next Gen
22 NYCHA plans that we've put in place have come to
23 fruition not only in '16, but also in '17 and '16 we
24 close a wire (sic) transaction that brought in \$44
25 million that closed the gap. I have a list of all of

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the things that Next Gen NYCHA had contributed, and
so we are forecasting that every year what, you know,
what's coming in from those efforts, and though we
have some deficits in the last three years of our
plan, you know, it's still our hope that we can, you
know, do things internally. We have time to make
adjustments to try to, you know, make up that
deficit. So, you know, the five-year plan is
obviously, what I know today, but it is our hope that
we can close that gap.

CHAIRPERSON FERRERAS-COPELAND: Okay, so
if you can just share, you don't have to do it now,
but if you can share with the committee what those
measures are that you feel that you can close those
gaps by the— You said, you had a list?

KAREN CALDWELL: Yeah, so, I can talk—I
can share with you the list of—of Next Gen NYCHA
items that are in the budget what has contributed
over the last couple of years, what we expect over
the next few years, and again continue work toward
that.

CHAIRPERSON FERRERAS-COPELAND: Yes.
Okay. I wanted to talk and I know that you had
mentioned this on the rent collection that you've

increased in this last Fiscal 26—I mean calendar year
16, a critical source of your revenue, as you
mentioned, which totals about \$1.1 billion or 32% of
your total revenue, what is the current rent
collection rate at, and is the rent collection rate—
if the rent collection rate was at 100%, how much
additional revenue would this generate for NYCHA
annually?

KAREN CALDWELL: So, each percentage is
about \$10 million if it's a billion dollars. Our
rent collection is right around 92 or 93%. It's—the
percent or amount of rent that we've collected is
higher, but our rent collection percentage is lower.
So, let me talk about that.

CHAIRPERSON FERRERAS-COPELAND: Yeah,
that makes no sense.

KAREN CALDWELL: Yeah.

CHAIRPERSON FERRERAS-COPELAND: Walk me
through that one.

KAREN CALDWELL: The reason our rent
collection is a little higher is because rents went
up, and that's because of the flat rents that were
imposed by HUD and we stepped those in over a three—
over a three-year period, and so our tenants, their

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rent up, and so that's why there's a higher
collection.

CHAIRPERSON FERRERAS-COPELAND: So the
amount is higher, the amount of people paying is not
necessarily what's increased?

KAREN CALDWELL: No. It's actually gone
down. It's actually gone down so what's happened is--
-

CHAIRPERSON FERRERAS-COPELAND:
[interposing] Okay, can you tell me the--the two
different percentages? So you say 93% is--what--what
is 93%?

KAREN CALDWELL: Okay, so, the--so let's
start--oh, so the--the amount of rent that we are
charging tenants had to go up because of the HUD
formula, and so that flat rent raised the rent, but
what happened with that I think at that time our rent
collection rate was about 95%, but what happened is
as the rent has gone up, that it's put a strain
especially since it went up three years in a row, it
has put a strain on some of our tenants and it's been
difficult for them to pay the rent. And so, our
actual collection percentage has gone down even

though the dollar amount that we've received from the tenants who do pay has gone up.

SHOLA OLATOYE: And I might add that [coughs] you know, the best practice in property management is something like 97 to 98% in what housing managers expect to collect for rent. So, HUD Net doesn't per its formula doesn't expect the Housing Authority to collect the 100% in rent. So, we are at the 93% in terms of what they say we collect, and that's what they include in their formula, and that's what they charge, and that's what they expect we've collected irrespective of our ability to actually collect that. And so, just to provide context, and I think some folks know this [coughs], Congress enacted a bill in I believe 2015 that works that really forced housing authorities to ensure that those families who were not paying 30% of their income actually get to 30% of-30% of their household income. For some families and NYCHA and many others petitioned that we have a longer lead in time, and we did receive that. Congress wanted us to do it I believe in a year. We actually got I think a three-year opportunity to do that because we argued the increase would be significantly burdensome for our

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families. So, while it is still perhaps a--it is only
30% of a household income, if someone was paying \$400
a month for rent, and now they're paying \$600 in
rent, that is a lot for our families. And so, if
they weren't paying their rent before then, they're
definitely not paying that. So, that has been one of
the challenges for us in--

CHAIRPERSON FERRERAS-COPELAND:

[interposing] So, are these--are--are tenants paying a
portion of the rents or are they just not paying?
What do you---?

SHOLA OLATOYE: All circumstances we see
it.

CHAIRPERSON FERRERAS-COPELAND: Okay. So,
what percentage of NYCHA tenants are paying rents
that you know consist in a need to pay rent? What
percentage of that?

KAREN CALDWELL: Well, I think that would
represent the 93%--

CHAIRPERSON FERRERAS-COPELAND: Okay.

KAREN CALDWELL: ---those consisting
they're paying right, yeah.

CHAIRPERSON FERRERAS-COPELAND: That's
your--I just want see with clarity. So, 93% are

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paying—and then what is your total collect—what was
your total collection in 2016 numbers?

KAREN CALDWELL: [background comments] \$1
billion, 23--\$230,000.

CHAIRPERSON FERRERAS-COPELAND: Okay.
So, strategically if you were—if—if you're trying to
get more families that are in the situation that
aren't necessarily—that you have identified can't
afford to pay the rent, how do you engage with
families? So, what's the process of engaging?
What's your strategy to either get them to a point
where they can pay, or identify, you know what, this
is somewhat, this is a family that's not going to be
able to pay, but we can get this portion of it?

SHOLA OLATOYE: So, we've done a number
of things, some with our city partners. So, one of
the—the first things we did when we came in 2014 is
to make sure that those families who—which is a small
percentage, 12% of our families are on public
assistance. Let's make sure that if they are on
public assistance that we are receiving funds from
HRA in a reasonably timely manner. It was done by
checks before. That's now done electronically. So
that just in terms of the inflows to the authority

1 those families that's one sort of--sort of a low-it
2 was a very sort of low-hanging fruit that we could--
3 could identify. The second thing is to (a) have a--
4 just a better reminder of process of when rent is
5 due. So, whether is inserts in mailers, robo calls,
6 which have never been done before, also frankly
7 starting at the property level making rent
8 collection, and again for industry best practices,
9 the property manager is responsible for--for
10 collecting rent. So, making that something that is
11 really front and center for that property manager
12 that he or she understands, you know, which families
13 are--are having problems and having sort of clear
14 visibility into that family. So, really starting at
15 that level. So, a lot of reminders also changing so
16 that renters can now pay their rent multiple times a
17 month. You may get paid, you know, whatever the
18 schedule might be, you--we now have made it easier for
19 people to do that, made it easier for people to pay
20 online, removing some of the fees associated with
21 some of the sort of more electronic or tech--
22 technologically advanced ways in which to--to pay for
23 rent. The other thing is, you know, we've worked
24 with those families particularly in--in some of our
25

higher rent delinquency developments by-by partnering
with some of our REES partners, resident engagement
and sustainability program where there are our
partners who provide financial assistance—financial
counseling, financial information around budgeting,
around how to improve or asset building. So, it-it
has been a-a really multi-pronged effort. I think
it's paid off in the fact that the numbers are going
up, but this is very—this is an area that is of great
concern. I think broadly, you know, for our families
who are struggling to pay for rent, there's—there's
an income issue just in terms of their ability to
have enough to do so.

CHAIRPERSON FERRERAS-COPELAND: Have you
been able to correlate at all rent collection with
maybe conditions of certain buildings or conditions
of certain apartments that--?

SHOLA OLATOYE: So, this is a very good
question, and—and—and we have not done that level of
analysis. There is no—there's a small percentage of
our chronically rent delinquent, and that's for folks
who are I believe it's 90 days or more delayed who we
are in a kind of legal process. It does not equal to
the amount of money that it—that we are not

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collecting, and-and we've actually in-in consultation
with advocates and-and our legal team kind of
developed a-sort of took a fresh look at how court
ordered repairs get done so that ultimately work can
get done, and people can get back on track to paying
their rent, and-and-and having an improved set of
conditions. The percentage of those families is very
small compared to the overall amount of rent that
folks weren't paying.

CHAIRPERSON FERRERAS-COPELAND: Okay, I
just wanted to talk about payment that you're making
to the city, and then I'm going to give it over to
the co-chair so he can ask his questions, and I'll
come back for a second round. In recent years the
Administration has waived certain payments NYCHA made
to other city agencies, most notably \$70 million to
the NYPD for patrols in development and \$30 million
to the city as a payment in lieu of taxes. However,
NYCHA still pays the city for certain services. In
2016, NYCHA paid the city \$187 million for third-
party services required in NYCHA development
including environmental services, energy contracts
and other services. How much money will NYCHA pay
the city in 2017, and how much money will NYCHA

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receive from the city in 2017 operating and capital
funds?

KAREN CALDWELL: Okay so in terms of what
we're going to spend in 2017 it's \$187 million. I
think it's important to note that \$185 million of
that is DEP. That's our water bill. So, there are
small amounts that we are paying to the city for
other services, but they are very small.

CHAIRPERSON FERRERAS-COPELAND: Okay.

KAREN CALDWELL: In terms of what we
receive from the city, we expect \$164 million, \$157
of that is from capital.

CHAIRPERSON FERRERAS-COPELAND: Okay,
very good. Thank you. We'll hear from Chair Torres
followed by Council Member Gibson followed by Council
Member Richards, and we've been joined by Council
Members Richards, Van Bramer, Johnson, Menchaca,
Salamanca and Barron. Chair.

CHAIRPERSON TORRES: Thank you, Madam
Chairwoman. It's so hot in here, a few question
appearing from the summer event. [background
comments] I have a—I have questions about a range of
topics. One of the legislative items under
consideration in the City Council is a right to

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counsel, and there's a controversy over whether the

right to counsel should apply to NYCHA residents.

So, my understanding that non-payment cases go to

Housing Court, but there are several categories of

proceedings that go through NYCHA's own

administrative processes, chronic rent delinquency,

permanent exclusions and I believe that if you're a

tenant and you are at risk of losing your home,

whether you live in public housing or private

housing, you should have due process, you should have

legal representation. Does the Housing Authority

have a position on whether residents should enjoy

legal representation in NYCHA proceedings?

KAREN CALDWELL: We agree with you.

CHAIRPERSON TORRES: You agree?

KAREN CALDWELL: We do.

CHAIRPERSON TORRES: Okay, great. Holmes

Houses you announced the developer was selected.

KAREN CALDWELL: [interposing] Holmes

Houses, yes. [coughing]

CHAIRPERSON TORRES: Is it Holmes or

Isaacson?

SHOLA OLATOYE: Holmes Towers yes.

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CHAIRPERSON TORRES: Holmes Towers,
right.

SHOLA OLATOYE: Uh-huh.

CHAIRPERSON TORRES: There was an article
in the Daily News claiming that there might be some
segregation of market rate units from affordable
units. Is that true? I mean can you comment on the-
-

SHOLA OLATOYE: So, that is not true and,
in fact, it's illegal and against city policy. You
know, this program, this project will be financed
with-with city financing and perhaps the other-other
public sources of funds, and so I can't speak to the
sources of that-of that-that article, but it is not
true we-what we have-in-in-in line with city policy.
The units will be spread throughout the building.
There will be no separate entrances. There will be
no distinguishing and identifying characteristics in
terms of those units that are at the 60% AMI and
those that are market rate. So, you know, that is
completely inaccurate.

CHAIRPERSON TORRES: The article claims
that the law only requires up to 65% of the units or

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the building to be integrated. So, is that your
understanding of the law or--?

SHOLA OLATOYE: Again, you know, it is
not reflective of the proposal that has been
recommended for eventual designation. It is not
aligned with city policy. This is something that,
you know, this Mayor and--and the Deputy Mayor have
spoken, you know, very out a lot about, which is
these units need to be indistinguishable and they
will do so.

CHAIRPERSON TORRES: I just want to be
clear. So, you can assure us that there will be no
segregation of the units--

SHOLA OLATOYE: [interposing] I can--

CHAIRPERSON TORRES: --throughout the
whole building?

SHOLA OLATOYE: This building will be in
line with city policy, and there will not be
segregation of units by income.

CHAIRPERSON TORRES: So, I have a
question about federal funding for public housing.
My understanding is that federal funding for public
housing is based on three interconnected variables.
So congressional appropriations, eligibility and

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proration. [coughing] Is that—would that be an
accurate description?

SHOLA OLATOYE: Yes,

CHAIRPERSON TORRES: And obviously the
congressional appropriations is largely driven by
the, the agenda of the Administration. We have an
administration that's intent on dismantling the
social safety net of which NYCHA is a critical part,
but what about determinations about eligibility and
proration? What's the basis for those
determinations?

KAREN CALDWELL: So, just to step back,
there was a Harvard study done years ago that HUD
really uses to determine the—uses that formula as
determined as part of that study to determine what it
really costs to run a public housing unit. And it
has many variables, but the three most important
variables are project expense level, which basically
says this is the amount of money it should cost you
to operate one of these apartments. There's an add-
on for utilizes and then there is subtraction for the
rent that you are charging the tenants, and I think
that the chair alluded to this—to this earlier. So,
on the project expense level, there is an inflator or

a deflator that's—that's put to that formula, and if
it's an inflator, it increase the amount of money
that comes to the public housing. Then, on the
utilities, again, it's an inflator or a deflator. If
it's an inflator, it increases the amount.

Defleeter-deflator decreases the amount that comes to
us, and then the rent that's charged. In the
eligibility that we—the formula that we're using for
2017, the project expense level went up by about
2.4%. That's a positive. That's saying if—if we—we—
it recognizing it costs you more to run these. But
on the utilities we actually had a deflator of about
7%, and that deflator was in excess of how much our
utility bill went down. So, it's—it's a punitive
because it means they're not giving us as money to
pay our utilities. They subtract from that the rent
that we charge our tenants. So, as the rent charge
has gone up because of the flat rents, that's a
bigger subtraction. However, as we stated, we're
collecting less. So, they're assuming we're
collecting 100% of what we're charging our tenants
and we're not. You know, it's not even industry
standard to collect 100%. So that is the formula
that they use to—to determine our eligibility, and

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then we have formula, all housing authorities across
the country have that formula. That determines our
eligibility. They add it all up. They look at the
money they have, and then they prorate it
accordingly. So there are a lot of moving parts to
determine the amount of money that comes to NYCHA
from HUD.

CHAIRPERSON TORRES: So, you have those
three variables, congressional appropriations,
eligibility and proration, and within eligibility
there are three more variables.

KAREN CALDWELL: Yes.

CHAIRPERSON TORRES: It's operating
expenses, rental revenues, and by rental revenues HUD
is referring to what you charge, not what you
actually collect--

KAREN CALDWELL: Correct.

CHAIRPERSON TORRES: --and utilities.

KAREN CALDWELL: Correct.

CHAIRPERSON TORRES: So, we know that--and
of those three--of the three categories that I
mentioned earlier, which one has been the main driver
so far of funding losses for the Housing Authority?

KAREN CALDWELL: Utilities and rent.

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CHAIRPERSON TORRES: So, it's the
eligibility—it's the eligibility?

KAREN CALDWELL: It's the eligibility at
this point, and—and that's only because we don't
really know what the proration is going to be--

CHAIRPERSON TORRES: [interposing] Right.

KAREN CALDWELL: --at this point. We
only know eligibility.

CHAIRPERSON TORRES: And we know that
congressional appropriation is driven by ideology of
the Administration right? Is that true of
eligibility? Is that driven more by objective
conditions than it is by the agenda of the particular
Administration or--?

KAREN CALDWELL: Some of it is objective,
and I'll—this is what I'll—how I'll say that. For
instance, the utility inflation or deflator--

CHAIRPERSON TORRES: [interposing] Yeah.

KAREN CALDWELL: --is based off of the
Consumer Price Index for utilities and then they do a
multiplier for it, and when they put the formula
together, they never envisioned we'd be in an
environment where natural gas prices will be coming

down, and electric prices will be coming down, and
so--

CHAIRPERSON TORRES: [interposing] Right.

KAREN CALDWELL: --the formula may not
work as it was truly envisioned when it was put
together, but because of the dramatic changes we've
seen in energy prices, it has a big effect on--on us
the way it's working right now. Again, whether or
not it was intended, I don't know, but I don't know
that that was intentional. On the rent that is
charged, again, the formula was in place before--but
there was a time when rent really wasn't moving
around a lot. Now, with the flat rents all of a
sudden the magnitude of--of the effect of this
increase in rent is much bigger in--in the formula
because of the big changes we've seen in rent over
the last few years. So, I would not say that again,
they have some discretion around whether the
inflatons or deflatons, but it's somewhat in line
with the formula. So, I have a more difficult time
being able to say that that is moving around with,
you now, political winds, but certainly, at the end
of the day, the amount of money that comes to us
certainly is.

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CHAIRPERSON TORRES: So, even though
Donald Trump poses an existential threat to NYCHA,
the public poses a greater threat from themselves
into the Housing Authority, but there are larger
forces that are driving these funding losses like a
natural gas revolution, the federally mandate Flat B-
Flat B policies.

KAREN CALDWELL: Flat rents, yes.

CHAIRPERSON TORRES: And those are able
to probably be true regardless of the Administration
rate?

KAREN CALDWELL: Correct.

CHAIRPERSON TORRES: And so, those-if
those trends persist, there could be more funding
losses on top of whatever losses you suffer from
congressional appropriations, right?

KAREN CALDWELL: Yes.

CHAIRPERSON TORRES: I want to speak
about the President's Budget--

KAREN CALDWELL: Uh-huh.

CHAIRPERSON TORRES: --recommends
redistributing \$54 million from domestic spending to
military buildup, and that's part of the
redistribution. I believe he proposes a \$6 billion

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cut in HUD's budget. Have we estimated the precise
impact that that would have on the Housing Authority
if his budget were to come to fruition?

KAREN CALDWELL: We estimated it to be
between \$100 and \$150 million. One of the reasons we
can't be more precise--

CHAIRPERSON TORRES: [interposing] Is
that operating or--or capital?

KAREN CALDWELL: Operating.

CHAIRPERSON TORRES: Well, what would be
capital effect?

KAREN CALDWELL: They're two-thirds,
yeah.

CHAIRPERSON TORRES: [interposing] Two-
thirds?

KAREN CALDWELL: It could be as much as
\$200 million on the capital side.

CHAIRPERSON TORRES: So, you would lose
two-thirds of your capital funding--

KAREN CALDWELL: Uh-huh.

CHAIRPERSON TORRES: --and \$100 to \$150
million?

KAREN CALDWELL: And Section 8 as well.

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CHAIRPERSON TORRES: And--and Section 8 as
well.

KAREN CALDWELL: Well, 4,700 vouchers.

CHAIRPERSON TORRES: So, that's the
total?

KAREN CALDWELL: Right.

CHAIRPERSON TORRES: Now, the latest
budget largely keeps affordable housing funding
intact [coughing] but it didn't like cut in the
public housing subsidy.

KAREN CALDWELL: Uh-huh.

CHAIRPERSON TORRES: The operating
subsidy. What--what--what does that translate? What
kind of impact will that have on NYCHA?

KAREN CALDWELL: You know, it's very
difficult to say. As you know, we get proration that
is through HUD that cover X amount of months. So,
we've received letters that take us through May, but
we don't know what's going to happen in June. So,
what I will say to you is that 2% cut that we've read
about is really to all programs at HUD both Section 8
and public housing, but it also includes all HUD
programs Community Block Development Grant, Home,
everything. So, you know, not knowing how they're

going to apply the 2% across the programs, and then especially given the changes in the formula, it's very difficult for me to say at this point what that's going to look like.

CHAIRPERSON TORRES: I have a question about the State Budget—Budget just passed. My understanding is that it allocates \$200 million to public housing, to the New York City Housing Authority, but for me what matters even more than the dollar amount is whether those dollars are put to productive uses, and how quickly those dollars are spent. Are we going to experience a repeat of the last two years or are you confident that you will have the flexibility to spend those dollars on critical infrastructure needs, and spend it quickly?

SHOLA OLATOYE: Well, so you're—you're right. It is more funding. We are grateful and—and thankful that. It is the language in the—in the bill or in the budget essentially says that based on the mutual agreeable—a mutually agreeable plan between the Housing Authority and DASNY. So, it does—it removes HCR, which had been in the mix last year, which we see as a positive step in terms of streamlining the conversation. We meet and speak

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weekly with our colleagues that DASNY has reached out
to my colleagues yesterday to-to let them know to-we
have a draft plan that is focused specifically on
similar to our roof initiative, focused on our worst
boilers and older elevator infrastructure. And so,
it is our hope that because of the robust nature of
that plan we can all agree, and then it will go to
the Governor's Office eventually or the Budget Office
for approval, which will allow us to work with DASNY
to-to move as expeditiously as possible.

CHAIRPERSON TORRES: And who's deciding
the manner in which these dollars are put to use? Is
it the elected officials, is it DASNY, is it NYCHA?
Who are the decision makers?

SHOLA OLATOYE: It's unclear at this
time. We-we again I think DASNY and NYCHA have
worked well together-we will-we will have a mutual
agreeable plan that gets sent-presented to the-the
Budget Office, the State Budget Office, i.e., the
Governor and someone will make a decision if that is
okay, and-and it is our hope that in a streamlined
process, you know, DASNY we have the-we have the
scopes of work and DASNY can quickly organize itself
to-to get the work done.

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CHAIRPERSON TORRES: Great, and if you
were to—if you were able to use those dollars,
according to your own vision of how those dollars
should be put to use, do we know the number of
boilers and elevators that would actually be--

SHOLA OLATOYE: [interposing] Sure.

CHAIRPERSON TORRES: [interposing] -
replaced?

SHOLA OLATOYE: There's about—there's
about—I'm sorry, there's about 49—49 boilers that are
representative at about ten developments, and then
there are about 102 elevators cars at approximately
nine developments for which these—these resources
would be—would be used.

CHAIRPERSON TORRES: Okay. I have a
question about the NYCHA IG. On April 13th, the DOI
Commissioner Mark Peters sent you a letter faulting
you for your refusal to fund the NYCHA Inspector
General at the requested level, which amounted to a
\$200,000 increase above the existing budget for the
NYCHA IG. Did you respond to the DOI's—Commissioner
letter in writing?

SHOLA OLATOYE: I have responded to the
letter yes.

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CHAIRPERSON TORRES: Okay, and can we
have a copy of that letter?

SHOLA OLATOYE: Absolutely.

CHAIRPERSON TORRES: Great, and what was--
to your knowledge, what was the basis for the funding
request?

SHOLA OLATOYE: Well, what was shared was
the desire for mayoral increases for staff, and for
additional capacity.

CHAIRPERSON TORRES: Okay. Is that the
only basis that you're aware of or--?

SHOLA OLATOYE: That's what was
communicated to me?

CHAIRPERSON TORRES: Okay, because my
understanding is that the point of the request was to
achieve parity between the NYCHA IG and the rest of
the IGs in New York City, and so here's the data that
was provided to me by DOI. Outside of New York City
Housing Authority the average salary for an entry
level DOI investigator is somewhere between \$55,000
to \$57,000. Within NYCHA, the average salary for an
entry level DOI investigator was \$42,000. So NYCHA's
entry level DOI investigators earn \$15,000 less than
the DOI average. Outside NYCHA, the average salary

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for an experienced DOI investigator, 10 to 20 years
of service is \$85,000. Within NYCHA the average
salary for an experienced DOI investigator is \$72,000
a difference of \$13,000. This was not brought to
your attention in your discussions with DOI?

SHOLA OLATOYE: The specific numbers were
not shared with me, but again, we—we speak regularly.
I—I have a monthly meeting with the—SMI agency and
there is a fair amount of conversation back and forth
with members of my Executive Team. So, I'm sure
that, you know, that—those specific levels of the
numbers were—were shared with—with my team.

CHAIRPERSON TORRES: Because the letter
makes no mention of merit increases. It's about
parity between—it's about uniformity and salary.
Because obviously as an employer, you know, the
ability to attract and retain talent. It depends
heavily on compensation, and if you have employees
who can earn substantially more for the same kind of
work elsewhere in the same fields then you as an
employer face a higher risk of hemorrhaging those
employees, and I think that's the—the crisis within
the Office of the NYCHA IG. Does that—does that
change your opinion of this funding request?

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SHOLA OLATOYE: Well, so, I-I think it's
important to note that, you know, we-we have a
standing an MOU with our colleagues at the Department
of Investigation, and that really governs the
relationship that the agency has--

CHAIRPERSON TORRES: [interposing] Yes.

SHOLA OLATOYE: --with the DOI where
there's a 1992 agreement, there's a 2003 agreement,
and there's the--there's the clause in there that
talks about a mutually agreeable budget. A big part
of the work that we have done over the course of the
last three years is to have a level of transparency
around how we budget internally. So, you know,
through the CFO we are shifting directions. Every
department head, you know, understands, gives-gets
their budget in a timely manner. There's a-as you
can imagine, a lot of back and forth about needs,
about work plans for the--for the coming year. That's
a process that is underway. It's closed out, and
eventually an approved budget is approved by the--the
NYCHA Board, right so this--so--so that--the budget that
our DOI colleague have was something that was
negotiated like we did with a number of--with all of
our business heads, and approved by the NYCHA Board

1 in December. The latest request comes in mid-year,
2 and I think, you know, is-is something that really
3 doesn't reflect our realities as an agency in terms
4 of our financial realities. And so, what my letter
5 suggested is that I would be welcomed to, you know,
6 sit with the Commissioner with our colleagues at City
7 Hall to sort of update a relationship that reflects
8 the financial realities of both agencies. The other
9 important thing that I'll-I'll note that when there
10 has been significant new inflows of dollars to the
11 Authority, the Board has both, you know, assess those
12 resources and approved that there be greater
13 monitoring because we both understand, appreciate,
14 respect and expect that there will be an important
15 stewardship of those resources. So, whether it was
16 our Bond B allocation or our FEMA allocation of which
17 DOI receives \$10 million and two additional heads as
18 part of it, that is a commitment to making sure that
19 that function, the city directed function has
20 additional resources. So, you know, the--

22 CHAIRPERSON TORRES: [interposing] Isn't
23 that a-a run of the mill budget, right? The
24 difference here is that DOI is an independent
25 overseer of the Housing Authority, and I think you

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would agree that independent oversight is—is a
pillar of good government. I'm sure you would agree
with that.

SHOLA OLATOYE: I do agree with that.

CHAIRPERSON TORRES: Right, and that DOI
performs an independent oversight function in
relation to the Housing Authority, and—and it would
seem to me—do you think you as the chairperson of the
Housing Authority have an obligation to cooperate
with the DOI as an independent overseer?

SHOLA OLATOYE: I absolutely do, and that
is—I-I---not only do I have an obligation, I have a
legal obligation to d o that--

CHAIRPERSON TORRES: [interposing] Right.

SHOLA OLATOYE: --and that is—that's
part of the what's going through.

CHAIRPERSON TORRES: [interposing] And-
and we could argue that part of what it means to
cooperate with DOI is to comply with the DOI funding
request.

SHOLA OLATOYE: I think per our 2003 MOU,
which spells out very clearly what the terms of the
relationship says, which is that there is a mutually
agreeable budget, mutual—mutually agreeable means

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mutually agreeable not a one-sided request. Now, I
just think it's—I think it's important to note it's
ongoing conversation, and there were attempts to
address the resource request whether it was
additional heads, additional resources that were
provided to our colleagues at DOI. Look, this is a—
this a—as you can imagine perhaps as an executive,
the types of requests that we get across the
authority for more resources and save for operations—
-

CHAIRPERSON TORRES: [interposing] But
it's not like--

SHOLA OLATOYE: --the most important
part--

CHAIRPERSON TORRES: [interposing] This
is qualitatively different from every other request
that you receive.

SHOLA OLATOYE: [interposing] But the
resources are—they--

CHAIRPERSON TORRES: [interposing] And I
do want to call it the--

SHOLA OLATOYE: --they all come from the
federal government.

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CHAIRPERSON TORRES: [interposing] -I do
want to call it the MOU, which would—which appeared,
the quote appeared with the Commissioner's letter.
He said that the MOU requires the Housing Authority
to fund the IG's office at a level "adequate to
ensure the effective performance of the duties and
responsibilities of the Inspector General." Right?
That's what the quote says. And so, I'm wondering
who's in a better position to determine which funding
levels are adequate to ensure the effective
performance of the Inspector General. Is it the
Inspector General or is it you?

SHOLA OLATOYE: You know, I would love
to sit here and tell that the Housing Authority has
been funded adequately, and it hasn't been for 20
years.

CHAIRPERSON TORRES: [interposing] But
that is true, and the whole city government is under
siege from the Trump Administration. Like the Health
and Hospitals Corporation is teetering of the verge
of extinction. It might not exist in five years, and
even though Health and Hospitals is facing even a
deeper financial crisis than the Housing Authority,
Health and Hospitals unlike NYCHA is fully complying

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with DOI's funding request and actually pay more than
what the Commissioner is requesting--

SHOLA OLATOYE: [interposing] That' leads
to another point of--

CHAIRPERSON TORRES: So--so why should
there be a double standard?

SHOLA OLATOYE: Well, just if I--just
because I think that that's an important example. The
city is actually paying of HHD's DOI budget.

CHAIRPERSON TORRES: Yep. That's not
what--that's not what DOI claims. DOI claims that SCA
pays for its own Inspector General.

SHOLA OLATOYE: Is it the SCA or HHD?

CHAIRPERSON TORRES: Health and
Hospitals, S--SCA and DOE all pay the bill on
inspector generals. There are 700 employees--there--
there are 700 people who report to the DOI
Commissioner. Only half of those employees are on
the payroll of DOI. So, there are a number of
agencies that that are either contributing partly or
fully to the inspector generals. So, it's not a
unique arrangement to NYCHA.

SHOLA OLATOYE: Well, I guess I would say
taking a step back just to say we agree with the

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mission, and I shared this with the--with the
Commissioner when we've--when we've spoken about this,
and we agree with the--with the mission of this
department. We have worked tirelessly to address his
constant revenue requests and--

CHAIRPERSON TORRES: [interposing] But
you were not even aware of the basis for his
requests.

SHOLA OLATOYE: --and we have--when and
when he was un--when he was not satisfied with--with my
directives, I suggested that he have a conversation
with our deputy mayors, and he did and they both
confirmed my--my decision. So, you know, if you don't
believe it's my decision to--to make as the Chair and
Chief Executive Officer of--of this agency, I defer to
the--the Mayor and the Deputy Mayors to do that, and
they confirmed that. But I think again what my
recent letter to the commissioner suggested is if he
felt that--

CHAIRPERSON TORRES: [interposing] And
for the record, we have requested a copy of that
letter. We have not received it, and I requested it
a week ago.

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SHOLA OLATOYE: Okay. So, we'll—we'll get
you the letter.

CHAIRPERSON TORRES: Okay.

SHOLA OLATOYE: We will sit with the
Commissioner, and our colleagues at City Hall to
perhaps identify other resources to support his
ongoing requests for—for support, and—and we remain
committed to that. That is the—that—that is what I
said in my letter. That is what I say to you here
today.

CHAIRPERSON TORRES: I think we are—we
all understand that as resources become scarce, you
know, priorities change, but the DOI exists to boot
out corruption and mismanagement. That's the purpose
of the institution should—do you think booting out
corruption and mismanagement should become less of a
priority in—in moments of financial distress?

SHOLA OLATOYE: No, absolutely not.

CHAIRPERSON TORRES: Okay, do you think—
it seems—it seems to me you think of DOI purely as a
cost to the Housing Authority. Do you think it adds
any value to the Housing Authority?

SHOLA OLATOYE: I think I—both in my role
as the Chair and--

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CHAIRPERSON TORRES: [interposing] Yeah.

SHOLA OLATOYE: --and Chief Executive
Officer of this agency not only understands the value
of it, welcomes the value of it, understands the--the
regular and consistent work that--that the members of--
I think of them as my team because they sit on a half
a floor of my office building. So, this is not about
my view of whether or not the mission of the agency
is important, and I've shared this with the
Commissioner. It is about I have one pot of money,
and when we have to make difficult decisions--

CHAIRPERSON TORRES: [interposing] Yes

SHOLA OLATOYE: --and we've made aside
from operations and the Department, this is the only
department that saw an increase in head count, and
that has been an important commitment and frankly a
difficult decision that I had to have with other
parts of the agency. If our Commissioner feels like
he needs additional resources, I welcome the
conversation with he and my colleagues at City Hall
to support that.

CHAIRPERSON TORRES: [interposing] And I
think it's important, what's the budget for--what does
NYCHA contribute toward the budget for the IG?

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SHOLA OLATOYE: Contribute or pay for?

CHAIRPERSON TORRES: Pay for.

SHOLA OLATOYE: Well, there is the \$5.4
million annually that we support in addition to the
\$10 million in federal funding that he's budgeted to
receive as part of our Sandy Recovery Program.

CHAIRPERSON TORRES: I'm sorry, the Sandy
Recovery Program?

SHOLA OLATOYE: Correct.

CHAIRPERSON TORRES: Independently of the
Sandy Recovery program, which is an outlier, just
normally what's--what's the operation look like?

SHOLA OLATOYE: [interposing] But I think
it's--I mean it's part of--

CHAIRPERSON TORRES: Obviously.

SHOLA OLATOYE: Right, \$10 million.

CHAIRPERSON TORRES: And \$10 million,
right?

SHOLA OLATOYE: Yeah.

CHAIRPERSON TORRES: But--but separate
from the \$10 million what's the ongoing operating?

SHOLA OLATOYE: \$5.3 million.

CHAIRPERSON TORRES: It's \$5 million.
Now, DOI obviously claims that it generates cost

savings for the Housing Authority, right. Are you
aware of the dollar amount that's identified with
their fraud?

SHOLA OLATOYE: [interposing] I am—I am.
There was something like in 2016 or something like
that, I think about \$500,000 actually came back to
the Authority, understanding that they do other very
important work around wage protection, et cetera.
So, if they do recover those resources, that money
goes back to the intended parties, which is exactly
where it should go.

CHAIRPERSON TORRES: So, let me—let me—
DOI said it has identified \$7.3 million worth of
fraud, \$2.3 million of fraud in Section 8, \$1.3
million of fraud in public housing, \$3.8 million
worth of contractor fraud, which includes callbacks,
and withholdings, and so according to DOI, there is,
in fact, a pending case where—of contractor fraud
where DOI has directed NYCHA to withhold over \$2.2
million not to pay their contractor who's defrauding.
That seems to be a real savings. That seems to add
real value. It's protecting the Housing Authority
from contractor fraud.

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SHOLA OLATOYE: You and I agree on the
value of a--it's important that DOI function. I don't
disagree with anything.

CHAIRPERSON TORRES: But you're not
willing to fund it at the required level?

SHOLA OLATOYE: Again, I wish the
authority and the 400,000 residents were also funded
at a required level. Again, if the Commissioner were
to come--

CHAIRPERSON TORRES: [interposing] And
that's true of every agency.

SHOLA OLATOYE: Well, you know, we--

CHAIRPERSON TORRES: [interposing] So, I--
I think, but you think there should be one set of
rules for rest of city government and another set of
rules for NYCHA?

SHOLA OLATOYE: [interposing] I don't
think that's true. I do think that--

CHAIRPERSON TORRES: [interposing] That
seems to be your argument.

SHOLA OLATOYE: No, I think you're
mischaracterizing my statement. I think that I have
said and I said to you, I said this to the
Commissioner that we support the value and mission of

1 this agency, of that department. We have made
2 significant effort to, aside from our frontline
3 staff, and our-our real estate department, they've
4 been the only department to see an increase in heads
5 as opposed to what direction is for the rest of the
6 agency. They were able to add new lines. They were
7 able to increase to bring on people at significant
8 salaries. Look, this is something that, you know, I
9 am not the expert for the Commissioner and his
10 industry. If he would like to sit down with our
11 colleagues at City Hall, the deputy mayors and-and-
12 and think about other ways in which to get to a
13 solution, I'd be happy to do that.

15 CHAIRPERSON TORRES: Well, I just find it
16 telling that you were not even aware of the basis for
17 the funding request. You have not even-you have not
18 provided the letter to this committee so I have no
19 evidence that it actually exists, and it's worth
20 noting that and then I'll end here that you-according
21 to the Commissioner during his four year tenure, you
22 were the only agency head to refuse a funding request
23 from DOI. I think that's striking so--

24 CHAIRPERSON FERRERAS-COPELAND: Thank
25 you, Chair. We will now-we've been joined by Council

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Members Miller and Rosenthal. We will now hear from
Council Member Gibson followed by Council Member
Richards followed by Council Member Menchaca.

COUNCIL MEMBER GIBSON: Thank you very
much. Good morning everyone. Good morning. Thank
you Chair, thank you Madam Chairwoman to you and the
NYCHA Team. I love to give compliments before I
criticize. So, first, I want to thank you for your
support for right to counsel. Intro 214 has an
incredible amount of support from this Council. Many
tenant advocates, civil and legal service providers.
So, we are going to move forward within implementing
that and making sure that all NYCHA cases are
included so we can prevent homelessness and obviously
reduce the eviction. So, I thank you for your
support on that, and I also want to just thank you
for standing firm with the Mayor and many others in
fighting against these hard federal cuts. It's
shameful but not surprising that we are in an
environment when public housing is not valued, and I
know you share our concern that public housing is a
part of our fabric of this city, and we must always
do everything possible to maintain its
infrastructure, but really get the funding that we

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desperately need. We're not asking for anything that
we don't need. We're not asking for luxury. All
we're asking for are necessities and necessary
funding. So, I thank you for that, and ask you to
continue to stand firm. I wanted to just quickly ask
about the status of the \$100 million from 2016, and
that was in State Law.

SHOLA OLATOYE: DASNY.

COUNCIL MEMBER GIBSON: DASNY.

SHOLA OLATOYE: Uh-huh.

COUNCIL MEMBER GIBSON: And that, you
know, kind of triple partnership there. Do you know
where we are in terms of disbursement of funds and
who is doing the work?

SHOLA OLATOYE: Sure. So, thank you for
your comments. The 2015 \$100 million that was in
the--the Governor's budget there are about seven
projects out of approximately 80 that have been
completed. DASNY is the agency that has the money
that is doing the work--letting the contracts. They
obviously have contracts--

COUNCIL MEMBER GIBSON: [interposing]

That's right.

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SHOLA OLATOYE: --but it is a DASNY
driven process. We obviously, we have spent a lot of
time with our colleagues from DASNY, you know, both
to help them understand NYCHA, they've -their first
time ever working in the-in the Housing Authority,
helping them, you know, make sure that their scopes
are reflective of our unique building types, et
cetera. So, our teams meet weekly, but it is a DASNY
funded, DASNY drive work.

COUNCIL MEMBER GIBSON: Okay, and the
\$101 million that was given from the Manhattan
District Attorney that provided security
enhancements--

SHOLA OLATOYE: Uh-huh.

COUNCIL MEMBER GIBSON: --that's a
separate pool of money, not the money from Albany?

SHOLA OLATOYE: That's correct.

COUNCIL MEMBER GIBSON: And that was for
cameras and-and other security measures. Is there a
status on that?

SHOLA OLATOYE: Sure, that work is-we
can provide you an updated list--

COUNCIL MEMBER GIBSON: [interposing]
Okay.

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SHOLA OLATOYE: --of kind of where we
are. Those funds from the Manhattan DA supported
additional public safety measures at some of the map
districts in addition to others around the city,
lighting doors--

COUNCIL MEMBER GIBSON: [interposing]
Okay.

SHOLA OLATOYE: --and other functions.
So we can provide you a complete list with an updated
status report.

COUNCIL MEMBER GIBSON: Okay, and--and you
can also provide a list of the developments as well?

SHOLA OLATOYE: Sure.

COUNCIL MEMBER GIBSON: Okay, great. So,
I do a lot with the Housing Authority. I don't just
talk from this, you know, podium, but I also invest a
lot of my own local money into many of my
developments and, you know, all of the developments
that I represent I've got Butler, Claremont
Consolidated, Highbridge Gardens, Sedgewick, Webster,
McKinley Forest, Morris and Franklin Consolidated. I
have a lot of developments, and I try to work with
you every year to ensure that some of the large pools
of money like the roof money actually can translate

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into services in our district. So, I want to ask
very quickly about the 14 remaining senior centers
that are under NYCHA's authority. I represent two of
them, Highbridge Gardens and Sedgewick, very small
but important senior centers that don't have a full
food program, very limited services. I support
additional programs, and I'd like to find out if
you're talking to DFTA. We talked to the
Commissioner last week about any efforts or any plans
to look at these 14 senior centers to identify a long
term plan for their existence.

SHOLA OLATOYE: What of staff?

COUNCIL MEMBER GIBSON: She is willing to
work with us, and have conversations--

SHOLA OLATOYE: [interposing] Yes.

COUNCIL MEMBER GIBSON: --so I just
wanted to see if you had a position.

SHOLA OLATOYE: Yes, look we-we-we-I
think it's clear to say that at the beginning of
actually last year we operated 15 of senior centers.

COUNCIL MEMBER GIBSON: Right, and then
there was one that--yes.

SHOLA OLATOYE: Well, and we were able
to because of the work that the team has been focused

on, we—we were able to transition the Manhattan
Center to the Presbyterian Senior Services. So, this
has been a very active conversation with our
colleagues at DFTA. We have every intention to
continue to operate these centers after continued—
throughout the year. There will be no interruption
in service. The reality is that the remaining 14
centers [bell] do not meet the existing DFTA dictated
rules about what a senior center should look like.
That is why we still operate them. That is why we
still staff them. We have been working and talking
with DFTA in a variety of ways to think about ways in
which, you know, we could either, you know, relocate
centers, which obviously presents challenges. They
people don't want their centers closed. So, right
now we continue to—we will continue to operate these
centers. It is something that the Mayor is—is
committed to doing with no interruption in service,
and we would hope that we can continue to work with
our DFTA colleagues to find some resolution that both
meets their criteria, which I am respectful of as
well as the needs of our residents.

COUNCIL MEMBER GIBSON: Okay, and I agree
and I appreciate that. You know, a lot of times it's

1 all about numbers. We play a numbers game in this
2 city, and so if we're talking about increasing
3 enrollment at these senior centers, we have to offer
4 them something, and I want to keep these centers open
5 because I don't want Highbridge seniors to have to
6 travel to another development. They should never
7 have to do that anyway. You know, I just want to go
8 on record and make sure you and your team understand
9 that I am willing to help you, and when I say help,
10 it means I am willing to commit money out of my own
11 budget to help keep these two centers open, and to
12 bring more services because they're important to me,
13 and even when I visit myself, I never, you know, come
14 empty handed. I bring food to make sure that my
15 seniors are always taken care of. So, you have my
16 commitment. I just ask to be included in any of the
17 conversations you have.

19 SHOLA OLATOYE: Sure, absolutely.

20 COUNCIL MEMBER GIBSON: Okay, thank you
21 very much and thank you Madam Chair, and thank you
22 Mr. Chair.

23 CHAIRPERSON FERRERAS-COPELAND: Thank
24 you. Now, we will hear from Council Menchaca
25

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followed by Council Member Salamanca followed by
Council Member Rosenthal.

COUNCIL MEMBER MENCHACA: Thank you,
Chairs, and I—I just want to echo the senior center
work and how I think we're all committed to making
that happen. So many new dollars have come in from
the City Council to really enhance the work that's
happening. Unfortunately, in Red Hook we have a
situation where post Sandy we're reaching the five-
year mark. We are still in the middle of
construction of our senior center. I think we've all
been incredibly disappointed. One, by the facts that
are real. A lot of that construction that's been in
the making wasn't anticipated, and so it served as a
real model for us to think about how this half a
billion dollars is coming for the rest of the
development. And so, my—my real—my real point and
question here is are we prepared for the larger
development dollars that are coming? There's a big
community meeting tonight in Red Hook where we're
going to kind of review the process. The design is
in—in—underway. Red Hook, the second largest public
housing development in the city, the largest in
Brooklyn kind of requires its own focus. It's just

going to be different, and massive of a project to-to
coordinate, and I want to make sure that we-we feel
your confidence in making sure that we're going to
not have the same issues in the senior center.

Second, because I only-I only have a few minute, and
I want you to talk about Sandy and how-how we're
prepared, how is NYCHA prepared to handle the
project. With gentrification being such a raging
issue in our neighborhood, and District 38 has a lot
of project based Section 8 housing. We've spoke
about this before in previous hearing. The-the real
kind of question is about really connecting low-
income families to a core source of NYCHA services
that-that are provided right now to NYCHA residents.
Are they also provided to the privately owned project
based Section 8 developments where the landlord has
not yet opted out? This a conversation we've had
before. Some of those programs are REES (sic)
Homebuyer Program, the Family Self-Sufficiency
Program. These are all programs that exist within
NYCHA, and we keep coming back to this question: How
are we connecting all families, all low-income
families, all families that are project based Section
8 Housing to those programs, and it continues to be

unclear since we've spoken. We go back to the
community and ask them. They have no idea. They get
no communication from—from the agencies, and so I'm
really hoping that we can talk a little bit more
about where you're putting resources to make sure
that those—that those families are being communicated
to so that they can connect to those services that
you provide for all families.

SHOLA OLATOYE: We'll start with that
because I think that's—in some ways it's a very
simple or perhaps not a popular response, which is
they were not funded to provide services for families
in a Section 8 program. They're simply not funded.
There are two sources that we get from a Section 8
program. The administration fee, which I believe is
currently at about 76% in terms of proration and—and
falling, and—and then the actual half program, which
is the actual director subsidy to—to residents.
That's it. There are no programmatic dollars for
those folks who are in the private housing market
full stop. On the public housing side, residents can
receive—residents receive \$25 a door, which is
prorated. It's important to note that's also
prorated, to support civic engagement activities, et

cetera. They have our efforts around—that's an
engagement to support the creation resident
associations is—is funded by the federal government
through the public—through the Public Housing
Program. So, we're in a situation where we have
400,000 people in the public housing side that
actually there is a—and as insufficient as it may be,
there is a form—there is a—there is a base from which
to operate on the public housing side. That doesn't
exist on the Section 8 side. I think the
conversation around it--

COUNCIL MEMBER MENCHACA: [interposing]
So, just to clarify, that doesn't exist because it's
not funded?

SHOLA OLATOYE: Because it's not
federally funded to—to exist.

COUNCIL MEMBER MENCHACA: And so I guess
the—what—so in this budget hearing we're trying to
figure out what's—what's the gap here and how--

SHOLA OLATOYE: Well, there—there are
200,000 people. We—we—so our who have Section 8 who
are Section 8 families within who provided in the
Section 8—NYCHA's Section 8 program, those families
are throughout the city. They are in the private

housing market. I dare say that they probably should
and if—should be connected to existing city services,
and we should absolutely I think with my agency
partners figure out how those families are connected.
They're probably already connected. The reality is I
don't—I don't have—I don't have that kind of insight
into that population as I do on the public housing
side. [bell] I'd be happy to work with my city
partners to figure out how we might do that. As an
example, something that has been near and dear to my
heart for the last three years is to just simply
create a box on every city issue—city funded source
that says are you a NYCHA Public Housing tenant? Are
you a NYCHA—do you have a Section 8 voucher? So that
we at least have a basis of data to answer your
question in terms of the gap. Right, now I don't
have a real—I don't have quite visibility into that
population who's accessing city services, who's not.
The last thing I'll say is our REES Programs are—are
available to people. We never turn someone away who
walks in and who decides that they're going to come
to a—a workshop or someone, you know, brings a friend
off the street. We do not turn people away, but
again, the basis by which we can do that work is

1 simply not funded and supported. And then let's talk
2 about Sandy, and at Red Hook. So, [coughs] So, you
3 know, Red Hook is--represents I think one of the
4 largest Sandy project, approximately \$400 million
5 and change. It's been rightfully--I think we're
6 coming up on the fourth anniversary and, you know,
7 recovery is a long and tedious process. You've been
8 an important partner in that. One of the reasons why
9 I think we are able to be where we are is we have a
10 dedicated team of folks who this is all they do.
11 They're not managing the daily vagueries of the NYCHA
12 portfolio in terms of operating and maintenance or
13 the--federally funded NYCHA Capital Program. So, we
14 have a team of people who are focused on our NYCHA
15 Sandy Recovery program. There's a specific Red Hook
16 team many of whom you know, and, you know, the
17 infrastructure to ensure that that program is--is
18 executed to the best of our capacity is there. I
19 cannot tell you that there will not be construction
20 issues, that there will not be construction delays.
21 I would not be being honest with you if I said that
22 to you at the moment. It's some complicated work.
23 It's one of our oldest developments. Sandy only
24 added to the complexity of--of work that has to be
25

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done. The construction of those buildings were what
was—dare I say not what we would construct today.
So, it is a complicated project. So, so there—I'm
sure there will be challenges, but I am confident
that we have a team and an infrastructure in place,
and if we learn something isn't working, we have
become nimble enough with that team to adjust as
necessary.

COUNCIL MEMBER MENCHACA: All I'm saying
is the senior center was such a disappointment, and
it's been a kind of start/stop over and over again.
I know you have a hard dedicated team, but that's a
tell-tale sign of what's on its way with this massive
\$400 plus million dollars. I think there's a lot of
concern, and so we feel the pressure. This is real.
This is on the ground, and it's impacting a lot of
different families. We to get it right, and so I'm
hoping that this budget really kind of shows the king
of support services that are going to be needed for
these teams to have what they need to make sure that
they can be nimble enough as you say. So, we're
going to follow up. I know my time is up. Thank
you.

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CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. Council Member Rosenthal
followed by Council Member Kallos.

COUNCIL MEMBER ROSENTHAL: Good to see
you, Chair Olatoye. It's been awhile, and I'm going
to start by saying that your team particularly Brian
Honan has been so responsive during the last six
weeks, which has been an all-a total crisis situation
at De Hostos, and so I want to commend him publicly.

SHOLA OLATOYE: Thank you.

COUNCIL MEMBER ROSENTHAL: He's on speed
dial, and he responds just as quickly as I text him.
So, I thank you for that.

SHOLA OLATOYE: Thank you.

COUNCIL MEMBER ROSENTHAL: But, I-I just
want to make sure you're aware of-of sort of the
larger picture. You know, there was a tremendous
flood situation at the roof of De Hostos where the
water rushed down the elevator shaft shutting down
the elevators for 12 hours. I later learned that if
elevators are out for four hours, after four hours
there is supposed to be stair climber that could be
used for, you know, the-the-elderly and for-for
mother's with strollers, you know, to-to get up and

1 down the stairs. There was no stair climber brought
2 De Hostos, a 22-story building. You know, I was
3 calling and calling asking for an elevator repair
4 person to come out. Ultimately I was in the lobby
5 and I was being told that Brian was being told that
6 an elevator repair person was there. I said I'm—I'm
7 in the lobby. I'm telling you there's no one. So,
8 and that was probably six hours into the—both
9 elevators being out. They were out from about 8:00
10 a.m. to 8:00 p.m. So, people were either stuck
11 outside or stuck inside their homes, the point of it—
12 but let me continue. So, the source of the problem
13 was that no one was checking out for the water pumps
14 that are in the basement that really require regular
15 maintenance. One of them was broken, and the other
16 one that day broke, and so water rushed out to the
17 water tower, which then cascaded onto the roof and
18 into the elevator shaft as well as into a crack on
19 the roof flooding the K and L lines. So—so, for the
20 next six weeks—and that information we didn't know
21 that that last piece about the crack in the roof. We
22 didn't know that. So, for the next probably four
23 weeks every couple of days, the elevators would go
24 out again, right, and what the repair guys did since
25

1 it was all wet was replace an electrical board. I
2 don't know how much money those electrical boards
3 are, but they had to have replaced three or four,
4 right, because all they did was if there was
5 shortage, it was because the electrical board was
6 wet, and so they replaced it with another electrical
7 board. It wasn't until last Friday, when Brian
8 brought together not just the elevator people, but
9 also the roof people and also the piping people that
10 we actually got to the root of the problem, and had
11 not the TA leader and I demanded repeatedly to come
12 back, we would still be replacing electrical board in
13 the elevator room, and I find that deeply
14 frustrating. I mean it goes to the crux of NYCHA
15 being a highly bureaucratic entity and, you know, my
16 second-and-and so now we're on the road, and as I
17 say, Brian Honan we actually got the property manager
18 replaced because so much was in disrepair. You know,
19 again, hats off to Brian Honan. So, now we're
20 looking around at other buildings, similar elevator
21 problems, not for the same reason, but people are
22 living in really squalor-many-many of the apartments
23 are fine. I went in quite a few over the last six
24 weeks, but many are-people are living in squalid
25

1 conditions. And the last point I'll make is I was at
2 a tenant meeting last night where a woman came up to
3 me and said-surrounded by her three children, I'm in
4 a one-bedroom, I was-I-I got moved here because of
5 Sandy. So, I'm glad to be here, but in putting for a
6 transfer for a larger apartment, I have to go to
7 another borough, and yet there are empty one and two-
8 bedrooms here in this building. The truth is if she
9 vacated her-I understand the list. I get the
10 priority for homeless but, of course, she would be
11 leaving her apartment to go to [bell] another
12 apartment. Thus net-net, there being a free
13 apartment, and I think I give those two examples as
14 ones where I think the bureaucracy gets in the way of
15 holistically seeing what's going on in people's lives
16 and it's-it's what I see having-having now been in
17 this job for 3-1/2 years, that's exactly the piece
18 that I think is missing. So, with my time being up,
19 what is my question? You must see this as well. I
20 mean, what's your-what's your reaction to hearing
21 these two stories?

22
23 SHOLA OLATOYE: Well, first, I am deeply
24 apologetic to the residents of De Hostos who had to
25 experience the outage and the subsequent seemingly

1 bungling and miscommunication that has—but—but I am
2 pleased to know that there is a pathway forward.
3 This is one of our biggest challenges as an agency.
4 We are vast in both our scope because of our highly
5 fractured workforce people are literally designed not
6 to talk to one another, and so there is a structural
7 challenge, and then there is a cultural challenge as
8 well, and as my staff has heard me say, culture is
9 the hardest thing to change. These aren't excuses,
10 it's just context. I think that we've done a lot to
11 improve that. We have now 70,000 units that are now
12 part of our Next Gen operations, management approach,
13 everyone from the caretaker to the property manager
14 has been retrained in this is how 21st property
15 management needs to work. It doesn't solve for the
16 aging infrastructure and the, you know, the challenge
17 of upscaling a workforce that it needs to be
18 invested, should be invested in. But this is a
19 challenge for us, and—and the reality is it has real
20 time consequences for our residents. So, so one, you
21 know, I'm deeply apologetic to—to our residents. I'm
22 grateful for your partnership, and—and also say that
23 this is—the—the challenge of being in silos or how
24 siloed our work is, is one that we wrestle with. I
25

1 fundamentally believe moving to an approach that
2 better empowers the property manager, I don't know
3 why the property manager wasn't the first on the
4 scene, when--when that happened, and he or she didn't
5 flag. Maybe they did. I have Brian Clark who is
6 going to talk more, but--but let's--let's sort of put
7 that personalities aside and sort of think about the
8 structure. That's how I--I have to operate. You
9 know, what was preventing that person from doing
10 that? You know, was it a communication, you know,
11 gap? Was it a lack of urgency? Was it an actual
12 frankly not knowing. So--so really trying to make
13 sure that those property managers have the data every
14 day about the state of their--their development that
15 they feel empowered to make decisions, that they have
16 within reason some level of resources to address it
17 is--is where we are moving towards as a portfolio.
18 Now, specifically, let's talk about where we are with
19 De Hostos and for that, something that we can--

21 COUNCIL MEMBER ROSENTHAL: No, I mean I
22 give you guys full credit. You're all over De
23 Hostos, I'll--I'll come to you in the second round.

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CHAIRPERSON FERRERAS-COPELAND:

[interposing] Council Member with all due respect, we
have a queue--

COUNCIL MEMBER ROSENTHAL: [interposing]
Second round.

CHAIRPERSON FERRERAS-COPELAND: --and I
can put you on the second round.

COUNCIL MEMBER ROSENTHAL: Thank you very
much.

CHAIRPERSON FERRERAS-COPELAND: Thank
you. Council Member Salamanca followed by Council
Member Richards, and we've been joined by Council
Members Cohen and Garodnick.

COUNCIL MEMBER SALAMANCA: Thank you,
Madam Chair. Good morning Chair Olatoye.

SHOLA OLATOYE: Good morning.

COUNCIL MEMBER SALAMANCA: My first
question is layered access. I have—I have—my
understanding that they're the largest NYCHA
portfolio in the city of New York, and none of my
NYCHA developments have layered access except for
Bronxchester, which was just part of I believe the
RAD program.

SHOLA OLATOYE: It's a Section 8 Recap
deal yes.

COUNCIL MEMBER SALAMANCA: What-when-when
is the-I would like to know, I-I-I wanted to put the
layered access as part of my capital request, but
speaking to the Chair of the Finance Committee, she
says well this should be a responsibility of NYCHA in
terms of their capital request. You know, security
is a concern of ours in our-in my section of the
South Bronx, and layered access will address that
problem. Can I get a commitment from NYCHA that you
will put that in your Capital Plan, but not in your
Five-Year Plan, something that can happen within the
next and a half or two?

SHOLA OLATOYE: Yeah, so a couple things
just for-for context, we're not funded to do layered
access, cameras, things that are pretty standard
practice in any other housing sort of environment,
luxury affordable housing, supportive housing. And
so really thankfully to this body that has been how
we have been able to bring these enhancements to
these developments. So, that's the first thing. The
second thing is when we do major modernization
layered access and cameras are part of the scopes of

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work. So, we should sit down with you to give you a
sense of those developments in your district that are
in our Five-Year Capital Plan so that you have a
sense of what's to come, but I—I just—I cannot make a
commitment to you today that I have resources for
layered access buildings for, as you said, some of
the largest portfolio buildings in—in our portfolio.
I'd be happy to work with you and this body to give
you information about the need of—of the developments
in your district.

COUNCIL MEMBER SALAMANCA: Okay, tenant
participation of the Tenant Protection Activities,
the TPA funds. I have—I have NYCHA leaders up in
arms in the Bronx, Madam Chair, about this agreement
that NYCHA is requiring them to sign, and they do not
have an understanding, a clear understanding of what
exactly disagreement will do, how this will affect
them, and I'm getting daily emails, which I'm pretty
sure you're getting as well.

SHOLA OLATOYE: Yes, I am.

COUNCIL MEMBER SALAMANCA: And so are all
my other colleagues in the City Council. What is—
what is NYCHA, what is your agency doing to actually
sit down with these Bronx tenant leaders in room and

explain to them step-by-step how this is going to
affect them, because it's my understanding that there
has been a training, but questions, their questions
have not been answered.

SHOLA OLATOYE: Sure, thank you for
question and—and just again to provide some context.
The fourth pillar of Next Gen NYCHA was to engage
with residents in a new and different way, and to
connect them to opportunity. Specifically, there
were two things as it related to tenant engagement
and civic engagement. When we started there were a
little left—there were about 170 active resident
associations meaning that almost half of the
portfolio was not represented. So, one was to
increase the number of active resident associations
and to ensure that those existing resident
associations were in compliance with their own bylaws
and were officially in a position to be recognized by
the authority, which means our ability to actually
give them tenant protection funds. Per the 964
Regulation, which is the regulation that governs—the
HUD regulation that governs our relationship with
tenant associations, there is a requirement that

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there be an agreement, a written agreement between a
housing authority--

COUNCIL MEMBER SALAMANCA: [interposing]
I'm sorry, Madam Chair, I-I have a little bit of
time--

SHOLA OLATOYE: Okay.

COUNCIL MEMBER SALAMANCA: --and I want
to capitalize on it.

SHOLA OLATOYE: So, since 2015 it's been--

COUNCIL MEMBER SALAMANCA: [interposing]
All I'm asking for is for NYCHA to sit down with the
tenant leaders in the Bronx--

SHOLA OLATOYE: [interposing] We are
doing that.

COUNCIL MEMBER SALAMANCA: --and explain
this to them, please.

SHOLA OLATOYE: [interposing] We are
doing that, though.

COUNCIL MEMBER SALAMANCA: I will help
you coordinate this.

SHOLA OLATOYE: We are doing that, sir.
We'd be happy to do it at-at your invitation as well
in addition to what we're already doing.

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COUNCIL MEMBER SALAMANCA: Alright, my—
my—my final question Jackson Houses. There's
scaffolding all around the Jackson Houses and the
scaffolding, tenants that live on the second floor
their scaffolding is at their window, and we have an
issue at Jackson Houses where tenants on the top
floors are throwing their garbage. Instead of
walking their garbage down—down to the incinerator,
they're throwing their garbage down out the window.
So, I have tenants who cannot open up their windows
because the scaffolding is at level with their
windows, there's garbage there, and so the concern is
what is NYCHA—how long are these scaffolds going to
be up? What is NYCHA doing to clean these scaffolds,
which have garbage, and the third concern is
security. This—these tenants have concerns that
recently there were individuals at—at night time
walking on the scaffold, which is at eye level with
their—with their windows

SHOLA OLATOYE: So your question is?

COUNCIL MEMBER SALAMANCA: My question is
how long are these scaffolds going to be up?

SHOLA OLATOYE: Yeah.

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COUNCIL MEMBER SALAMANCA: While they're
up, what is NYCHA's plan? So, constantly check these
scaffolds for garbage and what security measures have
been put in place to ensure that individuals are not
walking on these scaffolds?

SHOLA OLATOYE: Right. So, just in the
interest of time, I'd be happy to—we'd be happy to
sit with you and talk specifically about Jackson. I
don't have—have it on the top of my head, the capital
plan for Jackson meaning is that façade work that's
been just funded by the Mayor's \$333 million
investment that he announced on Monday. So that
we'll follow up with you on that. Two, it is
actually the responsibility of the scaffold—the
scaffolding company to clean. So we will double down
with them, and make sure that happens on a regular
basis. And then third in terms of security again not
sure if the building in question has cameras. If
they do or—if they do, we need to make sure that they
are adjusted to accommodate for the scaffolding. If
not, then regardless we obviously need to work with
our—our colleagues. I believe that's PSA5-6.

COUNCIL MEMBER SALAMANCA: PSA-7, yes.

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SHOLA OLATOYE: 7. I'm, sorry, to make
sure that patrols et cetera are—are happening on a
regular basis.

COUNCIL MEMBER SALAMANCA: Thank you.
Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. Council Member Richards
followed by Council Member Kallos followed by Council
Member Mendez.

COUNCIL MEMBER RICHARDS: Thank you,
Charis. I'm sorry I had to step out to go—he did or
I'm not sure. I think Carlos Menchaca spoke on some
of the Sandy related issues. Where are we at with
just about all of the developments in the city? Are
seeing movement on the federal level in terms of
ensuring that these development are moving forward.

SHOLA OLATOYE: Yeah. So we have about I
believe 50 developments, 35—I'm sorry. There are 37
Sandy affected developments. We are in actual
construction at a little more than half of those, it
not even more, almost 20 I believe. So, actual
construction shovels in the ground. The plan is to
be in full construction by the end of 2017 in all of
the three-

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COUNCIL MEMBER RICHARDS: [interposing]
Full construction in all?

SHOLA OLATOYE: Full construction--

COUNCIL MEMBER RICHARDS: [interposing]
Okay, awesome.

SHOLA OLATOYE: --in all of the Sandy
affected developments. You know, as you know,
because you've been such an important partner, a ton
of outreach, 165 NYCHA residents I believe have
already been hired as part of the permanent
construct-permanent work. There's always more we can
do, and we look forward to working with you on that.

COUNCIL MEMBER RICHARDS: Thank you, and
I appreciate that. I was actually out at one of the
developments yesterday and a few gentlemen I knew
from the developments were actually on site. So,
that was very welcoming and encouraging to see, and
I'll just--I'll point out it is an issue that I did
bring up on the Redfern Houses. So, I know that they
have--

SHOLA OLATOYE: [interposing] Yes.

COUNCIL MEMBER RICHARDS: --an ongoing
issue, and we have a meeting going, but I just want

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to highlight and make sure that we are putting a lot
more TLC there until we get the permanence there.

SHOLA OLATOYE: [interposing] Before
they're permanent with us?

COUNCIL MEMBER RICHARDS: Yeah, because
they are, you know, we get the calls. I mean this
week has been sort of a slow week, but I'm hoping
that, you know, we won't run into those issues. I
wanted to speak on RAD. So, where are we at with
Ocean Bay now? Do you anticipate more RAD
conversions as we move along? Have there been
somewhat any conversations with the Trump
Administration on more conversions on RAD or do you
see it sort of dying out as we move forward?

SHOLA OLATOYE: Right, so I actually was
with the the-development team last-yesterday evening,
and they're very pleased with the progress of the
work that's going on at the site.

COUNCIL MEMBER RICHARDS: [interposing]
And I want to also just point out the local hiring
has been awesome on that project.

SHOLA OLATOYE: That's great to hear.

COUNCIL MEMBER RICHARDS: Yes.

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SHOLA OLATOYE: So-so, I, you know, I-I
think that project is moving forward and-and will
really be an example of what we hope to do in what
HUD gave us approval to move forward on an additional
1,700 units of which we began engagement in those
communities. So, that's actively happening and-

COUNCIL MEMBER RICHARDS: [interposing]
And there was a funding gap I think that is being
filled at Ocean Bay through FEMA funding correct?

SHOLA OLATOYE: That's correct.

COUNCIL MEMBER RICHARDS: So, will there
be any funding gaps with the additional 1,700 units
or--?

SHOLA OLATOYE: Yeah, every project will
be different and-and financed differently. I mean we
are working very closely with, you know, our-our city
colleagues, our state colleagues to ensure that there
isn't, you know, funding gaps.

COUNCIL MEMBER RICHARDS: Okay.

SHOLA OLATOYE: But I think we were
frank-you know, frankly encouraged that we had the
resources at FEMA. I'm told the first in the country
that did it. So, once again, New York is doing

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things, you know for the first time. But, you know,
this is--this is the only tool--

COUNCIL MEMBER RICHARDS: Uh-huh.

SHOLA OLATOYE: --that is coming out of
HUD for housing authorities to reinvest in their
portfolios. So, yes, we will be doing more of this
type of work.

COUNCIL MEMBER RICHARDS: Uh-huh. The
last two questions one is a zoning question and it's
something that the Council certainly is talking and
discussing and certain with the admin on, but have
you considered doing any commercial development on
grounds or is that something that NYCHA is going to
be entertaining in a community facility on NYCHA
grounds?

SHOLA OLATOYE: I was speaking
specifically about for today--

COUNCIL MEMBER RICHARDS: [interposing]
yeah, like zoning changes to actually allow funds for
them--

SHOLA OLATOYE: [interposing] So not at
Ocean Bay. We don't anticipate any--

COUNCIL MEMBER RICHARDS: [interposing]
Right.

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SHOLA OLATOYE: -zoning changes there
currently.

COUNCIL MEMBER RICHARDS: [interposing]
And not just—and I'm not speaking locally.

SHOLA OLATOYE: [interposing] Okay.

COUNCIL MEMBER RICHARDS: I'm just saying
in general around the city are there any thoughts
that you have on that?

SHOLA OLATOYE: So, absolutely when-when
they-what we have committed to is when there is an
active rezoning happening, NYCHA will also be part of
the rezoning of ULURP process as well. We, in fact,
that's something the commercial space and commercial
uses is something that residents have been clamoring-
clamoring for. It's been a part of the development
specifications in terms of the actual RFPs in the
developers that we've already announced whether it's
up in the Bronx or in Brooklyn everything from
community-new community facilities to senior
facilities things that residents said that they want
to have in there.

COUNCIL MEMBER RICHARDS: Right.

SHOLA OLATOYE: So, absolutely, and we
think that there's an opportunity--

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2 COUNCIL MEMBER RICHARDS: [interposing]

3 And I'm talking about like supermarkets and--

4 SHOLA OLATOYE: [interposing] I-I think
5 there's an opportunity to do even more of that--

6 COUNCIL MEMBER RICHARDS: Okay.

7 SHOLA OLATOYE: --as we expand our
8 development work.

9 COUNCIL MEMBER RICHARDS: Okay and then
10 lastly smoking ban, where? Have there been any talks
11 with the Administration on--or where that conversation
12 was at with the smoking ban in public housing now?

13 SHOLA OLATOYE: So, there's really been no
14 guidance from this new administration--

15 COUNCIL MEMBER RICHARDS: [interposing]
16 Okay.

17 SHOLA OLATOYE: --around smoking, but we
18 had, you know, been--we've been working very closely
19 with our colleagues at DOHMH who are really, you
20 know, at the [bell] at the table with us to engage in
21 resident engagement around what that--what a
22 successful smoking cessation pilot looks like,
23 material the whole kind of public relate--public and
24 marketing campaign that I think is going to be
25 important. So, we continue to do that and--and--and

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we'll, you know, be in accordance with what the HUD
rule tells we have to do.

COUNCIL MEMBER RICHARDS: And you don't
see any reverse of that rule happening or there is
just no guidance there?

SHOLA OLATOYE: [interposing] For that
especially. (sic)

CHAIRPERSON FERRERAS-COPELAND: Thank
you.

COUNCIL MEMBER RICHARDS: Okay. It
sounds normal in that administration. Alright, thank
you so much.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. Council Member Mendez followed
by Council Member Rodriguez, followed by Council
Member Kallos.

COUNCIL MEMBER MENDEZ: Thank you very
much. I have a couple of questions. In your
testimony, you talk about how NYCHA is getting up to
date, and you have this app that corrects. So the
app does all kinds of things. Does it do like
repairs? I know I've been getting a lot of
complaints from residents who are tech savvy. So, I
don't know if it goes through this app, who can't

reapply and do their certification, income
certification online. So, can you tell me a little
bit more about what this app does for NYCHA, your
NYCHA app?

SHOLA OLATOYE: Sure. The app is one
part of our digital NYCHA approach. There have been
a number of things that we have—are doing to frankly
bring us into the 21st Century. The first is one
outfitting our staff with handhelds that allow them
to open and close work tickets with resident
signature. I think, you know, UPS that app—the
development that's been a huge effort to both train
staff to do it, but also to allow us to have a
greater level of accountability. Secondly, we have
in all of our 140 sort of amps or developments, there
are now kiosks, which allow essentially a customer
service kiosk that all residents to apply and—and do
their online recertification, which is what you're
referencing, which is the federally process residents
have to do around income certification. You—one can
do that at the kiosk in the management office. One
can do it online, and—and there we recognize with any
introduction of new technology there have been some
challenges, and we've owned that. There's been a

1 fair amount of training and engagement with community
2 partners on the Lower East Side. We've worked with
3 Rivera and many others to bring the command bus out,
4 help residents understand how to—how to do this.
5 Because it is a—it is both an efficiency measure, but
6 it also for the residents will actually make this
7 process easier. Instead of 40 pieces of paper every
8 year, if nothing has changed for the resident in that
9 year, there's simply a no change button and a—and a
10 signature. So, we're in the midst of this process,
11 and it has been an important step forward.

12
13 COUNCIL MEMBER MENDEZ: Okay.

14 SHOLA OLATOYE: The app just to be clear
15 is another component of this digital transformation,
16 which allows residents to open to request repairs, to
17 follow any outages at their developments and in any
18 other pertinent information.

19 COUNCIL MEMBER MENDEZ: Thank you. Just
20 about the income recertification, you know, I've
21 expressed to NYCHA my concern about seniors who are
22 tech savvy, but my concern now is that tech savvy
23 people are having a problem doing the online
24 certification. So, there seems to be some issues
25 with your program.

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SHOLA OLATOYE: So, we'd love to talk to
you about what those issues are so we can correct
them immediately.

COUNCIL MEMBER MENDEZ: Thank you. About
the app and the repairs. I just want to state on the
record that we are now having a backlog again on
repairs. My constituents are—it's taking longer for
them to get repairs, and it's taking longer for my
office to get answers on their repairs. So this is
going back to when it was many years ago that we had
to institute [coughs] funding to do our repair
backlog, and I'm not quite sure where the problem is
coming in now.

SHOLA OLATOYE: Well, [coughs] just--just
to be clear I mean we—we have about 100 and—this
morning a number of 144,000 open work orders. The
average time for residents—for basic maintenance so
something as you know well, things that are not skill
trades or technical has actually gone down. It was
15 days when we started. It's now a little under
five days average. On our skill trades this remains
a very challenging area for us. While the number has
gone down from three years ago, essentially for the
last several months it's been flat. We're doing a

1 couple of things to-to try and address this. One,
2 there are some trades where we are well staffed.
3 There are others that are not, not because—because
4 plastering is dying—is a dying age [bell]—a dying
5 industry. So, we are actually now putting some skill
6 trades. I'll be done in just one second. Some skill
7 trades at the development so that we can get to work
8 faster. So, this remains an area of serious concern
9 for us. We are very focused on it, and—but overall,
10 as a portfolio we are—the—the numbers are trending
11 downward, and—and if there's something specific at a
12 development that you'd like to talk with us, please
13 talk off line.

14
15 COUNCIL MEMBER MENDEZ: Okay, because
16 real time repairs is not getting done timely in my
17 development. Mr. Chair and Madam Chair, I would like
18 to go on for a second round of questions. Thank you.

19 CHAIRPERSON TORRES: Absolutely.
20 Councilman Rodriguez. Do you have any questions?

21 COUNCIL MEMBER RODRIGUEZ: [off mic] Yes,
22 I do.

23 CHAIRPERSON TORRES: Okay.

24 COUNCIL MEMBER RODRIGUEZ: [pause] [off
25 mic] So, I—I think I will focus [on mic] on one—one a

critical case that we face in our district. Someone—
a family that they had like four years, three years,
waiting for the application in NYCHA, and if you can
see can see the images, that daughter—that child they
have to be—the parents they have to walk that
teenager at 50 years old everyday to the stairs to
the fifth floor, and—and that's not in a NYCHA, that
situation is that in a NYCHA building, and I know
that also you have a limitation when it comes to arte
we looking at severe health issues as a priority when
someone applies or have an application in the system,
and I know that that's not something that NYCHA is
using right now because is the state limiting for
looking at severe health conditions as a reason that—
I will appealing to your heart, and see if this
condition where this father and the mother for years
they have to walk their teenagers everyday to a fifth
floor apartment because they don't have any
elevators. In this application with NYCHA the case
has been made. I've been speaking to your team, and
I hope, you know, as we are looking at some section
in those particular cases that we go through our
hearts and try to see how we can help those cases of
those family. It's not a matter of favoritism now

1 and luxury. You're thinking about we as a parent,
2 being in a condition where for years we have to be
3 walking our teenagers in our back because there is
4 not an elevator in that building. So, I know that
5 I've been approaching general situation for a year in
6 the Council, I mean with NYCHA before you can, you
7 know, inherit the use that you are responsible right
8 now, but what is the policy on NYCHA when you have a
9 letter from a hospital a letter from a social worker,
10 cases where someone is in a that situation or someone
11 cannot walk. In this case, a teenager had to be
12 carried on the shoulder of the father. Are you
13 having some consideration in those cases?

15 SHOLA OLATOYE: So, I, you know, first of
16 all, it sounds like a very serious case and-and, but
17 it is not a NYCHA development, as I understand it,
18 and-and-and as you well know, we have 250,000
19 families on our waiting list. If this family, God
20 forbid, but if they are a homeless family, given the
21 significant focus and attention that this
22 administration has brought to that issue, there
23 probably is a pathway forward to a NYCHA apartment.
24 As part of our priorities, serious health concerns
25 does not rank as a-as a-as a priority. What I would

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suggest, and if you have not done this, we'd be happy
to facilitate this is, you know, with our colleagues
at HPD or-and/or some of the supportive housing
organizations who may be able to-may be a better fit
for this family in particular, but I'm not going to
lie to you. The waiting list is something-an average
of 20 to 25 years. So, the reality is we have a
finite resource of apartments. There are-there's a
tremendous amount of pressure on who should get and-
an get those units, and at this time as-as-as
desperate as the situation sounds health conditions
is not one of the federally recognized priorities.
We'd be happy to talk with you with offline as to how
we can connect you to some other resources within the
city for this family.

COUNCIL MEMBER RODRIGUEZ: So, right now
the top priority-I know-I know-I know on the waiting
list, the top priority is people who are coming
victims of domestic violence--

SHOLA OLATOYE: [interposing] And
homeless families.

COUNCIL MEMBER RODRIGUEZ: --and should-
and people coming from the shelters.

SHOLA OLATOYE: Correct.

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COUNCIL MEMBER RODRIGUEZ: So, in
particular cases someone is putting an application
through NYCHA, someone is living in a situation where
they have to walk their daughter for three years.
Their application is sitting in NYCHA. NYCHA
doesn't have anything that looks at those particular
cases?

SHOLA OLATOYE: They are on a list like
the other 249,000 families. The priorities as
communicated are families out of shelter, victims of
domestic violence, working families and whenever--and
when--

COUNCIL MEMBER RODRIGUEZ: [interposing]
And who--who--who established--who established those
priorities?

SHOLA OLATOYE: They are established in
consort with the city administration, which then is
approved by--by the board [bell] which is submitted
for approval to HUD.

COUNCIL MEMBER RODRIGUEZ: [interposing]
so, but the Board has the upper--the Board has the
power to revise--

SHOLA OLATOYE: [interposing] Yes.

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COUNCIL MEMBER RODRIGUEZ: --which are
the priorities.

SHOLA OLATOYE: Yes. Well, they have the
power to recommend. Ultimately HUD has to approve
it, but the reality is we have something like 4,600
units that come open every single year. Half of
those units are going to--actually, more than half are
going to homeless families and victims of domestic
violence. The others go to the rest of the people on
the list.

COUNCIL MEMBER RODRIGUEZ: So, I-I just
would like to close, you know, and if Chair and for
this to bring this issue here is because I've been
working with your team for most of these issues, and
I think that I would not bring and highlighting this
issue in a hearing unless I see the level of
frustration where we've been working with you guys,
your team. And for--for me like to say you as an
entity you have a jurisdiction and you can look at
it, and this is a severe case, and for us to say that
look for another venue even though there is like
three or four years that you're waiting on this
application. For me this is something that I hope
that we can revise.

CHAIRPERSON TORRES: And next is Council Member Kallos. Since the—since Infill development was announced yesterday, I do want to give Council Member Kallos an opportunity to question more extensively. So, let's shut off the time. Council Member Kallos.

COUNCIL MEMBER KALLOS: Thank you, Chair Torres and thank you for being of the people, and bringing City Hall to Holmes Towers for an amazing hearing on infill and for your constant support. So, I—I do want to talk about infill. So, as you're aware, I only support infill if it meets three conditions: Tenant support—

CHAIRPERSON TORRES: [interposing] Can we shut off the timer?

COUNCIL MEMBER KALLOS: Alright, so as you rally and you support infill that meets three conditions: Tenant support, 100% affordability and maximum preference for NYCHA tenants. As you know, this project is not supported by all tenants. It's not 100% affordable, and all NYCHA tenants cannot qualify for the housing. So, I opposed this with Congress Member Carolyn Maloney and Manhattan Borough President Gale Brewer. So, let's learn about the

project, and if you can please the question asked so we can move quickly to the next question. So, there was some conflict in-in the daily news and so what is the "even distribution percentage" of middle-income versus luxury units? It's it 50% distribution or 65%, it's 100%?

SHOLA OLATOYE: The proposal that was selected will have units at 60% AMI and market rate evenly distributed throughout the building.

COUNCIL MEMBER KALLOS: Okay. So, there will be an equal number of middle income and luxury units on each floor?

SHOLA OLATOYE: They will be evenly distributed. I can't speak to if they will have an exact number, but they will be evenly distributed. There will be no identifying characteristics that distinguish the affordable units from the market rate units. They will be in line with city policy and city law.

COUNCIL MEMBER KALLOS: So if there' four units per floor, there will be two middle-income and two luxury.

SHOLA OLATOYE: They will be evenly distributed throughout the building.

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COUNCIL MEMBER KALLOS: So, I—I think
we're disagreeing about it because I want to know
what you mean by evenly distributed, and I think that
the Daily News would like to know. So, I guess—the
question if the NYCHA Chair wishes to jump in on
this. So, what does evenly distributed mean? To me,
that means that there's four units—four units per
floor that there's two and two? Is that your
understanding of evenly distributed?

SHOLA OLATOYE: That is my understanding.
We are--

COUNCIL MEMBER KALLOS: [interposing]
Okay.

SHOLA OLATOYE: --obviously in—but again,
I want to be clear this project will be in line with
city policy and city law.

COUNCIL MEMBER KALLOS: The city policy
and law is a lower threshold. So, we're—we're
holding you to a higher standard, and so of the units
that are proposed how many three, how many two, how
many one? How many is there?

SHOLA OLATOYE: [interposing] I don't
have that specific information for you this—at this
moment, and we can talk offline if you'd like, and—

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and in fact the—the building and the building design
is something that, you know, spoke specifically to
city law, but also something that residents wanted to
ensure was—was a factor of design that the building
was—that units were evenly distributed. So, if you
want to a floor by floor breakdown, we'll have to do
that offline. I don't have it in front of me.

COUNCIL MEMBER KALLOS: You—you know I
was going to come and ask you about that, right?

SHOLA OLATOYE: We're here.

COUNCIL MEMBER KALLOS: So, I guess it's
just—I-I would feel that you should be prepared for
me and also for the—the press to ask these questions.
So, of the 3-bedrooms, 2-bedrooms, 1-bedroom, zero
bedrooms are there an equal number for the middle-
income and luxury units?

SHOLA OLATOYE: Yes, this is a 50/50
program.

COUNCIL MEMBER KALLOS: And—and 3-bedroom
is going to be 1,000 square feet for on person and if
they're in the middle-income units, the exact same
square footage?

SHOLA OLATOYE: That is correct, sir.

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COUNCIL MEMBER KALLOS: And—and it's
going to have same views?

SHOLA OLATOYE: They will—it depends on
what floor they're on, but there will not be to you
point—your influence, there will not be units that
are 60% AMI reserved to lower floors and the market
rates to the upper floors. No, that will not be the
case.

COUNCIL MEMBER KALLOS: And—and then for
the folks who have to stare at other NYCHA tenants,
are—are those going to be reserve only for the
middle-income units, or are we going to have an equal
distribution of the number of folks who have to stare
at—stare in the windows of other people?

NICOLE FERREIRA: [background comments,
pause] First of all, we announced—Nicole Ferreira,
Executive Vice President for Real Estate. I just—I
just want to clarify for a minute. We announced—

CHAIRPERSON FERRERAS-COPELAND:
[interposing] I'm sorry, can you just bring your mic
close because we--

NICOLE FERREIRA: Sure.

CHAIRPERSON FERRERAS-COPELAND: --we
can't hear you. Thank you.

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COUNCIL MEMBER KALLOS: And swear her in.

CHAIRPERSON TORRES: Okay, can you raise—
can you raise your right hand?

NICOLE FERREIRA: Sure

CHAIRPERSON TORRES: Do you swear to tell
the truth, the whole truth, and nothing but the truth
before your testimony?

NICOLE FERREIRA: Okay. So, we announced
the developer yesterday. The building is not
completely designed yet. So, the notion of
affordable apartments on the back of the building or
the front of the building, we don't have the floor
plans yet. So, the schematics will come through the
pre-development process as the process moves forward.
So, to answer your question about where residents
will be throughout the building, they will be
distributed evenly throughout the building, and as we
work through the process, the city approves the
design.

COUNCIL MEMBER KALLOS: An—and so there
will be—as far as you're directing them in their
design, there will be an equal number of units
staring into the windows of other NYCHA residents as
having great open city views?

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NICOLE FERREIRA: Staring into the window
of NYCHA residents. The building will be designed
with equal distribution throughout the building, on
the front side, the back side and the sides of the
building.

COUNCIL MEMBER KALLOS: And now--

NICOLE FERREIRA: [interposing] And this
design that we chose, this developer hearing that the
community was concerned about light and air, they
designed a building in which the base is moved in a
way that it's further away from the NYCHA buildings
because they wanted to be take into consideration the
concerns from the NYCHA residents. So this is
something that, and one of the reasons why this
proposal won because they were taking all of these
residents' concerns into consideration.

COUNCIL MEMBER KALLOS: How many bidders
did we have to choose from?

NICOLE FERREIRA: There were four total.

COUNCIL MEMBER KALLOS: And who were
there four bidders?

NICOLE FERREIRA: We cannot release that
information. It's still an active procurement.

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COUNCIL MEMBER KALLOS: Why can't you
release the information—the names of the four
bidders?

NICOLE FERREIRA: We have now—we've—
there's the valuation committee, which is comprised of
NYCHA, HPD and HDC have identified the winning
developer proposal. There is still, and it is still
an active procurement. Financing is going to be—be
assembled. When we close on this transaction, which
is estimated to be 12 to 15 months out, then the
information, the—the other packages will be made
available. If something were to happen, if we were—
if we needed to disqualify this person or any sort,
we would need to be able to move to the next—the next
person qualified, responsible and responsive bidder
on the list. So, we need to ensure that that
information remains protected and competitive until
we complete the entire procurement process.

COUNCIL MEMBER KALLOS: So, you're—you're
saying procurement puts restrictions on you. Are
there similar restrictions on other people around the
process or along the people who are bidding?

NICOLE FERREIRA: Meaning can the other
developers reveal themselves?

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COUNCIL MEMBER KALLOS: Or some way can
be the—the person who is at this stage, when in
procurement are they allowed to engage in advocacy
activities to further secure their bid?

NICOLE FERREIRA: The winning developer
is—you know, this is a public/private partnership
here. You know, he is assembling financing from a
multitude of sources I would expect and the program
requires that they go and seek other sources of
funding whether it be from the city or the state or
other sources?

COUNCIL MEMBER KALLOS: Were any of the
bidders MWBEs?

NICOLE FERREIRA: I actually do not have
that information, but we can get you that
information.

COUNCIL MEMBER KALLOS: But is and is the
winner bidder and MWBE?

NICOLE FERREIRA: No, he is not.

COUNCIL MEMBER KALLOS: Is there a reason
you didn't want to give a preference to MWBEs?

NICOLE FERREIRA: Well, it's not that we
didn't want to give a preference to the MWBEs, it's
reduction (sic) against city procurement, policy and

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federal law for us to do that. We do have a very
active city MBE-MWBE program that-and-and made a
significant effort to ensure that MBE-MWBE firms
were-were-were present, recruited, understood that
parameters of-of our development program, and-and
continue to make that a-a very-an important priority
for this agency.

COUNCIL MEMBER KALLOS: You mentioned
that they're pursuing financing. Obviously when
somebody is-is bidding and you're expecting to get
\$25 million from them, I-I assume you've seen their
financing package and how they intend to-and how
they've proven to you that they are financially
stable enough to build this and not have it go up on
your property and then fall back into your hands. Is
that accurate?

NICOLE FERREIRA: Yes.

COUNCIL MEMBER KALLOS: So, how much
funding are we looking-? You got \$25 million from
them. How much are they getting from HPD, HDC or the
city or State in terms of tax abatements, loans or
any other government support?

NICOLE FERREIRA: So, this is early stage
of the proposals. We don't have the exact numbers

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right now. That's the point is that they are working
with the state--

COUNCIL MEMBER KALLOS: [interposing]
This is a budget hearing.

NICOLE FERREIRA: It's a development
project that we just announced a developer to put—who
put a proposal forward, but the city--

COUNCIL MEMBER KALLOS: [interposing] But
the NYCHA Chair just said she's looked at the
financing. So can you share that financing term sheet
so we can see what's--

NICOLE FERREIRA: We can share—we share
the proposal. I talked to the city, but—but--

COUNCIL MEMBER KALLOS: [interposing]
What—what's the ballpark for HPD? How much is HPD
putting into the project?

NICOLE FERREIRA: It's consistent with--

SHOLA OLATOYE: [interposing] With their
ELLA term sheets.

NICOLE FERREIRA: It's consistent with
170 affordable units consistent with their ELLA term
sheet subsidy amounts. So, that was the proposal.

COUNCIL MEMBER KALLOS: Okay, so please
don't make me look up the ELLA term sheet, which you

1 know, I can do and would do. What is the per-unit
2 subsidy on ELLA?

3 SHOLA OLATOYE: It ranges between--

4 NICOLE FERREIRA: So, it's-it's up to
5 \$75,000 per DU currently, and so I can find you a-
6 sources and uses. This again, though, this is not a
7 finalized. They will be going to the city to work
8 through the exact terms of the transaction.
9

10 COUNCIL MEMBER KALLOS: So, you're
11 getting \$25 million--

12 NICOLE FERREIRA: [interposing] Uh-huh.

13 COUNCIL MEMBER KALLOS: --but they're
14 getting at least \$13 million from the city and then
15 do they pay real estate taxes?

16 NICOLE FERREIRA: No, this will be it.

17 COUNCIL MEMBER KALLOS: Okay, so they're
18 going to get tax abatement on top of that, which is
19 probably more valuable. So, all in all the city is
20 actually losing money on this deal.

21 NICOLE FERREIRA: Well, can I just--can I
22 just say? The purpose of Next Generation NYCHA's
23 neighborhood, this--this initiative was to do two
24 things: (1) to raise revenue for the Authority, new
25 revenue for the Authority, and (2) to create

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affordable housing units. As you well know, there
have been something like 200 affordable housing units
that have been created in your district in the last
ten years. This program will generate 100-
approximate 175 deeply affordable units on the Upper
West-Upper East Side at a 60% AMI level. So, I just-
I take issue with the city is losing money. The city
has made a commitment to creating affordable housing,
and as you know, that creates-that actually requires
city subsidy.

COUNCIL MEMBER KALLOS: Let's do 100%
affordable housing since we're losing money on this
project anyway.

NICOLE FERREIRA: So, again, if you have
\$17 billion to help me address parts of my needs then
we can talk about that, but-but don't.

COUNCIL MEMBER KALLOS: [interposing] We-
we have-we've been advocating with--

NICOLE FERREIRA: But you don't.

COUNCIL MEMBER KALLOS: --the City
Council NYCHA Chair--

SHOLA OLATOYE: NICOLE FERREIRA:

MEMBER KALLOS: --of the Progressive
Caucus for funding for NYCHA to get a billion dollars

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every year. We've increased it. The Mayor only
gave--

NICOLE FERREIRA: [interposing] Council
member.

COUNCIL MEMBER KALLOS: --the City
Council upped it to \$200 million, and we continue to
fight. So, it's just you're getting at least \$13
million from HPD. Do you have any money coming from
HDC as well?

NICOLE FERREIRA: So-so--

COUNCIL MEMBER KALLOS: [interposing] If--
if the premise of Next Gen NYCHA is that you're going
to raise money for NYCHA, but the city is actually
losing money when you consider the tax abatement and
the HPD financing, then your premise is false.

NICOLE FERREIRA: No, I think that we
should take a step back, and we should recognize that
affordable housing, if I may, affordable housing
construction in this city happens only because the
city of New York makes it happen. They invest
whether that be loan, whether that be bonds, whether
that be tax abatements. That's the only way--that is
the only way that you can actually get affordable
housing. So, 100% affordable housing--

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COUNCIL MEMBER KALLOS: [interposing] But
it's not affordable. It's 175 units of luxury
developments in a 47-story tower in NYCHA.

NICOLE FERREIRA: [interposing] But
they're at 60% AMI. I don't understand why you think
that they're not affordable?

COUNCIL MEMBER KALLOS: Let's--let's begin
here--

NICOLE FERREIRA: And the other thing is
to say NYCHA is the most affordable housing in the
city and the reason to do this program is to ensure
that that remains the case.

COUNCIL MEMBER KALLOS: [interposing] But
you're losing money.

NICOLE FERREIRA: Residents do not pay
more than 30% of their income for rent. Our goal is
to ensure that that remains the case by investing new
resources in their buildings. I--I don't make up the
rules of affordable housing financing in the city.
It requires investments. You have to pay--

CHAIRPERSON TORRES: [interposing]
Council Member if you can--

NICOLE FERREIRA: --to get affordable
housing--

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CHAIRPERSON TORRES: [interposing] Okay.

NICOLE FERREIRA: --and that's what we're
trying to do.

COUNCIL MEMBER KALLOS: Sure. So, I just
want to wrap on one piece, which is

NICOLE FERREIRA: Sure.

COUNCIL MEMBER KALLOS: --I think you and
the City Council have a different definition of
deeply affordable housing. 60% does make it so the
current site is 50% luxury and 50% middle-income
families at 60% of the median income, which is
\$40,080 for an individual to \$61,860 for a family of
five, but according to the NYCHA fact sheet the
average family income in NYCHA is \$24,336 with an
average monthly rent of \$509, which equates to an AMI
of about 30%, half of what this project is doing with
87.5 apartments set aside for NYCHA tenants, how can
they qualify and if they do, how do they even afford
to stay in the units?

NICOLE FERREIRA: Thank you for making
that point, which is that NYCHA housing is the most
affordable housing and for NYCHA residents who choose
to stay NYCHA housing, their rent will be no more
than 30% of their household income. If there are

things—it is never my desire to tell a NYCHA resident that they should not have the right to move out of public housing and—and—and have the ability to do that. We have built something like 6,000 units of this type of housing throughout our portfolio and previous administrations working with HPD and others to market to those families whose income and circumstances may change. So, I think that this in addition to providing affordable housing, it's providing a pathway for those NYCHA families who choose—who choose to leave the public housing system. If they do not want to leave public housing, that is absolute their right, but there are and is as evidenced by this huge waitlist and the huge number of residents who are interested and understand the income requirements, there are huge number of families who are interested in that. If, but again, no NYCHA resident is going to be displaced because of this program and, in fact, we are actually ensure--

COUNCIL MEMBER KALLOS: [interposing] But they can't afford to get afford to get into—

CHAIRPERSON FERRERAS-COPELAND:
[interposing] Council Member, I need you to wrap up your questions.

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COUNCIL MEMBER KALLOS: Sure, I guess
it's just--

NICOLE FERREIRA: But it's not built for
them, Council Member Kallos.

COUNCIL MEMBER KALLOS: Exactly. You just
said it. Thank you. So, you're saying there are--

NICOLE FERREIRA: [interposing] They're--
they're in housing already.

COUNCIL MEMBER KALLOS: --an 87-unit set-
aside for NYCHA residents, but then you're just
saying that it's not built for them, and that's not
why you can take some of those out. (sic)

NICOLE FERREIRA: [interposing] But we
should provide an opportunity.

CHAIRPERSON TORRES: [interposing] Okay,
this--this exchange is over. Thank you very much.
We're going to move on. Your--your point is taken.

COUNCIL MEMBER KALLOS: Thank you.

CHAIRPERSON TORRES: I think I would
agree with you that 60% of AMI, which is about
\$40,000, \$50,000 is probably double the median income
and NYCHA for the--the average NYCHA household. So,
your point is taken. I don't know of anyone who
regards 60% of AMI as deeply affordable. It's low-

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income by the federal definition, but it's not deeply
affordable. Ruben Wills.

COUNCIL MEMBER WILLS: Ruben Wills is
next up for questions and not part of that exchange.

CHAIRPERSON TORRES: Right.

COUNCIL MEMBER WILLS: Okay, not a
problem. Chairwoman, I'm not--my questions are of a
different nature--

CHAIRPERSON FERRERAS-COPELAND: Okay.

COUNCIL MEMBER WILLS: --and I just
wanted to ask you about the houses, the NYCHA homes
that were given to Habitat for Humanity and some
organizations prior to that, and I want to make sure
that it's on the record that I believe Habitat for
Humanity is a great organization. President Carter
has done a great job with it, and we've met with
Habit, and I signed off and said that we were happy
for this to happen. But it does bring up a couple of
things we need to speak about. One, even in the non-
profit sector, and I'm not saying this just for you,
I'm just asking you because you have the power to
help this. This seems to even be in the not-for-
profit sector, a displacement of minority not-for-
profits also, and what I wanted to know was we came

1 prior to you to the previous chair when these houses
2 were being discussed, and we put forth a plan with
3 people who had--they were viable, people had money.
4 Everything is no conflicts, everything is great. For
5 them to actually do the same work for these NYCHA
6 homes. Their plan was discarded, but some of the
7 reference points of their plan were included in this
8 plan. So, what I want to know is, is there a--is
9 there a plan to now with the new--with the rest of the
10 houses that you have that are coming on is three
11 something we're going to do to make sure that
12 minorities are participating in this or is just going
13 to be because there's a large not-for-profit and
14 we're just going to give it to them?

16 SHOLA OLATOYE: Thank you for your
17 question and--and I'm sorry I have to have the last
18 word with Council Member Kallos even though he's not
19 here, similar to your questions these home I think
20 provide another avenue for people to move out of
21 public housing should they choose to do it. We have
22 worked very closely with Habitat for Humanity. We've
23 worked closely with the restored homes, which is a
24 non-profit arm of the city to not only take these
25 homes, take over them, rehab them and put them back

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into ownership of people who live in the
neighborhood.

COUNCIL MEMBER WILLS: Right.

SHOLA OLATOYE: That's been a really
important part and thank you for your help in making
that happen. I am not familiar with the plan that
you reference. I'd love to see that.

COUNCIL MEMBER WILLS: No, it was before
you.

SHOLA OLATOYE: Okay, but I'd-I'd love to
see it, one. Two, we have done--this administration
and my administration has done, you know, by creating
an office an MBE office of Minority Women and
Business Enterprise Office, which didn't exist
before. We have--we just had a huge supplier
diversity fair several weeks ago, over 300 business
were there including Section 3 business concerns,
which as you know are often time--

COUNCIL MEMBER WILLS: Right, right.

SHOLA OLATOYE: --MBE-WBE business, this
is the first time that we had over 30 of those
present. So, we're doing a lot to both recruit,
identify and match where possible those types--those
types of business, and I, you know, we should talk

offline about the specifics and the specific folks
that you're referencing. We are excited to say we're
getting to a place where we're—those homes will be a
smaller and smaller part of our portfolio because we
should not be managing them. They should be in-back
in productive use. So, please do share the
information that you talk about, but know that we a
commitment for MWBE developers, contractors, et
cetera to be in line also with the Mayor's pledge of
One NYC, and that's what we're committed to.

COUNCIL MEMBER WILLS: And just to make
sure because both chairs are very specific on making
sure that these things tie into finance. What I
wanted to ask—what I wanted to make sure was on the
record is I believe that not just the proposals or
the projections to give the houses over should have
minority consideration into it, but we've met with
Habitat and they've actually, they're actually doing
this now, but there should be a community preference
or a minority preference for the construction and the
vendors. So, those who are providing the boilers and
hot water heaters and plumbing, those who are
providing the drywall and the roofing and different
things like that, we want to make sure that there's a

community preference, because that brings economic
development to the community. One bidder that could
roofing from 20 of their homes can hire five people.
So, we want to make sure that those jobs stay in the
areas that are being affected by those homes.
Because many of the homes were blights for a long
time. So, if that's the case and the community had
to suffer with it, we think that the community should
have that mitigated by the benefits of that. So,
I'll just ask you guys be mindful. I mean I know
that you're staff is great. Honan has been
responsive, but we just want to make sure that that's
it.

SHOLA OLATOYE: Understood.

COUNCIL MEMBER WILLS: And thank you for
your time. Thank you, Mr. Chair.

CHAIRPERSON FERRERAS-COPELAND: Thank you
very much Council Member. We're going to start a
second round, which is a three-minute round. Both
chairs we're going to forego our questions, and we'll
just forward our questions to your commit-to you. We
will now hear from Council Member Rosenthal followed
by Council Member Mendez.

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COUNCIL MEMBER ROSENTHAL: Thank you so
much, Chairs. I actually wanted to follow up on-on
the layered access in CCTV, Chair. I wondered what
you see as the value of layered access and CCTV in a--
in a second, what do you--do you like it? Is it
useful to you? How is it useful to you?

SHOLA OLATOYE: I think more importantly,
it's something that the residents asked for. It's
something that our colleagues at NYPD would like to
see in all of our buildings, frankly, and it is--it
isn't a best practice in sort of housing development
as--

COUNCIL MEMBER ROSENTHAL: So, here's
what I'm getting at. I remember a couple of years
ago chatting with you about this and, you know, the
problem is that I think residents and council Members
are being sold--that the--the--the wonders--I don't want
to overstate this, but that the wonders of CCTV and
layered access are not the magical solution that
they've been sold to be. So, the one benefit that I
get out of it is that I can see because I asked for
the report, how many times a clip has been sent. You
know, a clip from the video from the CCTV, how many
times that's been asked for and sent over to the PD's

1 to resolve a crime, and it happens not infrequently
2 So, for me that's the value. I haven't seen the
3 value of a property manager, you know, reviewing a
4 tape correctly, and then being able to identify the
5 guy who's urinating in the elevator for example
6 addressing a quality of life issue. What I would
7 like to see because I think residents have no idea
8 what the value is of the cameras is that resident
9 tenant leaders and council members should get the
10 report that you can run that shows for each
11 development when those clips were used, and for what
12 type of crime. I've been getting this report, and it
13 allows me to tell the resident leaders, you know,
14 yes, NYPD is following up on this and the cameras are
15 working so that we can follow up on these issues.
16 But when I talked to your central staff about this,
17 the hiccup was not having the technology to be able
18 to spit out this report easily, and I just [bell]
19 want to express my frustration and disappointment
20 about that. If there's something I can do with
21 connecting you to DOITT to—to have a technology
22 person come in or—or if I can help find someone who
23 would do it for free. This is—this the answer to the
24 question so what about why we do this in the first
25

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place, right. I don't—otherwise, the notion that,
you know, you're catching a crime and, you know, the
second the buzzer goes off someone is looking at a
camera that's been applied.

CHAIRPERSON FERRERAS-COPELAND:

[interposing] Council Member, can you please wrap up
your questions.

COUNCIL MEMBER ROSENTHAL: So, I just want
to know what you think about letting us, letting the
public see how they're used, and whether or not
they're used. So, let's give them the reassurance
that they want.

CHAIRPERSON FERRERAS-COPELAND:

[interposing] Thank you. Council Member, thank you.
I don't know if you have a response.

SHOLA OLATOYE: We can do it offline I
think.

COUNCIL MEMBER ROSENTHAL: Well, is that—
can you work with us?

SHOLA OLATOYE: I generally support
providing more information for people to make
information—to make informed decisions. So, I—we
should talk more about what that looks like.

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COUNCIL MEMBER ROSENTHAL: Great. Thank
you, Chair.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. Council Member Mendez, followed
by Council Member Kallos, followed by Council Member
Wills. [background comments, pause]

COUNCIL MEMBER MENDEZ: Thank you, Madam
Chair. I—I wanted to ask some questions about
Compost Plaza, the one that is now owned 50% by NYCHA
and 50% by other companies now called Triborough LLP
I guess.

SHOLA OLATOYE: I'll see.

COUNCIL MEMBER MENDEZ: Okay. So, at the
time that this went to closing, my office and my
other colleagues who represent that area had some
meetings with NYCHA and the chosen developer on this,
and we were promised a whole bunch of things, which
are now not happening. So we were going to get
storefronts in there. That's not happening. I don't
know where the changes came in, and how they came in.
I just want to understand, and I see you, Brian,
shaking your head. So, I would like for someone to
clarify what happened to the storefronts that we were
told we were going to get there? The—the other thing

1 is there's a big issue there, two big issues. One is
2 the tenants there now can't call 311. 311 won't take
3 their repair complaints. They can't call NYCHA's
4 number in Queens because NYCHA won't take their
5 numbers. So, essentially the--the people in those
6 buildings and whatever other buildings were converted
7 can get a repair complaint put into the city of New
8 York. So, and now, and I don't understand. Some
9 residents are coming to my office that their
10 electrical bills are like off the hook. Just really
11 excessive, and I'm not quite sure. I'm assuming they
12 have to pay electrical, but it seems like it's higher
13 than other people in the surrounding area, and I'm
14 not quite sure what that's about, and I don't know if
15 it was in their leases when they changed to be this--
16 now have this new ownership and management company.

17 [background comments]

18 BRIAN HONAN: Councilman--Council Member,
19 Brian Honan, New York City Housing Authority. So we--
20 we did brief you and the other elected officials in
21 the area and storefronts were discussed. We did have
22 a conversation with the developer just recently and
23 storefronts are still part of the plan. What they
24 wanted to do, though, is make sure that all
25

renovations to the building itself and to apartments
were don first, but they definitely see the
storefronts as something that improves the area,
improves the safety because we talked about this are—
this area actually many years ago, how hit is. It is
a place where people who are, you now, doing things
that, you now, definitely are unsafe activity goes
on. So it's something that still remains part of the
plan, and still will be part of the conversation
moving forward.

COUNCIL MEMBER MENDEZ: So we can expect
commercial there because someone told me we were not
going to have any commercial after all.

BRIAN HONAN: From the latest plans that
we have, but we can re-engage with the developer and
come back to on that. From—from the latest
conversation yes, it is still part of the plan.

COUNCIL MEMBER MENDEZ: And the repairs.

SHOLA OLATOYE: Yes, I can.

COUNCIL MEMBER MENDEZ: Can someone tell
me about the repair line.

SHOLA OLATOYE: So, so first of all,
thank you for bringing this to our attention, and
this is I think, you know, one of the issues is—and

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we're working with HPD and 311 to rectify it. It's a technical solution, and just that 311 and HPD looked at ACRIS, and we're still listed as the owners because we do retain the deed, and so we are working closely with HPD's Director of—I don't what Vinny's title is, but we're working HPD and DOITT to ensure that those residents call 311 like every other resident and that that would not be a problem going forward. That conversation is ongoing.

COUNCIL MEMBER MENDEZ: Madam Chair, if I could just—the—the closing happened in 2014.

SHOLA OLATOYE: Right.

COUNCIL MEMBER MENDEZ: It is now 2017. I've been consistently complaining about this and it's not been resolved. So, I, you know, I don't know how long it's going to take. I don't know if the Mayor needs to pass an executive order or something, but the tenants in those buildings should be allowed to make repair complaints somewhere and have it logged in the city. It's just taking too long to resolve it.

SHOLA OLATOYE: Thank you for bringing it to my attention. We will have a response back to you shortly. Thank you.

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CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. We will hear from Council
Member Kallos, followed by Council Member Wills
followed by Council Member Rodriguez. I just to
remind everyone we are significantly behind now, and
I have two committees that are waiting to begin their
hearings. So, I ask you to please stick to your
time. Council Member Kallos.

COUNCIL MEMBER KALLOS: [off mic] You've
represented a capital deficit of \$17-[on mic] You've
represented a capital deficit of \$17 billion over the
next ten years. Assuming \$25 million at Holmes is an
average and not the high water mark, are you planning
to bring infill to all 326 developments listed on you
fact sheet to raise \$8.1 billion?

SHOLA OLATOYE: We have talked about Next
Gen. So, just to take a step back. Yes, we do have
a \$17 billion capital need. We have a current
physical needs assessment that's underway, which I
presume actually will increase that number per HUD.
We are engaged in doing development at other-at other
sites that generate revenue for the Authority as well
as crate affordable housing. This is one component
of our development program, and there ware other

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parts of our work, which-which-which-that add to the
Next Door Neighbor Program.

COUNCIL MEMBER KALLOS: I have more
limited time. I need-I just--

SHOLA OLATOYE: Yeah, so it's one
component of the program.

COUNCIL MEMBER KALLOS: And are you
aiming for that \$8.1 billion at all-all the
developments or--?

SHOLA OLATOYE: I don't know your \$8-1.-
your \$8.1 billion.

COUNCIL MEMBER KALLOS: \$25 million times
326.

SHOLA OLATOYE: Yes, but that's-that's
your number. That's the number that we've received
in what is our first development program. This is
the first of what will be many, and we hope that it
will be higher. We hope that, you know, as a
reflection of-of the market, but it is one component
of our development program.

COUNCIL MEMBER KALLOS: In-in Chair
Torres' NYCHA hearing at Holmes Towers I recall there
being testimony that were approximately 80
developments that were being considered that have

1 been narrowed down to 40. We asked for that number
2 at the—we-we asked you to identify those locations at
3 the hearing. We have since sent Freedom of
4 Information Law request, which you've declined and at
5 the same time the Bloomberg Administration actually
6 released their full list of proposed infill
7 locations. So, I'm asking if you will be more
8 transparent than the Bloomberg Administration gave us
9 the names of the 40 developments right here and now.

11 SHOLA OLATOYE: Well, in fact, we've
12 been—I don't have—I don't have a list and, in fact,
13 we've talked about the characteristic of that
14 building, of—of those potential sites. The market
15 will change over what is a ten-year plan. I believe
16 we are much more transparent in that we have made the
17 commitment to start with resident engagement first.
18 That's what we've done at every single one of our
19 sites, and that's what we'll do continuing going
20 forward.

21 COUNCIL MEMBER KALLOS: I-I just as a
22 formal request and perhaps a term and condition
23 asking for that list, and then NYCHA is only taking a
24 one-shot payment of \$25 million here versus what you
25 had represented as part of NYCHA Next Gen as an

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ongoing stream of income. Will Holmes be in a state
of good repair in perpetuity following this
investment, and what is the annual revenue stream for
this development's luxury units, and the middle-
income units?

SHOLA OLATOYE: There is a—our plan is to
receive the resources that we've identified, \$25
million. It will address a significant portion of
Holmes capital repair, capital plan. It is the
intention to get it to a good state of working
repair. [bell] That's our—that is what our hope is,
but buildings do age and this is a—this is the
commitment to deal with the issues as we currently
state—as are currently stated.

COUNCIL MEMBER KALLOS: Revenue streams?

SHOLA OLATOYE: And what are the ongoing
revenue streams to them. We'll have to—I'll have to
follow up with you and give you that specific
information.

COUNCIL MEMBER KALLOS: By the end of
today?

SHOLA OLATOYE: We'll see.

COUNCIL MEMBER KALLOS: Tomorrow?

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CHAIRPERSON FERRERAS-COPELAND: Thank
you—thank you Council Member. We will hear from
Council Member Wills followed by Council Member
Rodriguez.

COUNCIL MEMBER WILLS: Good afternoon
once again. We started a—with the Queens EDC, we had
a program for entrepreneurs, and we did that
ourselves to make houses. It was recently in the
newsletter about the success. I think there was like
12 entrepreneurs we took out of there, and we did
business proposals and things like that. Do you have
any plans on taking that citywide for NYCHA, and I'm
asking because the potential for us to create
business owners, and then the retention of those
small businesses and leading them to self-sufficiency
would not only allow those people to come out of
NYCHA houses but be there during the two or three
years where it's the hardest for a small business to
actually sustain itself, but also allow them to
create jobs within the city. So, is there anything—
is there any plan that you have to actually take that
program and do a path on the model. Well, we are the
path on the model, but do a model itself.

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SHOLA OLATOYE: Sure. Because that was I
think at South Jamaica Houses.

COUNCIL MEMBER WILLIS: Yes, South Jamaica
Houses and EDC.

SHOLA OLATOYE: And a great initiative.
So, we would absolutely love to work more with-with-
the Queens EDC--

COUNCIL MEMBER WILLIS: [interposing] EDC.

SHOLA OLATOYE: --or around that.

COUNCIL MEMBER WILLIS: Right.

SHOLA OLATOYE: What we have done broadly
around Food Pathways, Childcare Pathways, there may
be other Pathways is work closely with our colleagues
at SBS, and--and

COUNCIL MEMBER WILLIS: [interposing]
Right the Commissioner.

SHOLA OLATOYE: --private, right and--and
private partners to actually fund more of this kind
of work. So, we absolutely know that it works, and
we want to do more of it, and it is something that we
want to--and I know this is something that the chair
mentioned that she's quite interested in as well is
seeing--seeing more of these kinds of initiatives
going forward.

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COUNCIL MEMBER WILLS: So, would you be
opposed to or would you support—I don't like oppose
but would you rather—would support—not a taskforce,
but a working group interagency with NYCHA and SBS,
the commissioner. I know it's important to Robert
Cornegy the Small Business Chair to do something to
make sure that we can push these initiatives forward?

SHOLA OLATOYE: Right, I would say that
already exists given the work that we're doing, and
if we—and if we are not inclusive of you and others
in those conversations, we need to do so.

COUNCIL MEMBER WILLS: Alright, thank and
you have the rest of my time.

CHAIRPERSON FERRERAS-COPELAND: Thank you
Council Member. Council Member Rodriguez.

COUNCIL MEMBER RODRIGUEZ: Thank you,
Chair. Citi Bike we are working right now on
expanding Citi Bike, and we heard yesterday and we
support what it looked that finally we will see Citi
Bike throughout the whole city, and one of the areas
that Motivate has shared with is how NYCHA has been a
partner where they provide these major discounts for
the residents of NYCHA who for their membership of
Citi Bike. Are you—is anyone entertaining

1 conversation or if Motivate the company that is
2 working to expand Citi Bike can see a resident of
3 NYCHA taking more advantage of the discounts that
4 they are offering to their residents of NYCHA?
5

6 SHOLA OLATOYE: So, just let me make sure
7 I understand the question. Are we working to make
8 sure that more people know about Citi Bike and--

9 COUNCIL MEMBER RODRIGUEZ: Well, like how
10 many--how many NYCHA residents benefit from that
11 discount?

12 SHOLA OLATOYE: Yeah, I don't have that
13 number. I don't--the one program I don't run. So, we
14 work very closely with my colleague Polly Trottenberg
15 at the Department of Transportation on--I've done
16 events with her in developments across the city to
17 increase the awareness of the program to make sure
18 that residents know that there is a discount. It's \$5
19 a month for the program. I'm--if there's more that we
20 can do with you, we'd be happy to do so.

21 COUNCIL MEMBER RODRIGUEZ: Okay. Look,
22 I--I just hope that we can take advantage of, you
23 know, the private companies since they are right now
24 in conversation with the DOT, but it isn't what the
25 Commissioner said yesterday, and we have been in--in

places where residents of NYCHA they have expressed
how this initiative where they are getting a discount
for the membership has a positive impact. It's
something that we continue taking advantage. I think
it's important to know how many residents of NYCHA
are enrolling in the membership of CitiBike and--and
what are the expectations, and how that number can
increase as we will see an expansion of CitiBike
through the five boroughs.

SHOLA OLATOYE: [pause] Sorry, we
support--the CitiBike is--is an important citywide
initiative. It's part of the Mayor's effort to, you
know, better connect city neighborhoods, health
outcomes, all of those things. I'd be happy to sit
with you or--

COUNCIL MEMBER RODRIGUEZ: Okay.

SHOLA OLATOYE: --to find out--

COUNCIL MEMBER RODRIGUEZ: I--I just think
it's important to be able to collect those data for
NYCHA as the private company has already been saying
that that NYCHA is a partner or it is like two or
three sectors of the city that they get major
discounts from the membership. Because, you know, I
was with the governor this morning. One thing that

1 the governor was, you know, [bell] we as a nation
2 created some ghetto when we built NYCHA quoting the
3 governor. Like what we have done it was just
4 supporting like all poor people in a particular area,
5 and we know that most of those residents they don't
6 have the services that the rest of the New Yorkers
7 have. And I know that you come with the leadership
8 that you are committed to close the gap. But if you
9 look at our obesity and asthma, you know, if we look
10 at New Yorkers that are dealing with those--

12 CHAIRPERSON TORRES: [interposing] Okay,
13 if we can wrap up Council Member.

14 COUNCIL MEMBER RODRIGUEZ: --there is-so
15 for me my suggestion is to recall the data to get the
16 information on how members from NYCHA are the ones
17 that get the subsidy from Citi Bike.

18 SHOLA OLATOYE: And I hear you, and I
19 guess what I'm saying is we will absolutely make sure
20 that that is something that the private operators do.
21 They would be the best people to do that as they
22 monitor the ridership of that system, and we'd be
23 happy to work with you to get that information so
24 that we could advance the things that you're talking
25 about.

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COUNCIL MEMBER RODRIGUEZ: Great. Thank
you.

SHOLA OLATOYE: You're welcome.

CHAIRPERSON TORRES: Before we conclude,
I just want to review some of the facts around this
letter because I spoke to the DOI Commissioner, and
he has not received this letter that your agency
supposedly sent. I spoke to the NYCHA IG and he has
not received this letter that your agency sent. I
spoke to three of your staffers none of who could
confirm the existence of this letter, and then when I
requested a letter a week ago, it has not been
received. I hope I'm wrong but I feel like I'm being
mislead, and if I'm not, please send me the letter,
I'd be happy to set the record straight. [background
comments, pause] I-I just hope your future letters
can make it to the DOI Commissioner and to the NYCHA
Inspector General and, you know, so thank you for
your time.

SHOLA OLATOYE: Thank you.

CHAIRPERSON TORRES: Have a wonderful
day.

CHAIRPERSON FERRERAS-COPELAND: That
concludes the first part of today's budget hearings.

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I want to thank the Chari for testifying. I also
want to thank Chair Torres and the members of the
Public Housing Committee. As a reminder, the public
will be invited to testify on Thursday, May 25th, the
last day of budget hearings. We will now take a 10-
minute break before we hear from the Department of
Information Technology and Telecommunications.

[background comments, pause]

CHAIRPERSON TORRES: I'm sorry. Let-let
the record reflect that this letter was sent two days
ago. So, just-[pause]

CHAIRPERSON FERRERAS-COPELAND: Good
afternoon, and again, thank you for your patience. I
know that we were a little delayed. Our prior
committee took a little longer than expected. My
name is Chair Ferreras-Copeland. I'm the Chair of
the Finance Committee. I will now continue the tenth
day of budget hearings with testimony from
Commissioner Anne Roest and the Department of
Information Technology and Telecommunications. The
Finance Committee is joined this afternoon by Co-
Chairs Council Members Jimmy Vacca and David
Greenfield, and the members of the Technology and
Land Use Committees. In the interest of time, I will

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forego an opening statement, and turn it over to my
co-chairs, Chair Vacca followed by Chair Greenfield.

CHAIRPERSON VACCA: Thank you, Chair
Ferrerias and I'm James Vacca. I'm Chair of the
Committee on Technology. I want to thank the Finance
Chair and Council Member Greenfield for co-chairing
the hearing with me today, and I also want to thank
the Finance Division and John Russell for all the
work that they did for today's hearing. Today, we're
holding the budget hearing for the Department of
Information Technology and Telecommunications.

[background comments] Excuse me. [gavel] As
government operations continue moving online and
digital technologies become more and more important
for the everyday activities of our city, DOITT plays
an increasingly important role in the functioning of
the City of New York. The department's proposed
Fiscal 2018 Budget totals \$622 million including \$135
million in intercity payments for other-from other
agencies for telecommunication services, and support
for which DOITT coordinates payment. The
department's personnel services funding for Fiscal
2018 totals \$150.7 million to support 1,768 full-time
positions. DOITT's Fiscal 2018 Executive Budget is

\$23.6 million less than its Fiscal 2017 Adopted
Budget of \$226 million--\$226.7 million. The decrease
results primarily from the department's citywide
savings program and other re-estimates that will
serve to eliminate budget surpluses. In the
Executive Budget, DOITT has identified \$10.7 million
in new needs for Fiscal 2018 including \$6.2 million
in additional funding for citywide procurement
technology and \$3 million to extend positions working
on IT capital projects. DOITT has also identified a
savings program that would generate-generated budget
savings of \$8 million Fiscal 2017 and \$6 million--
\$6.7 million in Fiscal 2018. We're going to hear
testimony today about the 2018 Fiscal Budget, and
we'll examine closely new proposals in your Contract
Budget and your Capital Commitment Plan. We'll be
talking about the public safety answering centers,
the funding rollover of about \$7 million and also the
\$6.2 million designated for citywide procurement
technology. I'm sure we'll be talking about New York
City Wireless Network known as NYCWIN, and the
associated cost in savings, and without further ado,
I think my co-chair Council Member Greenfield has
some remarks, and then I look forward to hearing from

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Commissioner Roest and her staff who are here today.

I want to thank my staff, my Chief of Staff Frank
Frioli and my Legislative Director, Zach Hecht (sic)
who's here who did so much of the work and, of
course, my Council staff as always do a great job
here at the Council.

CHAIRPERSON GREENFIELD: Thank you, Mr.
Chair. Thank you Madam Chair. My name is David
Greenfield. I am the Chair of the Council's
Committee on Land Use and looking forward to the
Fiscal 2018 Executive Budget for the Department of
Information Technology and Telecommunications. I
want to thank the Chair. I want to thank the staff,
especially Paul Sloan and John Russell. I want to
thank my staff Danny Paulstein and Malana Chacheva
(sp?) for focus on daily which provides for the
sustained, efficient and effective delivery of IT
services, infrastructures and telecoms to enhance the
service delivery for the city's residents, business
employees and, of course, visitors. With the current
Administration we have seen a significant a
significant increase in resources including hundreds
of additional full-time positions. The increases are
largely driven by new investments in IT security

efforts to insource contracted services, and the
second fully operational 911 call taking center
lovingly known as PSAC II. Who comes up with these
names? I'm going to find out for you in a few
minutes. During today's hearing the Council would
like to review the performance of these new
initiatives to discuss the challenges of implementing
such a large scale effort. We hope to hear these
investments are paying off and that we're seeing
significant improvements to government operations.
With such large investments at stake, it's important
for us to know that they're properly scaled and
structured in order to ensure efficiency. I want to
thank the DOITT Commissioner Anne Roest and her staff
for joining us today. I look forward to continue to
work With DOITT in finding more ways to leverage
technology to make our government more accessible and
efficient. Thank you very much.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Chair Greenfield.

CHAIRPERSON VACCA: [interposing] If I
could interject one thing as Chair of the committee,
I do want to say that I recently toured PSAC II with

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your staff, and it's in my district, and I was
overwhelmed.

CHAIRPERSON GREENFIELD: Do you know why
it's called PSAC II?

CHAIRPERSON VACCA: I do know why.

CHAIRPERSON GREENFIELD: Why is it called
PSAC II?

CHAIRPERSON VACCA: It's a backup to PSAC
I.

CHAIRPERSON GREENFIELD: It's after PSAC
I. It's very good.

CHAIRPERSON FERRERAS-COPELAND: I feel
like I'm in a weird comedy show right now.

CHAIRPERSON VACCA: Well, he's trying-
yeah, he's trying stoke me. I know what's going on.
[laughter] But it-it was fantastic to see.

CHAIRPERSON FERRERAS-COPELAND: Great.
Excellent. I don't-we've been joined by Council
Members Wills, Richards, Cohen, Palma, Grodenchik,
and Koo. After you're sworn in my our counsel,
Commissioner, you may begin your testimony.

LEGAL COUNSEL: Do you affirm to tell the
truth, the whole truth, and nothing but the truth in

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your testimony before the committee today, and to
respond honestly to Council Member questions?

LEGAL COUNSEL: Do you affirm to tell the
truth, the whole truth, and nothing but the truth in
your testimony before the committee today, and to
respond honestly to Council Member questions?

CHAIRPERSON FERRERAS-COPELAND: [off mic]
You may begin.

COMMISSIONER ROEST: [off mic] Okay,
great. Thank you and good afternoon Chair Ferreras-
Copeland, Chair Greenfield, Chair Vacca and Members
of the Council Committee on Finance, Land Use and
Technology. My name is Anne Roest, and I'm the
Commissioner of the Department of Information
Technology and Telecommunications or DOITT and I'm
the New York City's Chief Information Officer. Thank
for you for the opportunity to testify today about
DOITT's Fiscal 2018 Executive Budget. With me are
Annette Heintz, Deputy Commission for Financial
Management and Administration; John Winker, our
Associate Commissioner of Financial Services and
Michael Pastor, our General Counsel. DOITT's Fiscal
2018 Executive Budget provides for operating expenses
of approximately \$621.7 million allocating \$150.7

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million in personnel services to support 1,768 full-time positions and \$471 million for other than personnel services. This includes \$135 million in intercity funds transferred from other agencies for services provided representing approximately 22% of our total budget allocation. Telecommunication costs represent the largest portion of this intercity expense, which is project at \$109 million for Fiscal 2017. I'm proud to share that we have identified efficiencies for Fiscal 2018. DOITT found \$6.7 million in savings and reductions, through measures such as license cancellations across various hardware platforms. DOITT also received additional funding in both Fiscal Year 2017 and '18 that is designated specifically for citywide IT projects, which fall under our administrative or technical oversight responsibilities. For Fiscal 2017, the budget appropriation increased by \$4.8 million from the Fiscal 2018 Preliminary Budget for the Community Parks Initiative or CPI project, and for future grant funding for the Cyber Security Program. DOITT's Fiscal 2018 Budget appropriation has increased by \$18.6 million from the Preliminary Budget. The net increase represents additional grant funding received

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for Housing Recovery Office and tax levy funding for
CPI to fund IT related procurements that DOITT
manages. Additionally, these funds are the result of
the rollover of one-time funding from Fiscal 17 for
programs including broadband deployment and CESIS
project management. The funding reflects DOITT's
mission to help our partner agencies secure the right
technological solutions for the critical programs
they enact, programs that make this the greatest city
in the world in which to live, work and play. While
we've identified a significant amount of savings for
Fiscal Year 18, DOITT always has an eye toward future
savings in the out years. As we detailed in our
Preliminary Budget testimony, we've developed a 30-
head in-source pool, a roving team of DOITT tech
experts who serve in roles traditionally filled by
outside consultants. To date 21 team members have
been hired and have already worked on multiple
projects saving \$2 million that otherwise would have
been spent on third-parties. Three more people are
in the process of joining the Insource Team, and we
will continue to look for more ways to make
consultant conversions. In future fiscal years there
will be tens of millions of dollars in annual savings

1 through the decommissioning of the New York City
2 Wireless Network or NYCWIN. NYCWIN is out government
3 dedicated broadband wireless infrastructure, which
4 was created to support a central city operations. As
5 you know, since I became commissioner, we've been
6 trying to find savings for NYCWIN, which costs that
7 city more than \$40 million a year in operation and
8 maintenance. To that end, DOITT released an RFI to
9 gather ideas on ways to more efficiently use the
10 network, none of which offered a cost-effective
11 solution. At this point, NYCWIN will only get more
12 expensive requiring hundreds of millions of in
13 upgrades in the near future simply to maintain the
14 existing network. Therefore, as a matter of
15 financial prudence we have decided to transition
16 agencies from NYCWIN to commercial carriers. This
17 should reduce the cost to less than \$10 million a
18 year saving the city more than \$30 million annually
19 in fiscal finance-fiscal years. We are actively
20 working with all agencies to ensure a smooth and
21 seamless transition. In addition to a strong savings
22 program, we have a novel and lucrative revenue
23 generating program in place, LinkNYC, a key element
24 in the Mayor's plan to bring affordable, reliable
25

high speed broadband to New York City's residents and businesses by 2025. LinkNYC is our franchise to replace the city's outdated pay phone infrastructure with free database spewed WiFi kiosks. The franchise guarantees \$500 million in added revenue to the city over the first twelve years that LinkNYC is in operation with a guaranteed minimum of 50% of gross advertising revenue each year at no cost to the taxpayers. In Fiscal Year 18 we project \$25 million in revenue. With nearly 800 active kiosks across all five boroughs we expect the continued success of this unprecedented project. Before concluding, I'd like highlight two critical citywide initiatives in DOITT's purview to help ensure the safety and security of New Yorkers. First, the Emergency Communications Technology-Transformation Program. ECTP, which is the city's project to modernize and consolidate the city's 911 emergency communication systems. It's the most complex system of its kind. Under DOITT's management, ECTP is on time and on budget. We are particularly proud of the progress that the Public Safety Answering Center or PSAC II located in the Bronx. In 2014, after years of delay, Mayor de Blasio directed DOITT to take the-over

project management, and wanted to put PSAC II back on track. When NYPD took its first call last June, the City took an enormous step toward implementing a fully resilient 911 system. We'll continue to invest in the city's 911 system in collaboration with NYPD and FDNY to ensure continued efficiency of emergency public safety services throughout the city. Second, I'd like to highlight a particularly topical unit within DOITT, our excellent Cyber Security Team. Our Cyber Team leads the effort to protect the city systems and assets from ever evolving cyber threats. This Administration has made a tremendous commitment to fortify the Cyber Security Team in recent years with a significant increase in investment for enhanced technology to stay ahead of those threats, and the addition of the citywide Chief Information Security Officer to spearhead proactive and progressive risk management strategies. These critical investments have put the city in a better position than we've ever been before. This was exemplified during the recent ransomware attack experienced around the globe with our agile and aggressive team swiftly acting to appropriately harden the city's digital defense. However, no

1 matter what's going on in the rest of the world, this
2 team works in defense of the city for our data and
3 infrastructure 24x7. I appreciate the opportunity to
4 discuss DOITT's 2018 Executive Budget. This
5 concludes my prepared testimony and I will gladly
6 take any questions. Thank you.
7

8 CHAIRPERSON FERRERAS-COPELAND: Thank
9 you, Commissioner. I'm going to actually forego my
10 first round of questions, and I'll come back on the
11 second round to give both our Chairs are an
12 opportunity to ask their questions. We will hear
13 from Chair Vacca followed by Chair Greenfield.

14 CHAIRPERSON VACCA: Thank you for your
15 testimony, Commissioner. I did mention PSAC, too,
16 before, and I was very impressed.

17 COMMISSIONER ROEST: Thank you.

18 CHAIRPERSON VACCA: The technology was
19 just unbelievable and the entire facility is a
20 tribute to our city. I wanted to ask you, though, do
21 you think that there are any times in the future
22 where even the technology in a place like PSAS II
23 would be outdated, and there will be needs to have
24 capital infrastructure expenditures to update that
25 technology as advanced as I know it is now?

COMMISSIONER ROEST: Uh-huh. So, there-
there's a couple initiatives on the front. One, we
do have a Technology Refresh Program in the Capital
Budget that is for PSAC I right now, but eventually
we'll plan for PSAC II. In fact, we did put together
a multi-year plan to maintain currency in all of this
technology. The other initiative, as you know, is
the Next Gen 911 Program, which will, in fact,
upgrade large components of the 911 systems in both
of the PSACs.

CHAIRPERSON VACCA: So, you feel that
it's adapt-the technology will be adaptable or can be
made adaptable to the next generation program?

COMMISSIONER ROEST: Absolutely. In
fact, we'll be happy to sit down and talk to you
about how we've laid out a plan that will take us
through 2022 and then we have actually fiscal plans
year after year for the next ten years to make sure
that we do maintain currency.

CHAIRPERSON VACCA: And you've planned
for that as a Capital Budget expenditure?

COMMISSIONER ROEST: Yes.

CHAIRPERSON VACCA: Okay. I wanted to
talk to you about recent worldwide malware attacks,

and whether or not we are prepared. Many institutions nationally or internationally have been affected, and I wanted to know if you know—if you think there's any need to increase vigilance or increase the part of the budget that deals with this. Do—do you think the city is—would be secure against an attack as pervasive as what we've seen around the world?

COMMISSIONER ROEST: So, cyber you can imagine is—is one of the things that does keep us awake at night. It's one of the biggest challenges we have. I do want to say that this administration has been very supportive of everything we've asked for on the cyber front. They've doubled the staff over the last few years in the Cyber Unit, and have committed additional funding for technologies, and—and I'm confident that whatever we need to protect they city, they will be supportive. We're in direct and frequent communications with the First Deputy Mayor's Office about cyber. They're interested and supportive of whatever we need to do. So, I feel we're in a good place. Again, cyber is an ever-evolving field, you know. The threats are constant, but we have significant support.

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CHAIRPERSON VACCA: I did want to go into something I cited in my original opening, and that was the use of rollover money. Sometimes your agency and also the Office of Film deals with rollover money from one fiscal year to the next. And I'd like to ask you how much money is going to be rolled over from one—from-in your agency and if you can—if you can answer in the Office of Film how much of a rollover are we talking about, and are we able to always access money in that fashion?

COMMISSIONER ROEST: Okay. John, will you? Okay, I'm going to ask John Winker to take the rollover question.

ASSISTANT COMMISSIONER WINKER: Good afternoon. My name is John Winker. For FY18 we do have rollovers. Primarily the monies that do rollover from year to year are non-city funded types of funds. This year we do have some C-CTL funding rolling over for broadband and CESIS. Those are at \$3.3 million each. As far as normally (sic) concerned there was some surplus monies that were taken out of the Incentive Program this year. That's not rolling over. That's \$7.2 million. Those were accruals that were taken down by OMB. As far as the

1 funding rollover, it's \$2.1 million. So that's
2 related to the CPB program, which is a federally
3 funded grant that they receive yearly. Those are the
4 biggest items that we had rolling over this
5 particular year.

6
7 CHAIRPERSON VACCA: Now, I think the
8 Office of Film had a rollover. Can you explain that?
9 That--that may come up and I just wanted to know

10 ASSISTANT COMMISSIONER WINKER: Well,
11 MOME had--it's--which is the same office they had a
12 \$2.1 million CPB rollover, and those federal monies.
13 That's grant money.

14 CHAIRPERSON VACCA: So that can be for
15 future--

16 ASSISTANT COMMISSIONER WINKER: It will
17 be used.

18 CHAIRPERSON VACCA: There was an
19 incentive program.

20 ASSISTANT COMMISSIONER WINKER: The
21 incentive program for FY18 or FY17 had a \$7.2 million
22 surplus that was taken out. It was not rolled over
23 to FY18.

24 CHAIRPERSON VACCA: What happened with
25 that? It was taken out as a--

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ASSISTANT COMMISSIONER WINKER: It was
taken out as an accrual.

CHAIRPERSON VACCA: It was taken out as
an accrual?

ASSISTANT COMMISSIONER WINKER: Surplus.

CHAIRPERSON VACCA: So, if it was taken
out as an accrual, is--does that mean that it's
partially meeting a budget?

ASSISTANT COMMISSIONER WINKER: It was
not part of a budget--It was not part of a budget cut.
It was not part of their target.

CHAIRPERSON VACCA: So, then where did
that money go if it was not--

ASSISTANT COMMISSIONER WINKER:
[interposing] It goes back to the General Fund.

CHAIRPERSON VACCA: It went back to the
General Fund.

ASSISTANT COMMISSIONER WINKER: That's
correct.

CHAIRPERSON VACCA: So, because that
money was not spent that agency lost the money.

ASSISTANT COMMISSIONER WINKER: That's
correct.

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CHAIRPERSON VACCA: There lost all \$7
million?

ASSISTANT COMMISSIONER WINKER: That's
correct.

CHAIRPERSON VACCA: Okay. So, that money
is not being rolled over.

ASSISTANT COMMISSIONER WINKER: No.

CHAIRPERSON VACCA: Okay. Is there
anything in this—is there any new need that you
perceive that the city has not funded for DOITT or
MOME for that case? Is there any new need that you
think has not been met that you would like the
Council to consider?

ASSISTANT COMMISSIONER WINKER: There—
there are no new needs that are currently pending.
We have had some capital projects recently approved
that will generate some new needs in the out years
related to the maintenance but that's—that's usually
approved as a matter of course. That's just when the
CP is approved, the expense follows. But that
doesn't necessarily happen in that current plan. It
can happen in subsequent plans, which is what will
happen next year.

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CHAIRPERSON VACCA: Well, I am interested
in procurement. I know you received \$6.9 million
more in the procurement area for and I think that
procurement--

ASSISTANT COMMISSIONER WINKER:
[interposing] That's the CPI program.

CHAIRPERSON VACCA: And that's-that's the
initiative? That's the name of the initiative?

ASSISTANT COMMISSIONER WINKER: That's
correct.

CHAIRPERSON VACCA: So are we making
upgrades to the city's procurement technology with
this money, and how will-how will-how will it improve
a procurement.

ASSISTANT COMMISSIONER WINKER: Well,
certainly there are some upgrades that are going on.
As far as the upgrades I guess we could speak a
little bit to that but primarily that's being managed
the Mayor's Office of Contracts, that program.

DEPUTY COMMISSIONER HEINTZ: Yeah, I just
want to add-Annette Heintz, Deputy Commissioner of
Finance, Management and Administration. The program
being run by the Mayor's Office of Contracts is for a
procurement system for the city. The city currently

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does not have a citywide procurement system. Most-
most agencies have small systems that they built
themselves. So, it's a new technology, and it's
being implemented as part of the CPI program by the
Mayor's Office. We are holding the contract.

CHAIRPERSON VACCA: So you're telling me
city agencies, of course, have their own procurement
processes, and they have their own ability to do
that, but now with this money there's going to be a
citywide procurement overall umbrella type thing
where agencies can procure through a central portal?
Is that what we're talking about?

DEPUTY COMMISSIONER HEINTZ: Using a
central technology.

CHAIRPERSON VACCA: Central technology.

DEPUTY COMMISSIONER HEINTZ: And it's-and
it's-and from what I know from my 30 years, it's
sorely needed. [laughs]

CHAIRPERSON VACCA: But there will be
one-one vehicle for procurement in the city that all
agencies will use?

DEPUTY COMMISSIONER HEINTZ: Yeah, that
they have a number of agencies including DOITT are
participating on these-on teams so that agencies that

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have processes that are different, or require something different, the technology project gets incorporated into the design of the system. So, there's—there's a pretty broad group of city agencies all participating in the design.

CHAIRPERSON VACCA: Is there a training component?

DEPUTY COMMISSIONER HEINTZ: There will be a training component yes.

CHAIRPERSON VACCA: Okay. When do we envision this to be in place?

DEPUTY COMMISSIONER HEINTZ: It's real—really just managing the contract and MOCS is managing the contract. They think there's two more year on it. I do not have an implementation date, though for MOCS.

CHAIRPERSON VACCA: Are all agencies able to use it, or will able—will agencies be required to use it, and are we talking about non-mayoral agencies also like NYCHA and HHC? Tell me the dimensions of what we're talking about.

COMMISSIONER ROEST: So again, MOCS is managing the program. We'd love to get some information from MOCS either in writing or meeting to

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go over the scope of the program and the schedule
with you.

CHAIRPERSON VACCA: I'd-I'd appreciate
the.

COMMISSIONER ROEST: We'll do that.

CHAIRPERSON VACCA: Okay, Council Member
Greenfield.

CHAIRPERSON GREENFIELD: Thank you,
Chair. Thank you very much. I-I did want to follow
up on a few-a few of the issues that we-the Chair
just discussed just for starters. The-the funding
for MOME, you said it was a surplus of some \$7.2
million. Is that correct.

ASSISTANT COMMISSIONER WINKER: Yes,
that's correct.

CHAIRPERSON GREENFIELD: Was that from
MOME's Film Incentive program? Would that be--?

ASSISTANT COMMISSIONER WINKER: That's
correct.

CHAIRPERSON GREENFIELD: Okay, can you-
can you tell me more about this? The reason I'm asking
is because as you know, the Council is very focused
on trying to cut the fat from the budget, and this is
something that didn't-wasn't spent last year, perhaps

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there's no need to spend it this year. So, might you
be familiar with the good works that MOME is doing,
and perhaps explain to us why they didn't spend the
\$72 million—.2 million and why they are still seeking
a good portion of that funds for this year.

ASSISTANT COMMISSIONER WINKER: I do not
have any details regarding how—why those accruals
occurred.

CHAIRPERSON GREENFIELD: Okay.

ASSISTANT COMMISSIONER WINKER: Just
that, you know, what the budget impact is of those
accruals.

CHAIRPERSON GREENFIELD: So, what is the
role of DOITT in relation to MOME so we can clarify
that for our viewers at home.

COMMISSIONER ROEST: So—

CHAIRPERSON GREENFIELD: Or in the
office, if you're in the office I hope you're not on
government time because you really should be working,
but I won't tell anybody. Okay. [laughter]

COMMISSIONER ROEST: Make sure we're
working. So, DOITT's role--

CHAIRPERSON GREENFIELD: I don't even
know that people are watching in the office, yes.

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COMMISSIONER ROEST: DOITT is a provider-

-

CHAIRPERSON GREENFIELD: [interposing]

Can you imagine how bored they must be in an office
if they're watching a Council hearing? Okay, I'm
sorry. Yes.

COMMISSIONER ROEST: [laughs] So, DOITT
provides administrative support to organizations.
We're-we're a big agency--

CHAIRPERSON GREENFIELD: Yeah.

COMMISSIONER ROEST: --we're a strong
team, Finance Council budgeting. So we provide
administrative support to some smaller organizations.
We do not manage the programs in those organizations.

CHAIRPERSON GREENFIELD: Okay, so they
just fall under your purview technically, but you
don't supervise them in any way shape or form?

COMMISSIONER ROEST: We don't supervise
them. We, again, provide administrative support.

CHAIRPERSON GREENFIELD: So, so you're
not-you're not familiar with their spending. So, you
can't actually tell us why it is that they put back
\$7.2 million in the budget last year, but this year
they're requesting the funds?

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COMMISSIONER ROEST: No, I can't but I
would be happy to bring that question back.

CHAIRPERSON GREENFIELD: Okay, got it.
So, you can't tell us for example why in the
breakdown of that spending of the funds they say they
need \$860,000 to promote events like the Grammys
coming back to New York City? You wouldn't know?

COMMISSIONER ROEST: No, I would not--

CHAIRPERSON GREENFIELD: Got it.

COMMISSIONER ROEST: --be able to answer
that question.

CHAIRPERSON GREENFIELD: Or you wouldn't
be able to explain why it is that we have to pay
people to advertise that they Grammys will come back
to New York City considering that every major
newspaper, Twitter, Facebook and even television
program appear to have done that for free?

COMMISSIONER ROEST: I cannot but I do
know that MOME would be more than happy to meet with
you and go over that.

CHAIRPERSON GREENFIELD:

COMMISSIONER ROEST:

CHAIRPERSON GREENFIELD:

COMMISSIONER ROEST:

CHAIRPERSON GREENFIELD: Okay, got it.

Okay, but I mean I guess the point is that if someone could explain to us because once again, we're very focused on trying to trim the fat within the budget and people always say, oh, these Council Members they want to spend. It's not true. We're trying to be efficient, and this is an agency that appears that they didn't even use the money. They didn't use the money. After using it for things like advertising the Grammys, perhaps it's worth-worth for us to take a deeper look and maybe that's money they don't necessarily need next year, and we could all have a budget savings. Okay, next-next question for you, and I'm going to put myself here on the same clock as my colleagues so that we can be efficient. Can you talk to me a little bit about in your testimony you refer to the NYCWIN, and you say that it should reduce the cost for trying to cut back on the use of NYCWIN and it's going to reduce the cost to \$10 million a year. It seems like, I mean I'm not obviously as technically—for the record you're always using ways you have arrived at your location. For—I'm not as technically proficient as you are obviously in NYCWIN. I'm just curious. If we're not

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really utilizing it, why is it still costing \$10
million a year? I mean do we still need it? Can't
we just like shut it down, throw it out, pack it up
and dump it?

COMMISSIONER ROEST: Yeah, so we are--

CHAIRPERSON GREENFIELD: [interposing]
That's a lot of money for a program that doesn't seem
like we're actually using.

COMMISSIONER ROEST: There's 21,000
devices on NYCWIN. So we're--

CHAIRPERSON GREENFIELD: [interposing]
Can you speak up a little bit? I apologize. It
echoes in this room. Yes, thank you.

COMMISSIONER ROEST: So there are 21,000
devices connected to NYCWIN right now--

CHAIRPERSON GREENFIELD: Okay.

COMMISSIONER ROEST: --for several
agencies. We do plan to shut NYCWIN down.

CHAIRPERSON GREENFIELD: Okay.

COMMISSIONER ROEST: We agreed that
there's a more cost-effective way to support those
21,000 devices--

CHAIRPERSON GREENFIELD: Yeah.

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COMMISSIONER ROEST: --with the
commercial carriers, but it is—it does have to be a
program that 21,000 devices that we have to migrate
to in a network, and that will take us a few years.

CHAIRPERSON GREENFIELD: Okay.

COMMISSIONER ROEST: We're planning to
begin the shutdown in 2019. That involves removing
radio antenna from rooftops. That shutdown will take
up to two years.

CHAIRPERSON GREENFIELD: Okay. So the
plan is just to be fair, we agree NYCWIN is sort of
obsolete.

COMMISSIONER ROEST: Uh-huh.

CHAIRPERSON GREENFIELD: Their plan is to
get it shut down. It's just that realistically you
can't just shut these devices and transfer them over
immediately, and that's going to take some sort of
turnover?

COMMISSIONER ROEST: That's exactly
right, and we worked with the agencies. We have
plans for each agency, but there was a transition
that we have to go through.

CHAIRPERSON GREENFIELD: Okay, and when
is that going to be complete just for the record.

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When are we--when are we no longer going to spend
money on NYCWIN?

COMMISSIONER ROEST: In 2019, we'll begin
the shutdown. We will be spending--we will continue to
spend on NYCWIN until the shutdown is complete. We
expect that to be in 2020 or 2021.

CHAIRPERSON GREENFIELD: So, by 2021, we
will not longer be spending on NYCWIN is that--?

COMMISSIONER ROEST: That's correct.

CHAIRPERSON GREENFIELD: That's correct.

Okay, got it. Alright, let me--let me ask you this.
The headcount has increased by around 500 positions
over the last few years. A lot of it has to do with
PSAC II, insourcing contracts, enhanced IT
securities. How, how is that--give us the short
version because I guess in putting myself on the
clock I only have 2-1/2 minutes left. How is that
working out? I mean have you done the assessments,
and have you actually had cost savings as a result of
insourcing versus the outsourcing, and if so, why
aren't we doing all insourcing, right? That's the
obvious follow-up question, Commissioner.

COMMISSIONER ROEST: So, there--there have
been cost savings and I'll let John speak to the

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details, but why aren't we doing all insourcing, we
do continue to look for opportunities to insource.
There are situations that just insourcing isn't
appropriate, short-term projects, specialized skills
that we can't get in the city.

CHAIRPERSON GREENFIELD: Is it fair to
say, Commissioner, that in your judgment as the
Commissioner that whatever opportunity you have to
insource, you are insourcing?

COMMISSIONER ROEST: Yes.

CHAIRPERSON GREENFIELD: Do you agree
with that statement?

COMMISSIONER ROEST: Yes, I agree with
that statement.

CHAIRPERSON GREENFIELD: Okay, fair
enough. Do you want to talk about the savings—

ASSISTANT COMMISSIONER WINKER: Yes.

CHAIRPERSON GREENFIELD: Tell me about
it.

ASSISTANT COMMISSIONER WINKER: We've—we
received 70 positions for insourcing last fiscal
year. We've hired—or two—two years ago actually.
We've hired about 55 of those lines currently, and
we're saving about \$9.8 million per year. As the

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Commissioner also mentioned, there was another 30
positions for us to create an insourced team to go
out and help with technology projects. We've hired
roughly 22 of those positions I believe or 21, and
that's saving us about roughly another \$2 million a
year that we would have otherwise spent for
consultant services.

CHAIRPERSON GREENFIELD: Okay, got it.
You're Cyber Protection Unit, the one that works
24/7. Excellent.

ASSISTANT COMMISSIONER WINKER: [off mic]
Yes.

CHAIRPERSON GREENFIELD: Excellent. So,
I'm—I'm—I want to follow up on a conversation. We—we
created something of a kaffuffle last time, and I
mentioned and asked you about you about the—the
Russians attempting to hack—attempting to hack New
York City. I was actually flattered. I thought that
the Russians going after New York City means we're on
a level that when the people who are coming after us—
do you want to clarify that. So you—I think
afterwards where folks wanted to talk about that.
There have been attempts from Russian IP, but not
necessarily—we don't necessarily know if it's the

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Russian government or Wiki Leaks or anything like
that. Is that--is that what you wanted to clarify.
I'm happy to give you that opportunity to do this
later, Commissioner.

ASSISTANT COMMISSIONER WINKER:

COMMISSIONER ROEST: Yeah, so we--we--we
see attacks coming in from IP addresses all over the
world.

CHAIRPERSON GREENFIELD: Okay.

COMMISSIONER ROEST: But that doesn't
mean that's necessarily where the attack is
originating just because intentionally the hackers
tried to spoof or pretend they're somewhere else.

CHAIRPERSON GREENFIELD: Okay. So there
have been attacks from Russian IPs, but you're not--
you don't know definitively whether or not Russia
itself has tried to.

COMMISSIONER ROEST: Absolutely we have
no indication or proof that Russian itself is trying
to hack.

CHAIRPERSON GREENFIELD: [interposing]
You have no indication either way. You know whether
this happened or it hasn't happened?

COMMISSIONER ROEST: That's true.

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CHAIRPERSON GREENFIELD: And, since we
last chatted has there been any successful hacking or
phishing or malware or other attempts that have
infiltrated any city agencies?

COMMISSIONER ROEST: No, as we discussed
last time, malware does get in because it comes in
through email, but there has been--

CHAIRPERSON GREENFIELD: [interposing]
yeah.

COMMISSIONER ROEST: --no breaches or
exploits that have been successful.

CHAIRPERSON GREENFIELD: Okay. What
about loss of data?

COMMISSIONER ROEST: No.

CHAIRPERSON GREENFIELD: Okay, and have
you made you any final question? Because I'm--I guess
I'm going to keep myself on the clock, and it just
rang final question. Any headway in terms of keeping
confidential information confidential among agency
employees. It's not as pretty as the conversation we
had where we've seen for example recently the
Conflicts of Interest Board has actually sanctioned
individuals who have take information that was
unauthorized, right. Whether they bee in a certain

agency, there's some sensitivity with that information, and they're using it for their own purposes or commercial purposes or other purposes. Have you developed some sort of process to either prevent that from happening, or to let you know when that is happening? It seems like it is a pretty big loophole over there for the confidential information that is available to tens if not hundreds of thousands of employees.

COMMISSIONER ROEST: Yeah, so--so we do continue to working on our authorization technology like who gets access to what, and you--

CHAIRPERSON GREENFIELD: Yeah.

COMMISSIONER ROEST: --continue to improve and tighten that. When you have an employee who is authorized to see data, but misuses that authorization, that is difficult to detect technically.

CHAIRPERSON GREENFIELD: So to that--to that point, just to drill down on my final question. So, the--the--do employees have sort of like rankings or ratings or like in the federal government, you know, secret, top secret. Obviously, it's not the same, but meaning in terms of access, are there

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rankings and ratings and are you very careful about
who has access to what information for example? So,
like does every police officer have access to every
citizen's information or is it only limited to
certain police officers if they're doing
investigations for example. So, have you taken a
system approach of trying to figure out who should
have and who shouldn't have access to what levels of
information, and are you able to control that through
your back end technology?

COMMISSIONER ROEST: So, each agency or—or
data owner has responsibility to determine who should
have access to their data and for what purposes, and
we provide the technology to enforce that. So,
through a role or just by name or a user ID, the
agencies—we provide the technology to lock down that
data to just those appropriate users.

CHAIRPERSON GREENFIELD: So, you're not
supervising that?

COMMISSIONER ROEST: We're not.

CHAIRPERSON GREENFIELD: Hmm, that's not
so great. Okay. Commissioner, I'm out of time. I
appreciate your testimony. Thank you--

COMMISSIONER ROEST: Thank you

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CHAIRPERSON GREENFIELD: --for clarifying
that the Russians have not hacked us yet.

CHAIRPERSON VACCA: Thanks. [laughter]

CHAIRPERSON GREENFIELD: And if the
Russians are watching, I want you to know that the
Commissioner is ready for the test. Send him an
email in advance letting her know, and you can test
our systems because we've got the best anti-hacking
folks in the world right here in New York City.

COMMISSIONER ROEST: They are amazing and
they are 24/7.

CHAIRPERSON GREENFIELD: Would you like
to put your email out there just so the Russians know
so they can punt. Okay.

COMMISSIONER ROEST: I'm sure—I'm sure
they know.

CHAIRPERSON GREENFIELD: Okay. Thank
you, sir.

CHAIRPERSON VACCA: Thanks.

COMMISSIONER ROEST: Alright. Thank you.

CHAIRPERSON VACCA: Thank you, Council
Member Greenfield. I just have one more question
because I had read some time ago about the city going
ahead with reorganizing the computerized systems of

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the Special Ed Department at DOE. Now, the system
had been plagued by issues, and I understand that
there's been a appropriation in the Financial Plan.
I wanted to talk to you about it. There are 800,000
queries a day that have failed at one given point to
another within system, and that report details
improvements that were suggested, but I want to know
where we are with that. Are there any plans for
using money that's available to fix this system or
implement a new one?

COMMISSIONER ROEST: Yeah, so for the
CESIS program, DOITT worked with DOE and OMB and—and
several other agencies to come up with a plan for
remediation. Some of the, I'm going to say lower
hanging fruit technology wise have—some of those
things have already been implemented and we've seen
improvement. Right now DOE with DOITT's support is
implementing an upgrade to the Core CESIS system that
is going to resolve many of the technology, I'm going
to say bug, and also working on future enhancements
that will go in, in the upgrades this summer, the
enhancements this fall. So, we've got a very
aggressive plan. We're also building a new data
center with them and upgrading their networks. So,

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there is a lot going around—on around the CESIS
problem.

CHAIRPERSON VACCA: Is there a timetable
for this? Are you looking at a timetable?

COMMISSIONER ROEST: Yes, and—and again,
I want to go back to DOE and make sure that—that
correctly representing their time table, DOITT is
only working on and running a few of the threads in
the project. It's really a DOE project. Again, the
CESIS upgrade to correct most of the core technology
bugs in the system is happening later this summer.

CHAIRPERSON VACCA: Okay, thank you. I
have no questions from any Council Members. So, I
want to thank—Oh, I'm sorry. Oh, Mr. Kallos, do you
have a question? Council Member Kallos?

COUNCIL MEMBER KALLOS: Thank you. I
would get in trouble if a bunch of the city employees
who are actually watching on the edge of their seats
over at DOITT and Finance and all others if I—if I
didn't ask the question I usually ask. So, the
Independent Budget Office has a great program. They
send out their New York City by the Numbers quite
often. You can subscribe at ibo.nyc.ny.us, and you
can get these, and they send out every year since

I've been an elected budget options where they have ways in which we can save and, of course, one of the great ways that we can save and, in fact, have control over our own software so that we can improve our software without having to go through a vendor, but we can actually run it ourselves, know how it operates and can better protect ourselves against hackers be they Russian or even internal would be using Free and Open Source Software, and the IBO believes we can save \$14 million. Where are we in terms of implementing Free and Open Source software licenses? And just for those watching, the only difference between software that's Free and Open Source or proprietary is just a license that says you're not allowed to open the hood and fix it—what's underneath and yeah.

COMMISSIONER ROEST: So, we continue, as we've discussed, to consider Open Source Software and use it wherever it's appropriate. There's a lot of options available to us when we need to implement a solution now including—I'm sure you've seen the incredible growth in SAS Solutions. We've bot Open Source Solutions. We've got solutions. You know, we can build in-house. So, we're always looking for

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what is the most appropriate, what is the most cost-
effective solution, and sometimes it is open source.

COUNCIL MEMBER KALLOS: I would argue
that it is often instead of sometimes, but that's
fine, and for—for a couple of years I had been
pushing for us to get wireless in our subway
stations. We finally rolled it out to every single
station. If somebody—one of us or a constituent or
just anyone goes to a subway station, and they're
not—they don't have that free WiFi or the mobile
service isn't working, how can we fix that?

COMMISSIONER ROEST: So, that is not a
program run by DOITT. That would be the MTA.

COUNCIL MEMBER KALLOS: Okay, but if was
something that we were—you were reporting on in
previous years?

COMMISSIONER ROEST: On the subway, no.

COUNCIL MEMBER KALLOS: Fair enough. So,
that's it. Thank you. I yield my time.

COMMISSIONER ROEST: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. We will now hear from Treyger.
We've been joined by Council Members Reynoso,
Treyger, Mealy, Barron and Rose.

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COUNCIL MEMBER TREYGER: Thank you.

Thank you to the Chairs. Welcome Commissioner. Just
reading in the testimony about LinkNYC and that it's
being rolled out in the five boroughs. Can you tell
us where in Brooklyn is LinkNYC because I—I have not
seen them around in my neck of the woods?

COMMISSIONER ROEST: You know, I knew I
wasn't going to get through a budget testimony
without asking Stanley Shore, the Assistant
Commissioner of Franchises to come up and join us.

COUNCIL MEMBER TREYGER: Sure.

COMMISSIONER ROEST: Actually I'm in
Brooklyn myself and I have seen it in my
neighborhoods, but I know it's not everywhere yet.

ASSISTANT COMMISSIONER SHOR: Okay,
currently there are 75 installations that are live in
Brooklyn and 102 altogether that have been installed.
They are—they are running along Fulton Street from—
near the Brooklyn Bridge through Downtown Brooklyn
along Fulton going off-going I think as far as
Eastern Parkway. So, far they don't—they're on
Nostrand Avenue going north and—and south of Eastern
Parkway. They're on Fifth Avenue and Park Slope, and
Fourth Avenue and they're on Flatbush Avenue in

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Flatbush, and they're proceeding to extend from the--
from that central downtown area out into the borough.

COUNCIL MEMBER TREYGER: So nothing. I
heard Coney Island Sheepshead Bay.

ASSISTANT COMMISSIONER SHOR: They are
not--

COUNCIL MEMBER TREYGER: Bensonhurst.

ASSISTANT COMMISSIONER SHOR: --there
yet.

COUNCIL MEMBER TREYGER: Okay, because it
seems every rollout of every initiative not just in
DOITT seems to always--it seems that the other--the
other half gets--gets things first. With regards to
the--now DOITT is a part of the Climate Change
Adaptation Taskforce, is that correct? Is that
correct?

COMMISSIONER ROEST: Yes.

COUNCIL MEMBER TREYGER: And has the--
where is the taskforce at with regards to the
resiliency of telecommunications in New York City?
Has that been discussed so far?

COMMISSIONER ROEST: Yes, absolutely. In
fact, DOITT did receive a grant in the past years for
a study of resiliency and to help further resiliency

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with telecommunication carriers in the city. There
was a report issued. We can get you a copy of that
report.

COUNCIL MEMBER TREYGER: I'd be very
happy to receive that report.

COMMISSIONER ROEST: I'll do that.

COUNCIL MEMBER TREYGER: So, that's-it-so
the task force is still meeting, right? That's
correct and when is able to take-concluding and
issuing recommendations to the Council? Is that--?

COMMISSIONER ROEST: For the overall
taskforce I'll have to get back to you with that.

COUNCIL MEMBER TREYGER: Okay.

COMMISSIONER ROEST: I-I oversee the
Telecommunications resiliency efforts.

COUNCIL MEMBER TREYGER: Okay, right, and
I-I appreciate that report. Thank you very much.
Thank you, Chairs.

CHAIRPERSON FERRERAS-COPELAND: Thank you
very much.

CHAIRPERSON GREENFIELD: I just want to
follow up with one final question if I may for round
two if that's okay. Thank you and I will put myself
on my own three-minute clock. So, I-I just wanted to

1 go back to the NYCWIN project. Can you tell us a
2 little bit more about that? I know it predates you.
3 Obviously, as the Commissioner you inherited this but
4 it seems like--from our perspective it seems like
5 this wasn't a terribly good or efficient or useful
6 project. So, it seems like we invested a lot more
7 than we got back in returns, and that the timing took
8 quite a bit of time. Can you sort of explain to us
9 what happened and where it went wrong, what we
10 learned and what we can now learn in the future to
11 prevent us from making this multi-hundred million
12 dollar plus mistake?

14 COMMISSIONER ROEST: Uh-huh. So, yeah,
15 I-I did go back and look at what was the original
16 intention and how was the decision made to set up a
17 citywide network. There was a report after 9/11
18 that, in fact, recommended that the city establish
19 such a network for public safety reasons, and given
20 the technology at that point that the carriers had,
21 they didn't have certain features that you would want
22 in a public safety network. Going with the
23 commercial carriers just didn't seem like a good
24 option. So, I think it wasn't a bad decision at the
25 time given the--what people had, the framework that

1 they were working in, the recommendations from the
2 9/11 report. It's a decision that I probably would
3 have made. However, the public safety agencies did
4 not adopt the NYCWIN network. The federal government
5 started talking about rolling out First Net, which
6 will be a federal public safety network, and in
7 looking forward to that, I believe that the public
8 safety agencies will to on First Net, that NYCWIN as
9 a carrier for the non-public safety agencies just
10 again isn't financially prudent going forward. I
11 think the world looked different when that decision
12 was made several years ago.

14 CHAIRPERSON GREENFIELD: Okay, so once
15 again, I'm not blaming anyone. I'm certainly not
16 your team. I'm just trying to sort of use this as a
17 learning tool. You had a good idea. You didn't
18 really have great communications with the agencies
19 that we wanted to use this platform. We built this
20 project, which is what, \$300 million or so?

21 COMMISSIONER ROEST: Yes.

22 CHAIRPERSON GREENFIELD: \$300 million or
23 so, and then after quite a few setbacks in terms of
24 getting the project up and running, when it's finally
25 up and running we go to the agencies and they say no

1 thanks. Yeah, I mean that's a lesson. I'm not—once
2 again, I'm not—I'm not blaming anyone. Just part of
3 our job is the oversight role of the Council, just to
4 look at these kinds of things and say okay, what when
5 wrong and how do we prevent that from happening
6 again? I think by crystalizing that, that's helpful
7 to us. So, we add a new role into the book, which is
8 before we spend a few hundred million bucks, we're
9 going to have to ask the agencies do you actually
10 want this project, and will you, in fact use it? Is
11 that a fair conclusion?

12
13 COMMISSIONER ROEST: That's a fair
14 question, yes, yes.

15 CHAIRPERSON GREENFIELD: A conclusion,
16 not a question. Is that a fair conclusion?

17 COMMISSIONER ROEST: Yes.

18 CHAIRPERSON GREENFIELD: Okay, and you
19 believe just getting back to my prior questioning
20 about—about offline in this program. You believe
21 that you're doing that as quickly as possible without
22 negatively impacting those 21 odd thousand users that
23 are currently in this project. You don't think you
24 can do it any faster than you're doing it right now?

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COMMISSIONER ROEST: I don't believe we
can do it any faster than we're doing it right now.

CHAIRPERSON GREENFIELD: Okay, and then
we're going to move onto the commercial and, you
think at this point the commercial technology is good
enough or even better than we could do on our own
and, therefore, we're satisfied it achieves the
original goals that we set out to achieve?

COMMISSIONER ROEST: Yes, I believe it is
good or better than what we can provide, and it's
also far more cost effective.

CHAIRPERSON GREENFIELD: Okay. Final
question for you. It seems like with all these big
projects, the city and as well as DOITT every agency
in the city when they do these mega projects, they
struggle with either the execution or the timeline or
the costs. Do you have any internal protocols before
you greenlight a project? As the Commissioner, will
you say hey let's take a look and let's just run
through the following criteria to make sure that we
need this, it's going to get on—done on time, it's
done efficiently, and we're not going to have cost
and time overruns?

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COMMISSIONER ROEST: We do and, in fact,
we're looking to enhance those. We—we do something
called the Project Charter, which lays out clearly
what the scope is going to be and the schedule and
make sure that all the stakeholders understand
clearly what it is we'll be doing and when. And then
we have really good project management practices that
we implement of our projects. [siren]

CHAIRPERSON GREENFIELD: Okay, would you
mind sharing with us?

COMMISSIONER ROEST: Not at all.

CHAIRPERSON GREENFIELD: If you're
working on it, would you mind just sending it to the
three chairs just so that we know. I think that
you're at the—an important intersection. In my view,
you could be sort of a trip wire for a lot of these
other folks, certainly the folks that don't really
understand the challenges of technology and how
rapidly technology changes, and the difficulties with
implementation, which we've learned. And because of
your work and especially your work that you've done,
where you've done the insourcing, which is to your
credit. We used to rail about this every single
year. When you became Commissioner you took it

seriously and you started working on that, and so
we're grateful, and so I think it would be helpful
for us to know that, and perhaps we can share it with
some other folks as well whatever it is you're
working on and once you have that articulated, that
would be helpful for us.

COMMISSIONER ROEST: Thank you, and we'll
send that.

CHAIRPERSON GREENFIELD: Thanks
Commissioner and thank you to your team. We
appreciate it.

COMMISSIONER ROEST: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Chairs. That concludes this part of today's
budget hearings. I want to thank Commissioner Roest
for testifying. As a reminder, the public will be
invited to testify on Thursday, May 25th the last day
of budget hearings at approximately 1:00 p.m. in this
room. If any member of the public would like to
submit testimony, you can submit it to
council.nyc.gov/budget/testimony, and it will be made
part of the official record. We will now take a
five-minute break before we conclude today's hearings
the Department of Parks and Recreation. [pause,

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background comments] [gavel] Good afternoon. My
name is Julissa Ferreras-Copeland. I'm the Chair of
the Finance Committee. I will now conclude the tenth
day of budget hearings with Commissioner Mitchell
Silver of the Department of Parks and Recreation.
The Finance Committee has been joined by my Co-chair
Council Member Mark Levine, and the members of the
Parks Committee. In the interest of time, I will
forego an opening statement, and give the—give—and
turn it over to Chair Levine.

CHAIRPERSON LEVINE: Thank you, Madam
Chair. Good afternoon everyone, and welcome to the
Parks and Recreation Committee's hearing on the
Fiscal 2018 Executive Budget for Department of Parks
and Recreation. My name is Mark Levine. I'm Chair
of the Parks and Recreation Committee. In keeping
with the budget process mandated by the City Charter
that will ultimately lead to the adoption of the
Fiscal Year 2018 Budget, today we will hear testimony
from the Department of Parks and Recreation on its
expense and Capital Budget for Fiscal Year 2018.
During our Preliminary Budget hearing in March, we
called for a robust and parks budget to meet the
needs of the city's growing population at a time when

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park use is surging. We specifically called for 80
PEP officers to address the recent uptick in in parks
crime, 50 new Urban Park Rangers, ten new Outreach
Coordinators for Partnership for Parks and funding to
permanently expand the city's beach and pool season
by a week beyond Labor Day. Unfortunately, none of
these needs were addressed in the Executive Budget.
Most egregiously of all, the Executive Budget fails
to baseline \$9.7 million for critical park
maintenance workers, which would lead to a loss of 50
gardeners, and 100 City Park workers who would be
laid off as of June 30th depriving our parks of
sorely needed staffing, and depriving 150 hard
working New Yorkers of their livelihood. These
workers are critical to the success of the City Parks
Initiative, a key administration priority. So, the
fact that again this year it falls on the Council to
save these positions is proof that the budget dance
has indeed returned. In total, the Executive Budget
proposes a reduction in headcount of 183 positions.
There was some confusion on this point in our last
hearing. So I want to be clear. The budget as
adopted last year included 7,646 full-time equivalent
positions for the Parks Department. The budget now

being proposed by the Administration would reduce
this to 7,463 positions. We need to understand what
impact these cuts will have on our Park system. The
news on the capital side of the Executive Budget is
better. I applaud the Administration for committing
\$100 million to the build a new promenade in the East
River between 53rd and 61st Streets. This space would
close one of the largest gaps in the 32-mile
Manhattan Waterfront Greenway. I also welcome the
Administration's recent commitment of \$160 million to
acquire the remaining parcel of the future of
Bushwick Inlet Park fulfilling the city's pledge to
the surrounding community. Together, the East River
Promenade and Bushwick Inlet Park represent a welcome
return to an era of major \$100 million plus parks
expansion efforts. But I hope that this will be
beginning, not the end of such investments because
compelling projects remain on the drawing board in
low and moderate income communities around the city,
the kinds of communities, which have rarely, if ever,
seen these levels of investments. The project as yet
unfunded includes the inspiring proposal to deck over
part of the BQE to create a new green space in park
starved Bushwick, and a plan to daylight Tibbetts

1 Brook in the Northwest Bronx, undoing the damage done
2 to nature in generations past. And in the Northwest
3 Bronx Orchard Beach requires tens of millions of
4 dollars in additional investment to revitalize it
5 after decades of deterioration. And, of course,
6 let's not forget the green, the Queens Way in miles
7 long Linear Park that would make use of an abandoned
8 rail line to connect many-many underserved
9 neighborhoods in central and Southeast Queens.
10 Making this kind of investment would have a
11 transformation—a transformative impact in
12 neighborhoods where the potential for private
13 contribution is minimal, and where the city itself
14 has underinvested for years. Our thriving park
15 system isn't just a luxury in a big city approaching
16 nine million people. It's essential to livability,
17 especially in low-income communities. We need to
18 create a parks budget worthy of this great city.
19 Thank you, Madam Chair.

21 CHAIRPERSON FERRERAS-COPELAND: Thank
22 you, Co-Chair. I just wanted to also acknowledge
23 members, Council Member Borelli, Treyger, Grodenchik,
24 Cabrera and Deutsch. Members are going to be coming
25 in and out. We are actually doing budget hearings

while holding this hearing, and my Committee Chair
will swear you in, and you may begin your testimony.

LEGAL COUNSEL: Do you affirm to tell the
truth, the whole truth, and nothing but the truth in
your testimony before the committee today, and to
respond honestly to Council Member questions?

COMMISSIONER SILVER: I do. Good
afternoon, City Council Finance Committee Chair
Ferrerias-Copeland, City Council Parks Committee Chair
Levine and Members of the City Council Finance and
Parks Committee. I am Mitchell Silver, Commissioner
of the New York City Department of Parks and
Recreation, and I'm joined here today by a number of
our senior staff. Thank you for inviting me to
discuss Fiscal Year 2018 Executive Budget for New
York City Parks. Since we gave a thorough overview
of the agency's work in our testimony during a
Preliminary Budget hearing, today we'll offer short
update that demonstrates New York City's continued
commitment to building a more equitable park system
under the leadership of Mayor de Blasio, and thanks
to a strong partnership with the City Council.
Embodied by a framework for equitable future New York
City Parks remains focused on executing our key

strategic initiatives guided by clear outcome oriented goals. We're investing in making our parks properties cleaner and safer reflecting that our mission is not simply to maintain parks and green spaces, but to truly care for them and keep them in a constant state of good repair. We continue to improve and refine our capital and operation processes using innovation to increase efficiency and deliver services smarter and faster. We're helping New Yorkers live green and healthier lives by creating green-greening our streets, city streets and activating open spaces through targeted place making efforts, and we're undertaking all of our work with a clear goal in mind to increase access to high quality parks for all New Yorkers in a fair and focused manner that reflects our dedication to equity. The Mayor's Executive Budget for Fiscal Year 2018 will allow us to make significant progress on these priorities providing New York City Parks with an operating budget of \$493 million, which is a \$13 million increase from Fiscal Year 2017 Executive Budget. The Executive Ten-Year Capital Plan along with the FY17 funds provides a total Park's Capital Budget of \$4.8 billion including \$280 million in

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mayoral funding for approved new capital needs. This
administration has prioritized investment in our
waterfronts and I'm pleased to announce that the FY18
Executive Budget includes \$129 million in mayoral
funding to repair and restore waterfront assets to a
state of good repair, reflecting on our focused
investment to make our park properties cleaner and
safer. In coordination with the Citywide Inspection
Program conducted by the New York City Economic
Development Corporation, this funding will enable
repairs to vital waterfront infrastructure including
bulkheads and sea walls. The work will be
administered by NYC Parks and the Department of
Citywide Administrative Services depending on the
sites to be addressed, which include the Whitey Ford
Field in Queens, Riverside Park and Glick Park in
Manhattan, Faber Park in Staten Island, Shore Parkway
South, and the Sheepshead Bay Piers in Brooklyn and
stretches of Harlem River Park often enjoyed by
residents from both Manhattan and the Bronx.
Moreover, FY18 Executive Budget also includes an
additional \$100 million in funds to construct a
completely new Esplanade in the East River between
East 53rd Street and East 61st Street. New York City

Parks is thrilled about these major investments to—to
close the largest gap in the Manhattan Waterfront
Greenway, and about the Administration's efforts to
complete the vision of a contiguous 32-mile
waterfront pedestrian promenade and bicycling path
around Manhattan. The project, which will be
overseen by New York City EDC, and begin design—will
begin design later this year will be accompanied by
another—by other efforts such as NYC Parks Conceptual
Design for the East Harlem Greenway Gap from East
125th to 132nd Streets. In Brooklyn just last month
the city formally closed on the \$160 million
acquisition of city storage allowing us for the
completion of this 27-acre Bushwick Inlet Park, the
Greenpoint and Williamsburg Waterfront. And this May
we will proudly unveil the fully reconstructed
Rockaway Boardwalk a beautiful stretch of New York
City that will make—that will allow millions of New
Yorkers that they cherish, and we hope every New
Yorker will come out and visit the Rockaways this
summer. On the operations front we continue to focus
on innovative approaches to park maintenance finding
smarter ways for the agencies to deploy its
resources. We look forward to the positive impacts

of our new weekend cleaning schedules for high-use
parks. Our new approaches to addressing serious
litter and waste concerns, and our efforts to
standardize the agency's approach to parks signage,
which in the past has led to clutter and confusion
for our visitors. The Mayor's FY18 Executive Budget
builds upon this work, and it invests in staff and
equipment, which will allow us to work smarter and
faster. For example, in previous years our tree
removal and pruning teams responsible for highly
technical agricultural work involved as well as the
efforts to remove debris from the site after the work
was completed. We now have received \$642,000 in
baselined funding for new crews to focus on debris
removing following tree work, which will free up the
work of our highly specialized climbers and pruners
to focus on their technical work. Further, the
budget includes over \$7 million in funding for
specialized forestry vehicles, which includes tree
trimmers, log loaders and chipper trucks. These
investments will directly increase the number of
separate forestry crews dispatched daily to do tree
work in each borough allowing us to reduce work
backlogs and deliver services more quickly. In

1 addition to taking care of these trees, we need to
2 increase our urban tree canopy and allow all the
3 benefits it provides, reduce carbon emissions, storm
4 water capture, higher property value and, of course,
5 viable shade as the weather turns warmer. As a
6 central mission NYC Parks is dedicated to making the
7 city greener and healthier and the Mayor's FY18
8 Executive Budget includes \$41 million for tree
9 planting and natural area restoration, which includes
10 several components. \$18 million will be dedicated to
11 street planting above and beyond the \$82 million
12 included in FY18 Preliminary Budget guided by the
13 results of our recent street tree census and trends
14 in annual tree loss. This funding will assist our
15 effort towards the desired goal of planting a street
16 tree in every appropriate plant-every appropriate
17 plantable area and accommodate for trees that will be
18 lost due to the old age and severe storms.

19 Previously unless a park area was undergoing capital
20 improvements, there was no existing budget for
21 replacing trees in our park landscapes. Since much
22 of our existing park canopy dates back to when our
23 parks were originally built some 40 to 80 years ago,
24 many of these canopy trees are reaching the end of
25

the natural lifespan, and will need to be replaced.

I'm proud to announce that for the first time the

Mayor's Executive Budget includes \$16 million in

capital funding to plant trees in our active park

areas and help replace trees surrounding our

playgrounds, ball fields, picnic areas, and

recreation centers. The Executive Budget also

provides \$7 million for parks to perform large scale

restoration of threatened forests throughout the city

to increase public access to valuable natural spaces

through a comprehensive trail management and plant

native trees and shrubs to protect our natural areas

from invasive species. Even our agency facilities

are considered. To further show our commitment to a

bright green future, New York City Parks is proud to

announce that we are developing a plan to install and

maintain one million square feet of green roofing

allowing us to do our part in reducing storm water

runoff, energy use and heat island effect. Another

important way to encourage city residents to live

greener and healthier lives is by encouraging them to

get out and enjoy the city parks and open space.

Through our dedicated place making efforts more New

Yorkers together joined us as we transformed our

public spaces. Shape Up NYC classes turn parks in
all five boroughs into fitness studios. In our
outdoor theaters we screened almost 500 movies for
thousands of New Yorkers and through Public Art
Program, 81 temporary installations were on view in
our parks. And in partnership with Uniqlow, \$200,000
in grants will allow local artists to showcase their
work in park spaces that had been historically
underserved by cultural programming. As we encourage
New Yorkers to get outside and enjoy all of our parks
around the city, it highlights the importance of
distributing our resources in a fair and focused
manner that reflects this administration
administration's commitment to equity. Our signature
effort and centerpiece of this strategic blueprint
continues to be the Community Parks Initiative with
more than \$318 million dedicated to delivery capital
improvements, enhance programming, maintenance and
community partnership, building the neighborhood
parks that hadn't seen an investment in decades. In
a way, this is an inclusive and equitable. We're
excited to announce that our phase 1 CPA projects are
under construction and nearly complete. In fact,
we'll be cutting a ribbon our first CPA projects

1 later this summer. Vanalt's playground in Queens,
2 Henry M. Jackson in Manhattan, and in Thomas Boyland
3 Park in Brooklyn are just a few of the sites that
4 nearing completion. We believe the new parks
5 undergoing these transformation and renovations will
6 invigorate their local neighborhoods and be a
7 valuable resource for years to come. Beyond CPI,
8 we're taking a more targeted and data driven approach
9 to our capital investment in order to martial our
10 resources equitably. In 2016, we'll begin an effort
11 to put in place the framework for a comprehensive
12 capital needs assessment for New York City Park
13 assets. This year the Executive Budget includes
14 funding for a dedicated team to begin implementing
15 assessments initially focusing on four important
16 categories: Comfort stations, recreation centers,
17 retaining walls and synthetic turf fields. These
18 inspections will help identify capital needs at each
19 particular site, develop cost estimates and then help
20 the agency prioritize the vital capital improvements
21 that are needed throughout the city. So, we can
22 focus resources on places that need it the most. In
23 addition the Mayor's FY18 Executive Budget invests
24 \$32 million for playground state of good repair
25

funding combined with the \$20 million provided in the Preliminary Budget. This funding will allow us to make the vital repairs, address emergency conditions and plan for future improvements in a more structured and strategic manner. This funding supplements the previous state of good repair investments included—including dedicated funds for retaining walls, boilers, HVAC systems and our dedicate—and our parks pedestrian bridges. But our dedication to equity isn't only reflected by shovels in the ground. It is demonstrated in our efforts to make sure that all New Yorkers have access to parks and open space that they could enjoy everyday. This spring, NYC Parks was delighted to announce that our Tennis Season Permit Fee for adults has been sliced in half from \$200 to \$100, and if you're an IDNYC cardholder, that cost is only \$90 along with the existing discounts for seniors only \$20 and children just \$10. This effort to increase access to tennis for all New Yorkers is a great success, and we already are seeing a significant in tennis permit applications for this season. Our Kids In Motion Program offered free activities at 100 sites citywide including games, organized play and water activities. More than half

1 of the Kids In Motion sites were funding through the
2 Community Parks Initiative and since 2015, the
3 program has received more than one million visits
4 allowing the youngest New Yorkers to have fun while
5 staying active and healthy. With the weather finally
6 warming up, we hope to see even more New Yorkers
7 getting out into our local parks and taking advantage
8 of all the benefits they have to offer whether it's
9 peace of mind brought by a quiet stroll along the
10 trails of Van Cortlandt Park, or a vibrant sensory
11 overload that is in Coney Island Boardwalk. New
12 Yorkers deserve to make—New Yorkers deserve to make
13 memorable park experiences right in their back yards,
14 and to help make that a reality, NYC Parks is
15 committed to creating a thriving 21st Century park
16 system that serves as a model for cities around the
17 world. Thank you for allowing me to testify before
18 you today, and for your dedication to providing great
19 parks and open spaces for all New Yorkers. We look
20 forward to continuing to work with the Mayor and City
21 Council to create a bright green future with a more
22 equitable and innovative park system, and now I'd be
23 happy to answer your questions that you may have, and
24 joining me will be First Deputy Commissioner Liam
25

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Kavanagh, and Matt Drury our Director of Government
Relations.

CHAIRPERSON FERRERAS-COPELAND: Thank you
very much, Commissioner. We've been joined by Council
Members Kallos, Rosenthal, Cohen, Maisel, Rose, and
Greenfield. Before I start on my questions I just
wanted to thank you once again. I know that you and
I spent a Saturday morning painting the Unisphere at
Flushing Meadows Corona Park, and my son greatly
enjoyed that. He had a lot of blue on him, but, you
know, we managed to wash that off.

COMMISSIONER SILVER: And for the record,
if you noticed, I didn't get one drop of paint on
myself.

CHAIRPERSON FERRERAS-COPELAND: Yes.

COMMISSIONER SILVER: I don't know how I
managed to do that, but it was a lot of fun.

CHAIRPERSON FERRERAS-COPELAND: Yes, it
showed that you've done it often. You know, we less
so. [laughter] Want to just go right into your
Citywide Saving program. I know that City—that OMB
had released a citywide savings program that outlines
plans to reduce the city spending by \$330 million
Fiscal 2017, \$37--\$370 million in FY18. The

Department has proposed additional savings totaling at \$1.5 million for Fiscal 18 and the out years. To achieve this savings, your agency will internally review its seasonal workforce plan to generate efficiencies through better deployment of staff and prioritizations. For the benefit of the committee, please tell us what are those changes are compared to last year's, and are there going to be any cuts to seasonal staff, and will there be a reduction in service?

COMMISSIONER SILVER: Well, first, as you know, all the agencies were asked to look for efficiencies, and so we looked very hard and one of them was what you mentioned, the seasonal cut at one point of five. First, no existing staff will be laid off. As we look to bring on new staff on board, we will not bring as many as we have in years past. We do have a program called Ops 21 that allows us to optimize our crews as they're deployed. We're working very closely with our Chief Operating Officers as well as the borough commissioners, and we will make sure we continue to optimize those crews, look carefully at the routes so there will be no change in the level of service throughout the year.

1 So, that is what we're committed to doing. We're
2 already sitting down prepared to absorb some of those
3 changes. So, we can redeploy them in a way so that
4 people will not see any change in the level of
5 service.
6

7 CHAIRPERSON FERRERAS-COPELAND: So,
8 there's also a hiring freeze that's been proposed by
9 the Administration. Do you think that that would—with
10 this savings and the hiring freeze, do you see any
11 concerns moving forward in the out years that there
12 might be an impact of service if you're not hiring
13 administrative or managing staff?

14 COMMISSIONER SILVER: Well, we're still
15 waiting to hear back more from OMB, and as we hear
16 about the hiring freeze, we'll be able to respond to
17 make sure that we follow through on the direction of
18 the hiring freeze, but at this point for us it's
19 premature. We're just waiting to hear back more from
20 OMB.

21 CHAIRPERSON FERRERAS-COPELAND: Okay, I
22 wanted to talk about capital projects. This is
23 something that's been for this committee for, for
24 this council. Often times unfortunately when we're
25 talking about delays or issues, it's referencing a

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lot of capital projects that are within parks. We
are—we wanted to start by—I know that when you first
became Commissioner this was a—this is—it's been a
priority for you also. So, from your perspective,
what have you done to mitigate some of the issues?
So it's about not only the timeline, but the actual
cost. When we hear of \$3 million bathroom, it, you
know, it still becomes a very big troubling—

COMMISSIONER SILVER: [interposing]

Right.

CHAIRPERSON FERRERAS-COPELAND: --and
frustrating thing, and actually discouraging because
I don't know how many council members are actually
funding bathrooms now. I would say that not many--

COMMISSIONER SILVER: [interposing]

Right.

CHAIRPERSON FERRERAS-COPELAND: --even
though it's probably something that we could use in
our districts in our—in our local parks. So, if you
can walk me through.

COMMISSIONER SILVER: Well, let me go to
cost first, because that is one area that is somewhat
out of our control, although what we have done is go
to more standardized design. We're avoiding

1 customized design so that when we do put out the
2 projects, it is now standardized, which would reduce
3 some of the cost. On the cost side, we are just a
4 victim of market, and just recently this week, there
5 was a report that came out that New York City is the
6 most expensive construction market on the planet, and
7 we're seeing that in our bids not just us. It's
8 across all city agencies. So from our point of view
9 we try to bundle projects to make it—the cost
10 cheaper. We standardize our product types, comfort
11 stations for example, hoping the cost would come
12 down. I would love it if the Council could pass a
13 law that limits the cost of projects, but that's not
14 realistic. We are just responding to the market, and
15 when we put out these bids, fees is what we get back
16 in return. So, it's very difficult for us to
17 determine exactly what response we're going to get in
18 terms of prices, but those are efforts we are putting
19 place. On—in terms of the timeline itself, this is
20 something I am most proud of and my staff. We're
21 working very hard at time savings. We've saved
22 roughly about 54 days on the design side, and roughly
23 99 days on the construction side, and we're now
24 seeing more projects completed on time or ahead of
25

1 schedule. And I testified before at a capital
2 hearing, but in general it's roughly about five
3 months, four to six months but on average five months
4 we've been able to save off the entire process, which
5 includes design, procurement and construction. We're
6 still dealing with projects that were here before my
7 tenure that we're trying to expedite and move
8 forward, but in general we're very pleased on how
9 quickly projects are moving forward. The area that
10 can-warrant from the best reforms, the procurement
11 process and that is something that MOCS is now
12 working on through a program called Passport, and
13 there was a bill passed, which I know that Council
14 Member Cohen was the sponsor of improving Vindex.
15 So, we're doing whatever we can, but we're very proud
16 to say at least the process has been shaved by five
17 months since I became Commissioner.

18
19 CHAIRPERSON FERRERAS-COPELAND: So, do
20 you think as Commissioner that you've done everything
21 within your agency to help expedite projects, and I-
22 and I ask this because we're in the middle of these
23 engagements with the Administration. We're trying to
24 create a taskforce just to get every agency, DDC.
25 Unfortunately or fortunately-you know, the reality is

we also do a lot of comparing to the School
Construction Authority because it seems that the
School Construction Authority can get projects done,
and President Grillo testified that it's really
because she has a deadline, right. School starts by
this date. So you have to have the school built by
this date. So, do you find that--would--would it
be beneficial to-- I guess, how would you suggest or
have you done everything within your agency to help
expedite? And I know the five months eliminated that
was in your agency, but could we do more?

COMMISSIONER SILVER: There's more
opportunities in the procurement. We've done
everything in our agency that we can do to expedite
the process. There are certainly some opportunities
within the procurement phase--phase, and right now
that is being studied by MOCS, and so, we are working
with MOCS to see how we can improve the procurement
phase even better to benefit from more time. In
terms of SCA, it is not just their timeline
associated with the school. They follow different
rules than we do, and so they don't have to follow
the same rules as city agencies. So, that would not
be a fair comparison. We follow different

procurement. We have different city rules that we have to follow, but I believe it's the procurement period where we can offer some more savings, but that's something that's outside of Parks control, which is why the Mayor's Office for Contracts is overseeing that for all agencies.

CHAIRPERSON FERRERAS-COPELAND: Okay. So I have something that's very much in the weeds, but I have an amazing, amazing team of finance staff and, you know, they often engage with—engage with your agency, and one of these things is can we please start by eliminating the capital transfer letters and using the email system like other agencies such as the Department of Design and Construction and Cultural Affairs? We believe this will enable us to get these project changes to OMB as fast as possible. So, basically right now you guys are waiting for an actual letter, and that just seems so antiquated, and it really takes a lot of time from my Finance team, you know, our Finance Division to write you guys a letter when we could really just send you an email.

COMMISSIONER SILVER: Well, it is an OMB requirement, but we're certainly open to discussing

it after this meeting to talk to OMB to see if
they're open to changing their process.

CHAIRPERSON FERRERAS-COPELAND: Well, I
think someone at OMB watches all these hearing
because I get texts from them. [laughs]

COMMISSIONER SILVER: [interposing] Well,
then OMB we'll be talking to after this meeting to
discuss whether we can change to that.

CHAIRPERSON FERRERAS-COPELAND:
[interposing] Yes. Commissioner, I just thing it's a
little ridiculous. I-I'm sure-you know, I know you
can't say that, but I'm going to say it for all of
us. It's ridiculous that we have to send you actual
letters. We should just be able to email and forward
an email to OMB and that would really help expedite a
lot of this. I just wanted to talk about Passerelle
(sic) and do shortfalls and then we'll have our Chair
ask his questions. Passerelle I wanted to know the
update. I'm very concerned and I've expressed this
to both DDC and DOT and the MTA, it's a very complex
part of our park, but I've always known it and my
constituents know it as the main-one of the main
entrances to Flushing Meadows Park. However, very
soon, it's going to be the hub for the Air Train. I

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am concerned that in creating the hub for the Air
Train we kind of eliminate the--the entrance of the
park like it should be. So, wanted to know what is
your--the engagement of your agency with the Port
Authority in planning and designing, and what I
really would hate to see happen is that we--you've
invested or that we have invested \$127 million to
redesign or reconstruct the Passerelle, and that then
when we do this new hub for the Port Authority, they
come and rip it down. So, can you give me an update?

COMMISSIONER SILVER: You were very
articulate last year and I believe throughout the
year. So, Parks is in communication with both MTA as
well as the Port Authority on this project as we need
to coordinate the 7-Train, the Long Island Railroad,
and the Air Train projects in the various stages of
design. So the answer is yes we are in communication
with them, and I thank you for being a strong
advocate to make sure that is done, but we, in fact,
are in communication with those two entities.

CHAIRPERSON FERRERAS-COPELAND: Great and
because they're in design phase now, right?

COMMISSIONER SILVER: Correct. Yes. In
fact, in terms of the status of the bridge, we are

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very close. We submitted for contract registration,
and the package was submitted to OMB in--in April and
is now under review.

CHAIRPERSON FERRERAS-COPELAND: Okay.

COMMISSIONER SILVER: For this--this---the
purpose of that. Oh, I'm sorry, my mistake that was
purpose entire gain (sic) in terms of Passerelle

CHAIRPERSON FERRERAS-COPELAND: Well, I
was going to say that happened really quick.

COMMISSIONER SILVER: The contract was
registered in April.

CHAIRPERSON FERRERAS-COPELAND: The
contract what?

COMMISSIONER SILVER: Yeah, the contract
for design was registered in April.

CHAIRPERSON FERRERAS-COPELAND: for
design?

COMMISSIONER SILVER: For design.

CHAIRPERSON FERRERAS-COPELAND: Okay.
Alright. Zoos we were looking through the Executive
Budget lines and there's \$3.3 million in expense
funding to close the shortfall gap for operating
expenses at our zoos. It seems that this was due to
an increase in operating expenses coupled with a

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decrease in revenues. Is that correct? And the city
operates three zoos and from what we understand it
isn't the first time that we've had to add funding to
end the year for—to fill the gap for the zoo system.
What is Parks doing or is this—can—is this what you
understand to be the issue that it's a revenue and
operating cost issue at our zoos?

COMMISSIONER SILVER: Well, first the
city—the city is providing funds to help address the
operating expense shortfall for the Wildlife
Conservation Society. I don't know if we have
somebody here from the--

CHAIRPERSON FERRERAS-COPELAND: You can
state your state your name for the record.

DEPUTY COMMISSIONER KAVANAGH: Liam
Kavangh, Deputy Commissioner of Parks and Recreation.
The zoos are city zoos. They're owned by the Parks
Department. They're managed by the Wildlife
Conservation Society through a contract. The
contract requires the Wildlife Conservation Society
to maintain certain industry standards for the care
of animals, and that—those costs unfortunately
increase from year to year as—as does, you know,
throughout the system. The Central Park Zoo is

probably self-sustaining. The zoos in Prospect Park
and in Flushing Meadow unfortunately don't draw the
kinds of attendance that we would hope, and as a
result, you know, there are shortfalls in the revenue
that they generate, and I-I've got to give the
Conservation Society its due, they're very aggressive
about using the spaces for events and for other
activities that generate revenue, which go towards
the bottom line, but because of the attendance
patterns at-at the Brooklyn and Queens Zoos
unfortunately they don't generate enough revenue to
sustain the operation, and as a result we do request
funding periodically from OMB to maintain them at the
level that they're required to be maintained.

CHAIRPERSON FERRERAS-COPELAND: I just
think that there's an opportunity maybe to partner
with NYC & Co. or to partner with other marketing
campaigns to help promote our zoo. The Queens Zoo
happens to be in my district. It is a lovely zoo.
Everyone should go. It has great petting zoo,
commercial, but I do believe we can do better in the
different interfaces that we have as a city because
some people don't even know that these zoos
necessarily exist within our parks. I think the-the

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larger zoos are known, but Flushing Zoo—Flushing
Meadows in particular is not one that, you know, is
necessarily always promoted.

COMMISSIONER SILVER: You make a fair
point, and we will follow up with New York & Company.

CHAIRPERSON FERRERAS-COPELAND: Okay,
thank you. I will not give it over to our Chair.
We're going to have a first round of questions. Then
followed by a second round if any members have.
We've been joined by Council Member Miller, and now
we will hear from Chair Levine.

CHAIRPERSON LEVINE: Thank you, Madam
Chair. Commissioner, very nice to see you. You
stated in your remarks that you are—you consider the
Community Parks Initiative to be—to be the signature
effort and centerpiece of your strategic blueprint.
So, it is perplexing that the main source of staff
rot that, which is these 150 parks and maintenance
workers are set to be cut as of the end of this
Fiscal Year. Explain the logic of cutting the staff
out of this extremely successful initiative.

COMMISSIONER SILVER: Well, Council
Member, as you know, we're—the budget conversation is
still ongoing, and we look toward furthering the

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conversation with the Mayor and OMB and City Council
as the budget process continues, and we'll continue
to have this conversation about both those gardeners
and those—both the gardeners and the city workers.

CHAIRPERSON LEVINE: Okay, can you
understand why this feels like the budget dance to
us?

COMMISSIONER SILVER: I see your point of
view.

CHAIRPERSON LEVINE: Okay, what—what will
the impact be on these parks to lose these workers?

COMMISSIONER SILVER: As I stated, we
have a team now that looks very carefully at how we
deploy our crews, and we've become quite good now
over the years as we look at the routes, the optical
crews, how often we can go to those sites. The
weekend cleaning is actually helping free up staff to
do other work. So, we're constantly looking at how
to gain efficiency. So, any reductions we already
absorb now that we have optimized our Operations
program, and that's how we'll continue to look at our
efficiencies. We'll look at our ratings and now it's
really down from the Chief of Operations down to the
districts and the supervisors were able to make sure

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we continue to maintain the same level of service
even though it's not--

CHAIRPERSON LEVINE: [interposing] Right,
and--and your department has been expert in doing more
with less over the years through creativity and
innovation, but until we have robots that can clean
parks, or maintain gardens, you are going to need
people to that work.

COMMISSIONER SILVER: Right and we're
also supported. I mean Partnership for Parks and the
work they do we had a spring cleanup this year. We
have It's My Parks Day. We're seeing more and more
New Yorkers coming out. Now, it does not supplement--
supplement the day-to-day activity from park workers,
but we're seeing greater cooperation, and we're
seeing cleaner parks even though we're seeing more
visitors and New Yorkers really appreciate their
parks, and they're taking better care of them, which
makes our job easier. But our main focus is how we
deploy our staffs through the Operations 21, and
that's where we're gaining most of our efficiencies.

CHAIRPERSON LEVINE: Alright, the Capital
Budget is a source is great concern as you've heard
here from this committee. We talked--Chair Ferreras--

Copeland talked about a comparison the School
Construction Authority, which is under different
constraints, and we understand that. It would be
helpful for us to understand what constraints you as
a department face that SCA doesn't face because we
would like to work with you to remove those
obstacles, but we need to understand exactly what
they are. So, that we can focus on them.

COMMISSIONER SILVER: We can certainly—I
don't have that with me here to do a comparison our
processes-what we're required to-rules we're supposed
to follow as compare to the School Construction
Authority. We can certainly get that to you, but
they're vastly different in terms of what we're
required from the Controller in terms of city rules
and state rules, but that's something we can provide
to you. But they are not remotely the same. They're
quite different. And so there are a lot of time
savings that SCA can achieve that all city agencies
for the most part cannot, but we can certainly get
you that information.

CHAIRPERSON LEVINE: It seems to me this
would be one of the first things we would determine

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if we're trying to streamline the capital process,
right? What are the bureaucratic obstacles?

COMMISSIONER SILVER: Right.

CHAIRPERSON LEVINE: And some are not
originating in your agency. I understand that
procurement is largely now in your hands, but we need
to know where to point the finger or we're not going
to change this, and you're going to hear from Council
Member Cohen shortly about a plan to cut the Gordian
knot, but creating a Parks Construction Authority,
and if-if that's not going to be the Administration's
favorite option then we need to understand how we can
cut through the knot within the current structure.

COMMISSIONER SILVER: We understand and
I'll wait for Council Member Cohen's question, but
you're correct the State Construction-the School
Construction Authority is an authority and a state
credit entity and again, they follow a different set
of rules, but I'll-either I can answer now or wait
for Council Member Cohen's question particularly if--

CHAIRPERSON LEVINE: [interposing] You
can wait for him to go into detail on the proposal,
but I just want to stress how important it is that we

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identify what are the bureaucratic steps that have
been put in place--

COMMISSIONER SILVER: [interposing]
Right.

CHAIRPERSON LEVINE: --either by the Law
Department, by OMB, by MOCS or any other agency, and--
and we will be allies with you in cutting through
that, right now it's--

COMMISSIONER SILVER: Yeah, and part of
my answer to you would be MOCS and they are looking
very closely, right. The procurement process is one
that could be a challenge. It can range anywhere
from 17-7 months to beyond. It could be 12 months,
15 months. You know, that is the area where reform
is needed. That's something that MOCS is taking a
very close look at, taking a very close look, and has
a couple of recommendations, Passport being one them,
which will be released sometime this year, as well as
other improvements to Vindex.

CHAIRPERSON LEVINE: Alright, we will
return--we return to this question in the follow-up
from my colleagues. I do before passing it on want
to ask about stump removal, which has been a source
of frustration because of the backlog and the delay

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and now there's real alarm due to what I believe is a
default on the contract of the current provider of
stump removal services.

COMMISSIONER SILVER: I'm going to ask
Commissioner Kavanagh to respond to the stump
removal.

CHAIRPERSON LEVINE: Alright.

DEPUTY COMMISSIONER KAVANAGH: [coughs]
There--there is no default of our stump removal
contractor. We did have a default of a contractor
who was working in the Trees and Sidewalks Program,
however.

CHAIRPERSON LEVINE: Forgive me. Thank
you.

DEPUTY COMMISSIONER KAVANAGH: So, they
are two different projects. Stump removal we're
projecting to remove the--between 10 and 11,000 stumps
this fiscal year, which is on target with the funding
that we received thanks to the--the Council's support
of that program. We will have we estimate a backlog
of about 18,000 stumps citywide as a result and based
on current funding levels we will only slowly begin
to eat into that backlog because we generate more
stumps every year, but it varies from year to year,

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of course, based on, you know, the tree population,
but our current funding will not allow us to
eliminate that backlog completely in the foreseeable
future.

CHAIRPERSON LEVINE: So, if I call today
and say I need a stump removed, it's—it's dangerous,
it's a destruction, people are tripping over it, how
long can I expect before it's actually removed?

DEPUTY COMMISSIONER KAVANAGH: It can
take 18 months to two years.

CHAIRPERSON LEVINE: 18 months to two
years?

DEPUTY COMMISSIONER KAVANAGH: Yes.

CHAIRPERSON LEVINE: Okay, you can
understand how—how homeowners would feel with that
kid of delay. I'm sure it's--

DEPUTY COMMISSIONER KAVANAGH: Yes, I do.

CHAIRPERSON LEVINE: It's—it's really not
acceptable. What would the cost be to clear that
out?

DEPUTY COMMISSIONER KAVANAGH: We
estimate that it would require a—a one-time cost of
about \$5 million to completely eliminate the backlog
while maintaining the current funding level of \$3

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million to cover the stumps that we generate on an
annual basis.

CHAIRPERSON LEVINE: And so \$3 million a
year would keep us smooth going forward, \$5 million
would--

DEPUTY COMMISSIONER KAVANAGH: Based on
our current tree removal, the sort of numbers that we
see year-to-year and the current cost of stump
removal.

CHAIRPERSON LEVINE: Got it, but there's
no--

DEPUTY COMMISSIONER KAVANAGH:
[interposing] It's probably about \$3 million a year
to maintain--

CHAIRPERSON LEVINE: [interposing] Right.

DEPUTY COMMISSIONER KAVANAGH: --you
know, the space with all the removals.

CHAIRPERSON LEVINE: But there's no--what
we're missing is \$5 million to clear the backlog,
right, and that's not in--

DEPUTY COMMISSIONER KAVANAGH:
[interposing] Yes.

CHAIRPERSON LEVINE: --the Executive
Budget.

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DEPUTY COMMISSIONER KAVANAGH: Yes.

CHAIRPERSON LEVINE: Okay. We need to
clear the backlog, and particularly for-for meeting
demand going forward let's just clear the backlog and
then we're in great shape moving forward. And just
to clarify again. So we have a default on the tree
pruning and sidewalk repair contract.

DEPUTY COMMISSIONER KAVANAGH: The tree
and sidewalk repair contractor. We had two
contractors working and one is-is very successful
doing a lot of work. The other one unfortunately
just was not-not able to meet our program goals in
terms of production and safety.

CHAIRPERSON LEVINE: So, there's no tree
and sidewalk repair underway in the city right now?

DEPUTY COMMISSIONER KAVANAGH: No there
is. One contractor is active and-and working. The
second contractor unfortunately we to default.

CHAIRPERSON LEVINE: So, that means that
what-what parks in the city are left unserved?

DEPUTY COMMISSIONER KAVANAGH: The-we
have the two contractors. One was working in
Brooklyn and Queens. The other had a portion of
Brooklyn and Staten Island.

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CHAIRPERSON LEVINE: So, Sunnybrook--

DEPUTY COMMISSIONER KAVANAGH: It was--it
was the--it was the Staten Island Brook--Brooklyn
portion that was contracted that was defaulted.

CHAIRPERSON LEVINE: When will that work
resume?

DEPUTY COMMISSIONER KAVANAGH: We hope to
have it resuming in the fall. We attempted to rebid
it even while we were going through the default
process, but unfortunately we--we couldn't get a
contractor.

CHAIRPERSON LEVINE: So, well, but you
can't do this work in the winter, right for the most
part?

DEPUTY COMMISSIONER KAVANAGH: Yes, it's--
you can't do a concrete or a stump removal. (sic)

CHAIRPERSON LEVINE: [interposing] So, we
are essentially losing a year? Losing ourselves to
it, right--

DEPUTY COMMISSIONER KAVANAGH: Well, no--

CHAIRPERSON LEVINE: --or seasons.

DEPUTY COMMISSIONER KAVANAGH: No, I
don't think we're losing a, you know--

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CHAIRPERSON LEVINE: A season, but that's
a year.

DEPUTY COMMISSIONER KAVANAGH: Six
months, and we probably might be losing it.

CHAIRPERSON LEVINE: But six months, but
there's only seven or eight months that you can—nine
months that you can do this work?

DEPUTY COMMISSIONER KAVANAGH: Yes.

CHAIRPERSON LEVINE: So, but when we
sent—when we choose the winner for one of these
contracts isn't there a runner-up that we can keep in
reserve in case of a default?

DEPUTY COMMISSIONER KAVANAGH: There—
there was not in this case. Unfortunately, we—and
there may be a, you know, a function of the, you
know, the very hot construction market in New York
City. We didn't get a lot of contractors bidding on
these projects. When we tried to rebid back in
January to get a contractor in place for the spring
we only had two bidders. One of them was deemed
unresponsive, and the other withdrew his bid. We've
met with a number of companies that do this type of
work to try to understand better what—what it is that
is, you know, maybe keeping them from bidding on the

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projects. We're going to try to incorporate that
into our next bid, but we're just not seeing the
level of competition we would like to have for
whatever—you know, a very good—very good contracts.

CHAIRPERSON LEVINE: Alright, there's got
to be a better way. Contractors default. There has
to be a way to have a backup plan when—when so much
is at stake and when we lose so much time. So, we—we
would need to work with you on this to figure out
going forward how to ensure that we have a Plan B in
case of—of a default. I'm going to pass it back to
the Chair for questions for our colleagues. Thank
you.

CHAIRPERSON FERRERAS-COPELAND: Thank you
so much, Chair. We've been joined by Council Member
Reynoso. We will hear from Council Member Deutsch
followed by Council Member Kallos followed by Council
Member Rosenthal. [pause]

COUNCIL MEMBER DEUTSCH: Thank you, Madam
Chair. Thank you, Chair Levin--Levine.
Commissioner, I want to thank you for being here
today, and Deputy Commissioner your responses I have
to be honest were very shameful of how the city is
progressing with all these issues with the tree stump

1 removals and the time line and everything. It's
2 really unacceptable and if there's a funding issue
3 that should be even addressed before the--the Finance
4 and the Parks Committee before even the budget. You
5 should know what the issues are, and what funding
6 needs to be done. The stumps that are still--8--8,000
7 stumps I think that are on backlog, and the funding
8 there's no funding for it and people have to wait for
9 two years. So, while I appreciate, Commissioner,
10 your always being accessible and--and Commissioner
11 Maher for always being very responsive, I'd like to
12 express my dissatisfaction today about Bill Brown's
13 Park, which is located on Bedford Avenue in my
14 district. In 2011, over \$2.5 million was allocated
15 to Bill--Bill Brown's Playground. The work was to
16 renovate the comfort station as well as the plaza.
17 Construction began in 2015, four years later. An oil
18 tank was discovered underground, which delayed the
19 work even further. In November of 2016, I was told
20 that this project would finally be complete in
21 August, this August of 2017 six years from when the
22 money was actually allocated and two years from when
23 the work began. This is totally unacceptable, and
24 this is totally irresponsible. Now, I'm told that
25

1 the work will not even be completed in August of
2 2017, and I'm asking the Commissioner if you could
3 put in any and all resources. This way we do not go
4 through another summer that people don't have a
5 comfort station, which, like you said should have
6 been done years ago-years ago. So, I think that this
7 needs to be addressed and there needs to be oversight
8 on this project, and we need to move on. And there
9 are many days that I don't even see construction
10 workers there, and I pass by all the time, and there
11 is a sign on the outside of the park recognizing that
12 that I am the Council Member for that project and
13 it's kind of embarrassing having this project for
14 such a long time, and nothing is being done.

16 COMMISSIONER SILVER: Right. A couple
17 points. My staff is saying, but still the target
18 completion date is August 2017. You have identified
19 one of the issues that we are now correcting going
20 forward. This is a project that preceded my tenure.
21 As a result of the early intervention, we now have
22 funds to do site investigation before we start
23 construction. So, we do not uncover issues on the
24 site that prevents these delays. That is now in
25 place, and this is a project again, as you said was

pre- my tenure. As a result, going forward I agree
with you we are trying to sit down any time there is
a project delay. I meet with staff on a monthly
basis to see how we can expedite a project, but this
one is still on target to be completed in August of
2017.

COUNCIL MEMBER DEUTSCH: Okay, I just
don't-I don't understand that from 2011 when the
money was allocated why did it take three years or
four years before even an oil tank was discovered
underground. The city knows all the oil tanks
underground, you know, because you have to -they have
that information. So, I don't understand why no one
has the blueprint of what was there before, and that-
that-that there is an oil tank underground?

COMMISSIONER SILVER: It is not
necessarily prior to me coming on board. Look, doing
site investigation was not capitally eligible. We
now have baselined \$1.8 million to do pre-site
investigation to make sure we know what is
underground, and we use that to test on average about
40 sites a year. This is going back to 2011. I
can't answer what happened prior to 2014. We could
have a sit down to go through some of the details,

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but now we have a program in place to do pre-site
investigation, but as of now we're still on target to
be completed in August of 2017. My staff
Commissioner Maher will certainly be willing to sit
down with you to go over the detail and the timeline
of what happened from 2011 to the current day.

COUNCIL MEMBER DEUTSCH: Alright, thank
you. I appreciate it.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. Council Member Kallos.

COUNCIL MEMBER KALLOS: [background
comments, pause, coughing] Good afternoon. I want
to thank you for your partnership in Parks. When I
was first elected in 2014 we were able to secure \$35
million for the East River Esplanade, and we were
working together and we were looking forward to
breaking ground on fixing the esplanade between 80th
and 88th and 90th Street where you identified a severe
weakness, and in the intervening 3-1/2-3-a little
less than three years, [coughs] there now is a big
hole in the city park behind the Mayor's House. And
during the Preliminary Budget based on numbers that
in all fairness I received from Parks Department that
there's \$169 million in need to keep what happened to

1 the Mayor from happening to everybody else going from
2 East Harlem down to East Midtown. And I—I am
3 grateful to receive \$100 million for my district from
4 61st to 53rd, but we need to care for the existing
5 infrastructure. So, I guess I'm disappointed that
6 the \$125 million that you reference in your testimony
7 does not cover the East River Esplanade, and I guess
8 I wanted to touch on two facts: One, will you commit
9 to the \$169 million that Parks needs to keep this
10 park from falling into the East River, and in
11 addition, what can Parks do to ensure that when you
12 identified that there is a weakness that that
13 weakness does not progress to a point that it falls
14 in while we're waiting for a real repair. And I'm
15 against Band-Aids, but I'd like to make sure that
16 things don't just fall in.

18 COMMISSIONER SILVER: Alright, what I can
19 commit to is that there's \$41 million in phase 1 and
20 I believe another \$25 million for phase 2, and we can
21 commit to those two phases. The \$169 million--

22 COUNCIL MEMBER KALLOS: But those were
23 already funded, though.

24 COMMISSIONER SILVER: They were already
25 funded. The \$169 you referred to would be a Phase 3.

It has not been committed, and that is something I have to work with both the Mayor's Office and OMB to make the determination for the 169, but the process worked. EDC did a study. They found vulnerable areas including the one you had mentioned where a portion of the esplanade fell. We had advanced it, and we're about a month away from starting that work because we have identified that as one of the vulnerable areas, and that work will commence within about a month or-or less than two months. So, the process actually works and for that phase there's--

COUNCIL MEMBER KALLOS: [interposing] How-- how can we make sure that the construction starts before the vulnerable spaces collapse?

COMMISSIONER SILVER: We are working with our staff right now to design various sections and I think you probably know those sections--89th to 90th, the 114th the 115th, 117th and 125th are all the areas we have identified. It so happens that while we're preparing design for these packages, the area identified as being vulnerable actually collapsed. So, we know the areas and work is going to commence to address those critical locations.

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COUNCIL MEMBER KALLOS: And I'll just
reiterate that \$169 million I need your full support
on, and it was in the City Council Budget Response,
and let the record reflect that most of the money is
actually going to go to a district north of mine, and
this will benefit the communities of East Harlem and
the Upper East Side and East Midtown. So, I think it
is—it is a big deal. I know it is part of a loop
because you can't have the loop because if you build
from 53rd to 61st, but the rest of it has already
fallen in--

COMMISSIONER SILVER: [interposing]
Right.

COUNCIL MEMBER KALLOS: --that's going to
be a problem. Along similar lines, my goal in
working with you, and I want to thank you. You were
able to open about 2,000 square feet by the pier on
90th Street, is to open more park space. I believe
you share that goal, and there's a piece of land
under the Queensborough Bridge. In other locations
under bridges you have great multi-purpose fields.
On Randall's Island you have soccer on turf on
synthetic turf. I've been told I'm not allowed to
say astro turf, but synthetic turf. The community

1 has passed multiple resolutions. Every elected
2 official from my Congress Member on down is asking
3 for that space to be a field. In-in speaking with
4 folks a lot of folks are-are-well, some are happy
5 that there are three months a year additional of
6 availability for the public for six tennis courts.
7 Others have done an analysis and found that now the
8 person who has the sweetheart contract without having
9 to really bid against anyone, now has two more courts
10 for three additional months a year. They're going to
11 save about a million plus a year on having to take
12 down the bubble and put it back up. So, it's a net-
13 net positive for them, and so is there an opportunity
14 to please return this to the public as a multi-use
15 field that anyone can use year-round without having
16 to pay as much as \$200 an hour?

18 COMMISSIONER SILVER: Well, as you know,
19 this is not park land. It is land owned by the
20 Department of Transportation that has a concession on
21 it. Our goal through the process was to find a pilot
22 program that would open up the site [bell] to the
23 public, and we felt the pilot. We'll see exactly how
24 that works. The public now will have access to a
25 climate controlled tennis courts for children and for

seniors that now have access to a space they didn't have access before in its current setting. We will continue to explore how this pilot works before we make the long-term decision in coordination with the Department of Transportation who is the landowner of that land, and so that's what we committed to do. And we met with the community as you know, that there we somewhat of a—those for and those against, and we'll work with all parties as we consider the future use of this Department of Transportation owned land.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member. We will hear from Council Member Treyger followed by Council Member Cohen.

COUNCIL MEMBER TREYGER: Thank you very much to the Chairs and welcome Commissioner. I just want to just make a quick note about I think that the chairs have covered this issue and so have my colleagues and myself with regards to the cost of capital projects. Commissioner, I think you would agree that the costs are—are skyrocketing and as you mentioned that we might be at the mercy of the market, but just a note to my colleagues in the Council, I think we're on the verge of losing full community control and local member control over our

1 parks because council members are only given, as you
2 know, Commissioner on average in the past couple of
3 years about \$5 million per member for capital
4 improvements. You're now talking \$3 million comfort
5 stations. We can't get two bathrooms in our parks.
6 It's going to get to the point where the—the capital
7 allotments that we get are not sufficient to meet
8 almost any parks improvement. And the data shows it
9 when we do, and the Speaker encourages us to and we
10 want to do it, you know, where residents vote on
11 projects in our districts PV, and half the room
12 empties out when you can't do a bathroom with a
13 million dollars. So, this is a major issue that
14 we're going to have to tackle together, and I
15 appreciate that you recognize it. And my colleagues
16 we need to take note of this because at some point
17 we're going to tell our—our constituents we can't do
18 anything now. We're at the full mercy of the
19 administration now to fund big parks projects. Just
20 a note about with regards to keeping promises that
21 have been made in the past. I appreciate the fact
22 the administration kept a promise to Bushwick Inlet
23 Park. \$169 million is significant, but that was a
24 promise that was made and should have been kept. I
25

1 agree. We just read about and have seen the
2 commitments on the Manhattan East Side Esplanade, a
3 significant project. We get it, but I think you know
4 where I'm going with this, Commissioner.
5

6 COMMISSIONER SILVER: [interposing] I do.

7 COUNCIL MEMBER TREYGER: A promise was
8 made to Southern Brooklyn, too, for Calvert Vaux
9 Park. Again, physically not in my district, but
10 serves a huge swath of Southern Brooklyn communities.
11 All we have were two soccer fields and a parking lot,
12 but it is one of Brooklyn's biggest treasures. There
13 have been—it has not been yet developed.

14 COMMISSIONER SILVER: Right.

15 COUNCIL MEMBER TREYGER: Is there a plan
16 in place now [coughing] to keep the promise to
17 Southern Brooklyn residents for a—a beautiful
18 renovated Calvert Vaux Park?

19 COMMISSIONER SILVER: Well, as you know,
20 the work is already committed. It has probably one
21 of the best soccer fields that exist in Brooklyn, and
22 I know you and I talked about it. I went for a site
23 visit how we can expand that further into the rest of
24 the park. There is currently nothing in the Capital
25 Budget that's being proposed that would commit

dollars, but this is something we'll continue to look
at to see how we can find ways to fund that—that
park. There is a new project going as you know, the
comfort station and some other improvements. So,
we're slowly chipping away, but in terms of the funds
you and I had talked about to do the balance of the
park, that right now is not in the Capital Budget.

COUNCIL MEMBER TREYGER: Yeah, well, I
mean we—we—we planned a number of my colleagues and
the Borough President and others plan to, you know,
remind the Mayor of the promise that was made to our
community as well. This is a—and by the way, this
leads to my next and final points because of time, in
Southern Brooklyn and other parts of the city as
well, we're at the mercy of the Parks Department when
it comes to even coastal resiliency, when it comes to
making sure that we're protecting our coastal areas.
Calvert Vaux is right on the coastline by Gravesend
Bay, Coney Island Creek. Again, Kaiser Park. You go
around the beach boardwalk. We have made it very
clear to EDC and to all the relevant stakeholders
that there is a Coney Island Creek Study that has
been completed. The Army Corps is in receipt of the
study that there are three criteria that—that my

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office has set out to work with the city that number
one, whatever is proposed to protect residents has to
be rooted and supported by sound science. Number
two, that it should meet FEMA Guidelines to mitigate
flood insurance costs for residents. And number
three, which is relevant to your agency enhancements
of public assets, and that includes Kaiser Park,
Calvert Vaux and the beach and boardwalk communities.
And I don't know if you've been briefed on where
that. Can you shed any light about the coordination
or cooperation you had with the sister agencies with
regards to this study?

COMMISSIONER SILVER: Yes, we do have
staff. The Office of Recovery and Resiliency, of
course, coordinates all the resiliency efforts. Yes,
we do have staff that's very involved and
knowledgeable about what is happening in the entire
Coney Island area and vicinity when it comes to some
of the impacts of climate change, but more important
some of the resiliency efforts as well. So, the
answer is yes.

COUNCIL MEMBER TREYGER: Alright, and
we'll follow up on that, and my last point and time
is running out. Commissioner, we're making a--again

another direct appeal for additional PEP officers,
additional maintenance workers for our beaches and
boardwalk [bell] both in Coney Island and Brighton
Beach. We had a meeting with your agency and other
agencies and stakeholders with regards to a security
concern that—that happened because of what happened
on Easter Sunday. It was very clear that there was a
need for additional PEP—PEP enforcements not just
folks who tell people to get out of the water even
though they shouldn't be in the water when it's not
beach season. [coughing] But we definitely need the
PEP officers. We definitely need maintenance
workers. Can you give us a commitment that we're
going to see an increase in Parks Department
personnel this season?

COMMISSIONER SILVER: Well, we have
increased, but it's up to 18 of our PEP officers,
which is a very high concentration because of all the
people that come out to visit Coney Island, and we do
also—I believe that the Parks Security Service there
are 24. They offer a very important service. It
allows the PEP to free up to do other work. So
there's 40 personnel dedicated to Coney Island
because it receives so many visitors and we want to

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make sure that people enjoy their quality of life.

So, that's a large force out to that location. We
always look for more opportunities as PEP come out of
the academy, but right now there are 18 PEP assigned
in 24 park security service, but we'll also take a
look to see whether we can enhance it further, and as
you know, we work very closely with NYPD as well to
ensure that people enjoy Coney Island in a safe
manner.

COUNCIL MEMBER TREYGER: Right, we'll
follow up with you on that. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you
Council Member. We will now hear from Council Member
Cohen followed by Council Member Rose, followed by
Council Member Reynoso.

COUNCIL MEMBER COHEN: Thank you, Chair.
Good afternoon Commissioner. I have good news. I'm—
I'm not going to ask you questions about specific
capital projects in my district because I meet
quarterly with my borough commissioner and she gives
me regular updates on those, and—and I just want to—I
know at every Parks Committee meeting we hear this,
but I just want to reiterate once again on the record
what a good relationship I have with her, how

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interactive she is, how hands-on and approach—you
know and accessible she is. So, I just want to—you
should know that. I'm happy to tell it to anybody
who will listen to that. That is—I'm very grateful
for that. My project—

CHAIRPERSON FERRERAS-COPELAND: I'm
grateful for mine, too. I just want to say that.
[laughter]

COUNCIL MEMBER COHEN: Okay.

CHAIRPERSON FERRERAS-COPELAND: Okay,
just an FYI.

COUNCIL MEMBER COHEN: [laughs] One
flagged Parks project, though, that I did not fund is
the Parks Without Project in Van Cortlandt Park, and
I was just curious if there's an update on that, how
that is going and--?

COMMISSIONER SILVER: I—just give me one
second. [pause, background comments] Okay, so all
eight of the projects they included all the public
scoping sessions and now conceptual design is now
underway, and so that means as we begin with the
conceptual designs, we'll bring it back to the
community, the Community Board and then ultimately

the PDC. So, we're in the conceptual design phase
now.

COUNCIL MEMBER COHEN: Okay, I've been
trying to follow that project closely. Even—even
like I say even though it's not one funded by me, I—I
think it's a very good project, and I think it will
really enhance that side of the park. I am going to
follow up, though on some line of questioning from
the Chair and Chair Levine about I know we've had
some discussions about Senate Bill 5766 and Assembly
Bill 5286, which were recently introduced by
Assemblyman Dinowtiz and Senator Klein calling for
the creation of a Parks Construction Authority. Have
you by any chance had any time to kind of take a look
at those, and do you have any thoughts?

COMMISSIONER SILVER: Well, the city is
reviewing the recently introduce legislation and
we're open to discussing the creation of such an
authority or a similar entity. However, such an
exercise would be a very complicate undertaking with
the many potential impacts, and would thus require
some robust discussion involving the city, the state,
the legislature and other stakeholders. So, we're
open, we're discussing it as a team, and we read

through the legislation we're trying to identify what
some of those impacts and implications would be.

COUNCIL MEMBER COHEN: Right, your
testimony earlier was that the comparison to SCA to
the Parks Department is not a fair comparison because
the—I-well, it appears to me as someone who works
with SCA and someone who works with the Parks that
SCA is doing something right that I—I—since I've been
in office I would think maybe 18 months ago I had
detailed discussions about the construction of a—of a
significant addition on a school in my district, and
SCA presented to the community the other day and that
they're going to break ground in the fall. And the
timeline is—is pleasantly shocking. I mean that that
is possible, and it's not like—not that Parks
projects aren't complicated, but this is 15
classrooms, a gym, obviously HVAC. A complicated
project and the timeline is very, very impressive
and—and one of the things that SCA said at this
meeting is that like we deliver 100% of the time on
time. Not 99%. They said every project is on time.
So that is something obviously the model just seemed
so compelling and/or the—the results seemed so
compelling, and nobody enjoys coming here complaining

1 that our Parks projects aren't getting done, and-and
2 just one last thing I'll say. You know, I'm-I'm
3 concerned. As someone who really cares deeply about
4 the Parks in my district and-and in the term-in the
5 world I live in with term limits, I'm concerned as a
6 Council Member why should I fund the parks-parks
7 project in my second term when I know I will not see-
8 never mind the ribbon cutting, I won't see a shovel
9 go in the ground in my second term for a Parks
10 project. That is disheartening and it's-it's bad for
11 you because you want members to fund Parks projects.
12

13 COMMISSIONER SILVER: Well, I agree. We
14 are doing what we can on our end to expedite the
15 process. The procurement continues to be an area for
16 improvement, and I'm optimistic that MOCS will find
17 ways to reduce the timeline. The reason why I can't
18 answer about the School Construction Authority I
19 don't know their process enough as they go in in
20 terms of community consultation, community visioning,
21 in terms of PDC expectation for design. That part I
22 don't know. So, it's hard for me to say once we look
23 at the legislation how do we hold up that expectation
24 because the process here for Parks is very
25 collaborative. So, I just don't know when you look

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at an authority what you lose to gain on time. So,
that's values that we have to take a look at since
people here in New York City are very, very active,
as you know, in many of the park designs and we
engage them. [bell] We just want to see at that time
how that all folds. So, we certainly will look at
it, and we'll—we'll have a response.

COUNCIL MEMBER COHEN: Madam Chair, could
I—I know that you're—you're not the head of the SCA,
and you're not the head of MOCS, but it's my
understand that MOCS has been looking has been
looking at this for a long, long time, too, and that-
that doesn't sort of create confidence. That like-
that things are going to get quicker if it takes
forever for MOCS to come up with a—to do their part
like it's—everything is taking an inordinate amount
of time. Thank you Chair.

CHAIRPERSON FERRERAS-COPELAND: Thank
you. We will now hear from Council Member Rose
followed by Council Member Reynoso.

COUNCIL MEMBER ROSE: Thank you, Chair
and I have to say ditto to Council Member Cohen's
remarks about how long it takes a project to come to
fruition, but I—I also want to say, you know, I

1 really enjoy a very-a good relationship with
2 Commissioner Silver and Commissioner Ricciardone, and
3 I appreciate, you know, the cooperation that we have
4 and the projects that we have been able to get on
5 board and completed. But with that said, I really
6 have three major issues that revolve around
7 acquisition and-and project completion. In the-in
8 the Council response, we-we asked that the North
9 Shore Recreation Center or otherwise know as
10 Cromwell, since we've identified the location, we've
11 gone through the visioning process, we asked that it
12 be funded in this-this cycle and that has not
13 happened for the \$98 million. Could you tell me why
14 we could not get that funded this cycle, and what's
15 the-what's the plan for that. And then Goodhue the
16 acquisition of Goodhue ten years ago, the city made
17 an agreement with Goodhue Children's Aid Society to
18 acquire that-that-their acreage, and they-they
19 actually kept their-part of their agreement and they
20 purchased two phases of it. There's a third phase
21 that seems to be hanging out there, and no one is
22 addressing it, and no one is saying anything about
23 the acquisition. S o, I'd like to know where that is
24 in the pipeline, and what the plans are to complete
25

1 the acquisition of Goodhue. And then my third is
2 that at 46 Harbor Road there's a playground, and I
3 have put some money into actually improving that
4 playground, and there's a house that's adjacent to it
5 that was for sale. We had conversations about
6 acquiring it. It became unavailable for purchase.
7 It is now available again. So, I'd like to know if
8 we can resume that conversation, and move that
9 forward so that this could be--really become a viable
10 community park in a community that has--is really
11 absent of--of parks and playgrounds.

13 COMMISSIONER SILVER: So, it is the first
14 I'm hearing. Let me take the last one first. It's
15 the first I'm hearing about the Harbor Road
16 playgrounds. I'll ask staff both the borough staff,
17 and we also have our Planning and Development staff
18 just to take a look at that. I wasn't aware that of
19 that one. So, we'll get back to you.

20 COUNCIL MEMBER ROSE: Okay.

21 COMMISSIONER SILVER: On [coughs] the
22 Cromwell, as you know from the Mayor's visit and the
23 town hall, he made it clear that it's a--it was a very
24 important project. We did identify a location, but
25 the Mayor felt that it would be better if it was part

of the Bay Street Rezoning conversation, and that is something that he stated, and that continues to-to be the case on the location of Cromwell.

COUNCIL MEMBER ROSE: Commissioner, I-I just-I just want to say about that. I'm-I'm excited that it would be a part of the rezoning project, but the rezoning project isn't even a done deal. It-it could not-there's a possibility that it wouldn't happen, and I don't want the future of Cromwell hanging in the balance waiting on, you know, the rezoning of the Bay Street Corridor. So, I would like to see us move forward with putting it, making it a-a viable capital project sot that that project can go forward. Because we all have acknowledged how important Cromwell is to our community.

COMMISSIONER SILVER: Council Member Rose, I'll communicate that to the Mayor. I'm just following on what was publicly state at the Town Hall that the Mayor felt it would be best if this is part of the Bay Street Rezoning, but I will communicate to both the Mayor and OMB your concern. On Goodhue, equally the Mayor spent some time out on Staten Island touring a lot of sites. The issue of the Goodhue acquisition came up. Unfortunately, for this

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budget it was not funded, but it continues to be one—
both I'm sure you're very interested in, the Borough
President and my of the stakeholders. It is one that
we're still discussing, but was not funded under this
current budget.

COUNCIL MEMBER ROSE: I'm--

COMMISSIONER SILVER: [interposing] The
acquisition.

COUNCIL MEMBER ROSE: Commissioner, I
didn't quite hear you. Did you say that the
acquisition is still being talked about with the
Borough President?

COMMISSIONER SILVER: There is no funds.
No, there--there's no funds to acquire the additional
parcels at Goodhue.

COUNCIL MEMBER ROSE: There is no
conversation about acquiring Goodhue?

COMMISSIONER SILVER: No, there's
conversation. Yes, I said there were conversations.
It was discussed. We took a look at it. It was not
put in this budget for the funds to acquire Goodhue,
but there was conversations trying to understand
[bell]the parcels that need to be acquired, the
parcels that Parks owns to fill out the entire

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Goodhue Park. So, there was certainly conversations,
yes.

COUNCIL MEMBER ROSE: Alright. I know my
time is up. I just wanted to move from conversation
to realization.

COMMISSIONER SILVER: This is something
yes, we have these conversations, we put forward
recommendations. This is—we meet with OMB to see
exactly what could be funded. Right now the Goodhue
remains part of the conversation. It just had not
been funded for the acquisition.

COUNCIL MEMBER ROSE: Thank you.

COMMISSIONER SILVER: The last is parts.
As you know, we have acquired parcels.

COUNCIL MEMBER ROSE: The last phase.

COMMISSIONER SILVER: Yes.

COUNCIL MEMBER ROSE: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you. Thank you, Council Member Rose. I feel like
you gave us a theme: Conversations to realization.

COUNCIL MEMBER ROSE: You like that.

CHAIRPERSON FERRERAS-COPELAND: Yeah, I
like that. I think—I think we're going to have to
use that one. Council Member Reynoso.

COUNCIL MEMBER REYNOSO: Thank you,
Chairs. Commissioner, thank you for being here. I—I
guess I want to speak about equity or the lack
thereof. I believe the lack thereof. My district
has—is one of the Council districts with the least
amount of park space in the city of New York. The
park space that we do have is either on the entrance
of the—what is it the bridge underneath the
Williamsburg Bridge or on either side of the BQE.
When we talk about the—the park space that is
available to my residents, we're talking about
putting them in the line of high particulate matter,
and—and high—high pollution or high pollution access
or—or just in the presence of pollution. When they
need air the most, that's what they're breathing in,
in areas on Rodney Street, on Marcie—Marcie Ave., on
South Fourth Street or the Williamsburg—the
Williamsburg Bridge entrance, which is a kiddie park.
We're talking about an entrance on one side, and then
another entrance on the other side. So, the
Williamsburg is a park in the middle of that. The
one that's underneath the Williamsburg Bridge is now
actually a parking lot for the Department of
Transportation, but under the Department of Parks

1 it's still considered parkland or considered acreage
2 within my stock of-of fabulous parks. So, just even
3 as one of the least-one of the districts with the
4 least amount of park space, that lot is considered
5 park space as well, or the acreage that is
6 representative of my district. So, my-my district is
7 in dire need of park space. Of that park space, more
8 than 90% is all blacktop. What is not blacktop is
9 specifically in Cooper Park, which is up at the
10 northern portion of my district and Maria Hernandez
11 Park, which is in-in-in Bushwick. Outside of that,
12 every other park for the most part is blacktop. My
13 district is the south side of Williamsburg, the south
14 side and it needs to be very clear that I have mostly
15 East Williamsburg and the south side of Williamsburg.
16 McCarren Park is not in my district. It is not
17 considered a park for my district through lines.
18 I've been asking the Mayor's Office for the last four
19 years and the Parks Department to look into how we
20 can expand the park space in my district, how we can
21 look at space differently and-and give more to my
22 community. We've got a-we see very few returns on-on
23 exactly what spaces you guys would be looking at, but
24 when it comes to increasing acreage it's almost like
25

1 you throw your hands up. My district talks about the
2 BQ Green, which is decking the BQE. It is something
3 that if any administration cared about what was
4 happening with the lack of park space in a district
5 especially a minority district with three times the
6 asthma rates as the rest of the city of New York,
7 they would take that seriously and look into it. I
8 have yet to receive an estimate as to how much it
9 would cost for any inclination or note or sign that
10 city of New York is looking into it seriously to see
11 if it's something that we shouldn't be doing. The
12 previous council member four years ago put out a
13 study, a feasibility study on this issue, and also
14 have yet to receive any return calls or any
15 information from the city—from the Mayor's Office as
16 to how much that would cost in your terms under Parks
17 terms. With all that said, we see parks being built
18 on the waterfront, being purchased for \$160 million
19 not including the development of the actual park,
20 just the space being purchased. As for that being
21 introduced or being connected in the Upper East Side,
22 an affluent, another affluent white district, a park
23 being expanded in Chelsea I believe or in Lower
24 Manhattan another location or area with ample park
25

space. And yet again, a district like mine that has the least amount of park space, a park that's been built in areas that don't make any sense or should have never been built by Robert Moses in between a highway, and the—the dark top. When is the Department of Parks going to take the expansion of park space seriously in my community?

COMMISSIONER SILVER: We take the expansion of park space seriously everywhere, and we'll go back. I know we had a meeting earlier this year to see what opportunities exist, but this Community Parks Initiative, which is really addressing parks that haven't seen capital in over 20 years is a—is a major investment of \$318 million the first phase, and we're going to continue to invest more. We'll go back and take a second look, and meet with both our capital staff as well as the Borough Commissioner, but we certainly believe that every park deserves its fair share of quality open space. If I recall, I also spoke to the Deputy Borough President that the BQ and the BQE is a state facility. So, certainly, and as I expressed that if the state is willing to cap it [bell] we'll certainly participate in that conversation, but it is something

1 until we get to that point. So I don't know if it's
2 necessarily the City's obligation to come up with up
3 cost estimates. It's not—we're not the property
4 owners. It's the state, but we're certainly open and
5 willing if the state wants to proceed because it
6 would connect two parts of the city that we would be
7 open to have that conversation.
8

9 COUNCIL MEMBER REYNOSO: So, Commissioner
10 and this is part of my—my frustration is that I've
11 had countless conversations with the Parks Department
12 and the Mayor's Office. The state has written a
13 letter stating that so long as it is not responsible
14 for a penny on the project, they will give
15 repsonsive—and/or responsibility of building it just
16 for the city of New York that they would absolutely
17 be in line with it. For them it's about they said as
18 long as we don't for it, you can use the—you can do
19 as you wish on top of the BQE.

20 COMMISSIONER SILVER: Council Member, I
21 had not received that letter. This is new for me.
22 So, we'll certainly take a look at that and start the
23 conversations and based upon information response.

24 COUNCIL MEMBER REYNOSO: Okay, and then I
25 guess, Commissioner, I just want you to know that

1 fact that you don't know that is—is what the problem
2 here. And every park, every district is not—should
3 not be treated the same. Those districts that are
4 aligned by Central Park might not need as many
5 resources as districts like in my district. So maybe
6 you should pay more attention to district like mine,
7 and not treat everyone the same. That's very
8 important. There's an—it's about equity, not
9 equality. I don't want the same attention across the
10 board. I want attention paid to districts that need
11 more park space, and my district is one of those, and
12 I don't think that the Administration or the Parks
13 Department is doing enough to address those issues.

14
15 COMMISSIONER SILVER: Alright, and
16 Council Member I'd have to respectfully disagree. I
17 take equity very seriously. It's one of the reasons
18 why I took this job. We sit down and make sure that
19 all of our resources are—are given in an equitable
20 manner from both maintenance to resources to capital.
21 We're willing to sit down with you to go over this
22 again, but I am saying to you right now we're
23 committed to advancing equity in every single
24 neighborhood across the board. If you feel you're
25 not getting your fair share, we're certainly willing

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to sit down with you to see what else we can do to
convince you that is the goal of this administration.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. Council Member Torres followed
by Council Member Menchaca.

COUNCIL MEMBER TORRES: I have the same
frustrations that every member has, and it's not
toward to you personally, Commissioner. I—I think
the world of the Bronx Borough Commissioner. It's—
my—my issue is not with your team, but it feels like
the Parks capital projects are the most inflationary
products. They're more inflationary than healthcare,
than higher education, and the price of oil, and I'll
give you a few examples in my district. At Nate's
Ball Field I was told in 2014 that it would cost \$4
million and then in a span of three years that cost
estimate has risen to \$10.5 million. \$10.5. Corey's
Soccer field, \$3.5 million in 2014 and it's risen to
\$7.3 million. Now there are agencies that adjust
their cost estimates, but it's often at the margins,
but I—the only agency in which I see a two fold or a
threefold increase in the cost of a capital project
is yours, and I—I'm sure there are larger forces at
work, but it's just immensely frustrating, and I'm

not sure if the administration is making enough of an effort to partner with council members to address the prohibitive cost of Parks projects. It-it is impossible, and I represent one of the poorest districts, and my constituents are every bit as entitled to parks amenities as any district, but it is impossible for me as an individual council member to secure enough funding to address these capital needs. The only context in which-I have to threaten to kill an affordable housing project just to get crumbs, and-and, you know, I-could there be a matching funds program where Parks will just split the cost with the local council member? There has to be something. I-I think the status quo cannot be allowed to persist any longer.

COMMISSIONER SILVER: Number one, you bring up a good idea about a matching fund. It had been discussed before. I do want to reiterate we share your frustration. We've gotten better at our cost estimating. We're getting specialized software, we're watching the trends, what's happening in the market. We do our best to give you the estimate. Now, this is pre-scoping, but when it comes in, we do not set the prices. That is something that is

outside of our control. We do our best to estimate,
and then when it comes in, we're seeing it going
higher and higher. But your recommendation for
matching funds is not new. It's something we could
certainly explore with the administration, but we
share your frustration because for us to do our best
at doing a proper cost estimating, and then come back
to say it's not enough, that is not news we want to
deliver, and it's something that frustrates us as
well.

COUNCIL MEMBER TORRES: And again, you
know, even though I represent one of the poorest
districts, no funding from the Parks Equity
Initiative has come into my district. My-my-my-my
constituents have been poorly served by-by the
initiatives of-of this administration. It pains me
to say that because I feel like this administration
does care about low-income communities of color. But
my district for whatever reason has been deeply
disadvantaged. It's just frustrating--

COMMISSIONER SILVER: Right.

COUNCIL MEMBER TORRES: --because if I
tell my constituents it's going to cost \$3.5 million.
Here's my strategy for funding it over time, and then

the price doubles, I lose credibility as a local council member, and I have constituents who are already deeply cynical about their elected officials.

COMMISSIONER SILVER: The Green Parks Initiative is based on several criteria. If parks in the district did not meet that criteria, it wasn't eligible for the Parks-the Community Parks Initiative. We always partner with council members to see what we can funding within the district. It's something as we do every year, and I'm sure Council-Borough President Rodriguez sat down with you to go over some opportunities, and it's something we'll continue to work with you to see what we can fund in your district. There's another round of CPI. I don't know. Again, we have to look at what the next round will be, but it is based on criteria, parks that hadn't received funding in over 20 years. There are other factors, but that's the key factor, but we'll certainly take a look to see the status of the parks in your district.

COUNCIL MEMBER TORRES: I hope so because I-it's just-I'm-I'm just losing hope. At Porey (sic) Soccer Field we were able to secure \$3.5 million from the administration, which I thought was the cost and

1 now it's \$7.3, and so those \$3.5 million are simply
2 going to languish. Like everyone loses. Parks
3 loses, the Council Member loses, the community loses,
4 and you and I had conversation two or three years ago
5 about matching funds, and we're still no closer to
6 figuring out how we can improve the ability of local
7 Council Members to address the prohibitively
8 expensive capital needs in each of our districts.
9 So, I'm—you-it's, you know, again this is almost
10 psycho therapy because you're getting the same
11 frustration from every council member, but I
12 represent one of the poorest districts, and I feel
13 like communities like mine are hit hardest by the
14 status quo. That's the extent of my questions.
15 Thank you.

17 CHAIRPERSON FERRERAS-COPELAND: Thank
18 you, Council Member. Commissioner, before Menchaca—
19 Council Member Menchaca asks his questions, I just
20 wanted to have a follow up. I know that I sent you a
21 letter about an incident that had happened at
22 Flushing Meadows Corona Park with a street vendor, an
23 alarming incident. We saw portions of the videos of
24 a woman being aggressively arrested and, you know, I
25 understand being pushed around. Wanted to know (1)

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if you received my letter, and (2) what have been the
steps?

COMMISSIONER SILVER: Yes, I did receive
your letter. I did see the video. The woman in
question did assault Parks Enforcement Patrol, and
was arrested. The matter was referred to the
Inspector General at DOI for further investigation.

CHAIRPERSON FERRERAS-COPELAND: Just to
be clear so this is being referred to DOI and DOI
will be responding and investigating the incident?

COMMISSIONER SILVER: Correct.

CHAIRPERSON FERRERAS-COPELAND: Okay,
thank you. We will now hear from Council Member
Menchaca.

COUNCIL MEMBER MENCHACA: Thank you to
the chair. I think—I think before I get started with
my piece, that question begs a lot of different
questions about how we engage our community in
positive ways in the very difficult instances where
we find ourselves in situations, but I—I look forward
to supporting our chair in that—in that incident and
really anywhere and everywhere. As the Chair of the
Immigration Committee it's really important to me.
Second, I just want to say how—how thankful we are to

1 have the leadership of Borough Commissioner Marty
2 Maher to take on such, and I want to say thank you
3 for all the work he's done. One of the things that
4 we keep thinking about in this last three 3-1/2 years
5 is how participatory budgeting has been the-the
6 biggest windfall for all of you in the Parks. I
7 think this is where when you give a community the
8 opportunity to engage, to think about things and how
9 to improve their community, their vision quickly goes
10 to a local park. Your testimony speaks to it, our
11 engagement speaks to it. Our Chair Levine speaks to
12 it, and the only thing that I want to say is how do
13 we-how do we move it beyond just a Council
14 initiative, and I need you all to adopt this on the
15 budget side. This could be a different way. So-so
16 Council Member Torres' concept of matching figuring
17 out how the Mayor can come in. We need you as a
18 partner. It's not only real for the transformation
19 about how communities can continue to engage in our
20 parks, but for the future of our parks and how we
21 continue to do that. And-and which begs the next
22 question, which is so much of the-of the work that
23 we've given to the Parks Department in the district I
24 think has new-requires a new layer of understanding.
25

1 In places like Red Hook, we have lead in our—in our
2 ball fields, and I just want to say 100% thank you
3 for not even batting an eye. It was just not an
4 issues. You guys said yes we're going to take care
5 of the fields, and we're in process. One of the
6 things I see lacking right now, though, is engagement
7 in community. There's so many people that don't have
8 any idea that you all put \$100+ million in our ball
9 fields to take care of the lead. It's on its way.
10 We're going to have—we're going to have world class
11 fields in Red Hook. Thank God. This is something
12 that our community deserves, and no one knows about
13 it. I could only do so much as a local elected
14 official, but I think there's a budgetary line that
15 needs to go into this—into this next budget. But how
16 you get out and celebrate some of the work that
17 you're doing and not leave it to us and pressure
18 points where people are saying we have lead, and
19 starting from the beginning of a conversation?

21 COMMISSIONER SILVER: Well, as you know,
22 we did our—I believe did a very good job. When the
23 issue arose, many, many meetings to the public was
24 informed. I am very positive that Commissioner Maher
25 will come up with a strategy of how to keep the

public more engaged about what is going on, but
you're correct. We identify the problem, working
closely with EPA. Yes, they're going to have world
class sports fields in Red Hook rivaling anywhere
else here without the city-within the city. So, I
will work with the commissioner to see how we can
better engage the public to know what is happening,
and the timeline so they had better expectations
about what's going to happen and when.

COUNCIL MEMBER MENCHACA: Wonderful.

Thank you for that, and we—we look forward to working
with you. We've been doing such a great job already,
but whatever—whatever we're all collectively doing
right now is not working, and I'll take
responsibility for my side. It sounds like we all
are doing that. So, let's—let's see some change
quickly. And—and the last point I want to make Red
Hook was—was devastated by—by Super Storm Sandy, and
so many of the new projects that are coming in
including the lead renovations, but other ones that
are on their way like a possible skate park. This is
a general kind of Sandy—Sandy question about how
parks can work with us, and real commitment work with
us and design to design parks of the future that are

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going to be positive impacts on-on the climate
change--

COMMISSIONER SILVER: [interposing]
Right.

COUNCIL MEMBER MENCHACA: --issues that
are on the way, and can we have your commitment that
any-any big-big developments like Este (sic) Park and
others that are coming really-really have a focus,
and work with local-local and-and trained minds in
the district that want to help us, and-and so I guess
what I'm looking for is no resistance to-to the sense
of working together and-and making sure that our
budget money that's coming in from participatory
process people who-there's thousands of people, 8,000
people voted in my district for parks, and-and that
means that people are, people are wanting to get down
and dirty and-and really make an impact that-that
means something to us in Red Hook.

COMMISSIONER SILVER: When it comes to
planning parks for the future especially in the era
of climate change, we are with you, and you have our
full support. In fact, we do that for all of our
projects. We identify where it's a flood plain,
where it's vulnerable, and it is built into the

design. On participatory budgeting, I hear this very often we are trying to make sure the projects that you put forward that you share with the public are ones that work well within our parks. We will do a better job upfront of a site-identifying what some of those items are because we know most things that people [bell] want to fund are out of the range of what some of the council members are providing. So, we'll try to figure out some menu of items that would work a lot better so it doesn't heighten expectations for those involved in the PB process.

COUNCIL MEMBER MENCHACA: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member. We'll now have Council Member Mealy.

COUNCIL MEMBER MEALY: Yes, I want to thank the Parks for doing an excellent job in Brownsville and having the second in the borough, Imagination Playground, two levels. Thank you. But I was thinking about the last Parks Department Committee hearing we had we talked about the parks without borders. Have you all reached out to other not-for-profit organizations in the community in

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regards to helping them get involved with the Parks
Without Borders?

COMMISSIONER SILVER: Well, in terms of
Parks Without Borders, that was a nomination process
from the community. It was from the ground up, and
so--

COUNCIL MEMBER MEALY: [interposing] And
it--it started already?

COMMISSIONER SILVER: It's already--we had
two pots. We have one \$40 million pot that was a
nomination process, and eight of those parks have
already been selected. The other \$10 million staff
uses to augment projects in the pipeline to see how
they can address some of the edges, but now it's part
of our design philosophy for all parks including some
of the work that's being done around Betsy Head. The
Anchor Parks is the one that Betsy Head had been a
beneficiary of, and that's the one that we're working
on a phased approach to totally renovate the one next
to Imagination Playground and then the sports field
that going to be totally redesigned and rebuilt. So,
that was the Anchor Parks Proposal. The Parks
Without Borders that process had already concluded.

COUNCIL MEMBER MEALY: Okay, because I--

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COMMISSIONER SILVER: [interposing] -in
terms of the selection.

COUNCIL MEMBER MEALY: --know it wasn't
Betsy, it was—I had asked you all to—well I had spoke
to Wingate, Friends of Wingate Park, they had wanted
to be a part of the Parks Without Borders.

COMMISSIONER SILVER: Okay.

COUNCIL MEMBER MEALY: So, I'll just—the
second question: Have you all had any additional
funds to these projects.

COMMISSIONER SILVER: For Anchor Parks,
not it was a--

COUNCIL MEMBER MEALY: Not Anchor, the
Parks Without Borders.

COMMISSIONER SILVER: I'm sorry. For
Parks Without Borders no, it was \$50 million capital
project, and right now those have been committed to
eight parks, and the rest are about 50 smaller parks
with the \$10 million. So, there's no additional
funding for the Parks Without Borders.

COUNCIL MEMBER MEALY: None at all? Any
additional organizations that are involved?

COMMISSIONER SILVER: Well, we have a
number of parks groups, if that Parks Without Borders

project is affecting your neighborhood, then those groups that are surrounding it are—we do engage with. But for the most part, we're just going through the design process with most of the Parks Without Borders. Then we have heavy community consultation on those designs.

COUNCIL MEMBER MEALY: Okay, I understand the design. My last and final question: Is there any new participants in their Parks Without Borders?

COMMISSIONER SILVER: Well, throughout the process. Right now they're in design to go back to the community board. So, I don't believe unless they show up to the community board there aren't any additional participants. We're always open. In the case of Fort Greene, there were no residents that wanted to weigh in on the project. We held additional public meetings to make sure their concerns were addressed, but for the most part, most of the projects are going along fine, and if there are community concerns, staff will sit down to hear those concerns.

COUNCIL MEMBER MEALY: Okay, I'm going to ask one off the cuff question. How many state parks have you did in Brooklyn?

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COMMISSIONER SILVER: I don't know the
number, but we've cone quite a few. The last one was
underneath the BQE. I can't pronounce the name,
Gondolla—

MALE SPEAKER: [off mic] Golconda.

COMMISSIONER SILVER: Golconda.

MALE SPEAKER: [off mic]

COMMISSIONER SILVER: Maybe. Okay, the
answer is about a dozen.

COUNCIL MEMBER MEALY: Okay, dog parks?

COMMISSIONER SILVER: Oh, my, we don't
have the numbers off the top of our head. We have a
lot of dog parks.

COUNCIL MEMBER MEALY: Do you—do you feel
in the future you will have extra funds because, you
know, a lot of people are requesting dog parks, and I
know we have a lot of parks. So we would have to
make some kind of adjustment to make sure that a
piece of our parks get a dog park just in where I
know I know--

COMMISSIONER SILVER: Right.

COUNCIL MEMBER MEALY: --I spoke to our
new commissioner. We need extra funding also for

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that. So, I hope that you would be able to start
looking in that design.

COMMISSIONER SILVER: Adult fitness
equipment and dog runs seem to be the most popular
two items New Yorkers are looking for.

COUNCIL MEMBER MEALY: It's not or it is?

COMMISSIONER SILVER: It is.

COUNCIL MEMBER MEALY: It is?

COMMISSIONER SILVER: Both adult fitness
equipment and dog runs seem to be the two most
popular things people want for Christmas or the
holiday season. So, we want to make sure we work
with the community to see how we can provide that.
If you work with—with the Commissioner Marty Maher,
if there's specific request we can work with you to
see how that can work. Usually some community
outreach involved, but we're certainly open to both
skate parks and dog runs where it fits into the
setting of that park.

COUNCIL MEMBER MEALY: And one thing that
was said that you all wouldn't have enough employees
to man the dog parks. I see it other places. So I
know it can be in Brooklyn because I--

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COMMISSIONER SILVER: [interposing] We
have 40 dogs, yeah-

COUNCIL MEMBER MEALY: --both of those
need one.

COMMISSIONER SILVER: Yeah, we don't
typically have staff for the dog runs unless there's
a Parks employee that cleans up the entire park, but
they tend to be self-run [bell] by the users--

COUNCIL MEMBER MEALY: [interposing]
Okay.,

COMMISSIONER SILVER: --whether large
parks--large dogs or small dogs. We have 40 dog runs
in Brooklyn.

COUNCIL MEMBER MEALY: Forty?

COMMISSIONER SILVER: 40-4-0.

COUNCIL MEMBER MEALY: Okay, okay. Thank
you, Madam Chair and Mr. Chair.

COMMISSIONER SILVER: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you.

COUNCIL MEMBER MEALY: Thank you so much.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member.

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COUNCIL MEMBER MEALY: Thank you,
Commissioner.

CHAIRPERSON FERRERAS-COPELAND: And we're
going to begin our second round of questions now, and
our chair is going to kick them off--kick it off.

CHAIRPERSON LEVINE: Commissioner, we've
talked a lot about three very popular capital
programs, which you've introduced with is CPI, the
Anchor Park Initiative and Parks Without Borders. I
don't believe any new money for those three programs
is in your Capital Budget this year. So, what--what
is the future for those programs. I assume for
Anchor Parks we've designated five parks. There's no
more to designate for--I believe Parks Without Borders
we've designated the--those parks which we had money
for no more designations. For CPI there is some
additional designations to come.

COMMISSIONER SILVER: Correct.

CHAIRPERSON LEVINE: Could you discuss
the future of these programs?

COMMISSIONER SILVER: Well, right now our
focus is to--is to design, procure and build them, and
that's our focus. It's a huge portfolio. It's
something that is change of the direction for this

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city. We want to make those old parks new. That's
the Anchor Parks. Parks Without Borders not only the
eight demonstration projects, but the other 50 who
are using pipeline projects. So, there's no
additional funding. It's something we'll continually
evaluate and look at going forward, but we're
focusing on the designing building and the
constructing them so that we can open all those up as
quickly as possible. All said and done, 67 for CPI,
five for Anchor Parks, and then some depending how
you count it. Eight plus the 50 on the Parks Without
Borders. So we want to make sure these projects are
successful. So we continue to push for additional
funding because we believe these will really change
neighborhoods in New York City--

CHAIRPERSON LEVINE: [interposing] Right,
so-but just to clarify. So, no additional
designations on Anchor Parks or--

COMMISSIONER SILVER: [interposing]
Correct.

CHAIRPERSON LEVINE: --Parks Without
Borders and at CPI. Are there additional parks to be
designated or is that it?

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COMMISSIONER SILVER: We do have about 11
or 12 sites for the last—excuse me? Yeah, we have 11
or 12 sites of Community Parks Initiative to be
announced this fall.

CHAIRPERSON LEVINE: That will be
announced this fall?

COMMISSIONER SILVER: Right, we're going
to announce this right now for the criteria.

CHAIRPERSON LEVINE: Yes.

COMMISSIONER SILVER: As I was mentioning
to Council Member Torres, we go through—we have a
data driven approach to select these, and so that
will occur and announce those this fall.

CHAIRPERSON LEVINE: Okay, excellent. So
we had a couple of colleagues who either had to leave
early or couldn't come, but—but asked me just to ask
about some specific parks--

COMMISSIONER SILVER: [interposing] Okay.

CHAIRPERSON LEVINE: --very quickly.
Daniel O'Connell Park in Southeast Queens, Council
Member Mille tells me that there's a comfort station
with a roof being repaired that it's been three
years, and that in the meantime there's no water for
the park.

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COMMISSIONER SILVER: We can--well, staff
is taking notes. We'll follow up on that one unless
[background comments] Excuse me. Okay.

CHAIRPERSON LEVINE: Any chance,
Commissioner Kavanagh you know on that about that
one?

DEPUTY COMMISSIONER KAVANAGH: It--it has
been a problem for our objectives. No question about
it. We have a similar situation to our trees and
sidewalk contract in which we had a contractor
working on the site. The contractor has not been
able to meet the production schedule, and--and the
deadlines that we've set. We initiated the--the
default process unfortunately. It's something we're
reluctant to do, butt when we have to, we--we do.
We're pursuing through the bonding aspect of the
program to get the--the bond holder to either hire a
sub or to--or to take responsibility for the project,
but it has delayed it. If there is no water in the
park, however, we will find a way to make sure that
the water is operating to other features of the park
outside of that.

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CHAIRPERSON LEVINE: That—that is I'm
sure very important. So, when do you expect the work
will be completed?

DEPUTY COMMISSIONER KAVANAGH: I can't
give you an answer right now because we're still
negotiating I think.

COMMISSIONER SILVER: There is water in
the park?

BOROUGH COMMISSIONER LEWANDOWSKI: [off
mic]

COMMISSIONER SILVER: I'm told there is
water in the park--

CHAIRPERSON LEVINE: Okay.

COMMISSIONER SILVER: --from--
[background comments]

BOROUGH COMMISSIONER LEWANDOWSKI: We
just need to use it [siren]

CHAIRPERSON LEVINE: Could someone just
speak that in to a mic? Yeah so we can get the--

COMMISSIONER SILVER: Borough
Commissioner Lewandowski.

BOROUGH COMMISSIONER LEWANDOWSKI: I just
thought I should add last summer we did activate the
water fountains and the spray showers. We worked

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with the council member, and we also funded a Port-A-San (sic) which has been in the park since last summer all year long and it continues for this year until the building is complete.

CHAIRPERSON LEVINE: Okay, well, I'm sorry he's not here for follow-up questions, but I appreciate that update. [background comments] Well, we were just speaking about your park, Council Member. [background comments] You have impeccable timing. No, words at all and--and I'll just bring you up to date that--that we're discussing the availability of water in the park, and the Borough Commissioner has told us that some of the features are, in fact, functional at this time. Could you repeat that piece about the water, Commissioner?

BOROUGH COMMISSIONER LEWANDOWSKI: Yes, I'm pleased. We did last summer, Council member as you recall we activated the spray shower and the water fountains in the park. So they are functioning. We intend to have the spray showers again for this season and the water fountains.

COUNCIL MEMBER MILLER: Will there be bathrooms aside from the portables?

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BOROUGH COMMISSIONER LEWANDOWSKI: We
will currently still have the Port-A-Sans for this
season.

COUNCIL MEMBER MILLER: Could I digress
for a moment?

CHAIRPERSON FERRERAS-COPELAND: [off mic]
If you have questions—

CHAIRPERSON LEVINE: Please.

COUNCIL MEMBER MILLER: I'm sorry because
this was a what? A two-year project and we're in
year what? [pause] First of all, this was—this
wasn't a new construction. This was a roof, right
and it was bundled. Could we talk about what
percentage of the bundles jobs don't get done in the
prescribed amount of time? We had—we—you know it was
funny. So, I'm coming out of a root canal. That's
how important this was. I ran into the person that
runs the tournament, and one of the programs that we
has, and w they were just like wow, we have all this
great stuff for the summer and we're going to meet
with your staff, and I says well I had just a little
caveat here, and that is that again for the year in a
wow we don't have water, we don't have bathrooms.
How is that possible? Why can't we expedite this?

We—we, in fact, last year when we ran into this problem last year there was a problem. There was conversation about—about the contractor defaulting, removing him then. They said, you know what, he's going to be okay. The job is going to get done. He shows up for a week, and we're right back a year later in the same position, and—and—and this is—this is horrible and folks are really invested in this park, and the activities of this park. Why can't we get it fixed?

DEPUTY COMMISSIONER KAVANAGH: Council Member, we share your frustration. We did try to work with the contractor. We thought that was going to be the best path forward to get the project finished. Initially, the contractor did respond in a positive way. We saw more activity on the site. They began to start meeting the production goals that we set out for them, but ultimately they were unable to sustain the pace of work that we needed to complete the project. We have defaulted the contractor. We are working with the bonding company to get a completion contractor onto the site. Unfortunately, I don't have the details about what

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that schedule would look like right now, but we will
follow up with you directly to let you know,

COUNCIL MEMBER MILLER: Aren't their site
managers on these sites?

DEPUTY COMMISSIONER KAVANAGH: Yes, there
are.

COUNCIL MEMBER MILLER: Assigned to these
sites. At what point did the site manager realize
that this wasn't going to happen?

DEPUTY COMMISSIONER KAVANAGH: The site
manager, well, they file reports on a regular basis,
on a weekly basis, and they did report the initial
poor performance in terms of the production goals. We
were aware of it. We met with the contractor
regularly to insist that they increase staffing, that
they improve their supply chain to meet the
production goals. As we discussed last year, I think
with you, you know, we did consider default. We
attempted to work with the contractor. As I
described, we had some initial success, but
ultimately the contractor was unable to sustain the
level of work that we need to make this project
successful. I—I do believe the project is more than
just a roof, however, but it's not an excuse. It

should have been done already. So, we're going to go
into year 4 [bell] of this project. It's going to
take four years to be on the procurement process.

COMMISSIONER SILVER: We are--

COUNCIL MEMBER MILLER: The actual work
to get a roof put on a comfort station? That's
unacceptable. It's unacceptable. It is absolutely
unacceptable. We have people and--and the amount of
activities that go on in this park during the course
of the year, and we should not have to compensate for
water. We should not have to compensate with porta
potties, and the fact of the matter is one porta
potty during the time that we have these activities
going on what about the people that use the park
everyday? What are they going to be subject to? This
is not what we're paying for. Capital dollars this
is not what we expect. This is not what we expect
with our tax dollars. We have private investment in
this park, and--and this doesn't happen all over the
city. This is unacceptable.

COMMISSIONER SILVER: Council Member, I
heard you last year. I was not aware of the last
year of what happened. I'm already talking to staff
that I want to meet right after this to find out what

happened. What we are going to need to do to fix this problem immediately. I share your concern. It was far too long, and I will make sure we get back to you to figure out what is the path forward to get this done as quickly as possible.

COUNCIL MEMBER MILLER: I thank you, but I would submit that we had this conversation at the budget hearing last year, and we're having the same conversation again now as that is really—it's despicable. You know, there's—there's a lot of questions but, you know, that is at the top of the list and—and it's really frustrating. So, thank you.

COMMISSIONER SILVER: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank you, Council Member and Council Member you will have the—the full weight of both committees to follow up on this issue. Commissioner, it is I'm sure not necessarily a council member's only issue with Parks, but the fact that he has to dedicate this much time, and I personally know that he really was about to get a root canal, and came back because that's how important this is. So, we will be following up with you directly on this one particular issue, of course. The Chair—the chair will have additional questions.

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CHAIRPERSON LEVINE: Well, thank you so much, Madam Chair. Council Member Dromm couldn't be here, and maybe he'll walk in right on cue. We seem to have good luck so far on this, but he wanted me to ask about Travers Park in Jackson Heights, which was funded in 2012, a larger projected funded with \$12 million, and here we are five years later, and I don't believe construction has begun. I'm not even sure if you're—I don't even think you picked the contractor yet.

COMMISSIONER SILVER: Well, the most I have is a project that's still in the procurement phase, and we expect to award it to a contractor soon, and we're still on target for a fall 2017 groundbreaking.

CHAIRPERSON LEVINE: But how—how did it take five years to go from being funded to get a contractor picked?

COMMISSIONER SILVER: Right, we're willing to sit down and—and meet with the Council Member to go over the timeline. So, I can't answer what happened before right now at this meeting, but unless there's a staff member that can over specifically what happened.

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CHAIRPERSON LEVINE: Alright, well-

CHAIRPERSON FERRERAS-COPELAND: I just--

COMMISSIONER SILVER: [interposing] And
we're on target for the 2017 groundbreaking.

CHAIRPERSON FERRERAS-COPELAND: Can I
just follow up on the Travers Park. I don't know if-
I'm sure you've been briefed on the history. This is
like a street that's actually

COMMISSIONER SILVER: Right.

CHAIRPERSON FERRERAS-COPELAND: --being
converted into a park, one that required a lot of
community engagement, and I think that the
frustration of the local council member that because
it required so much community engagement, every day
that passes only grows frustration for the
constituents. He and I have--you know, my district
and a few blocks away, but we kind of share both
people that--people for the park. And what's
happening in the interim is that we're seeing an
uptick in some gang violence and some crime because
it doesn't necessarily look like a traditional park
space.

COMMISSIONER SILVER: Right.

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CHAIRPERSON FERRERAS-COPELAND: So, there
is a sense of urgency for us to be able to begin what
I think would be something incredibly innovative in
our city that we're even converting a street. I
could only—you can only imagine how much work, human
equity and power, community power it took to actually
eliminate parking in New York City in Jackson
heights, and—and the community had an uprising and
said we—we need parkland, and we are willing to give
up our parking spots for it. Unfortunately, it's
still asphalt, and in some—you know, and I know we've
kind of converted some of the spaces. So, I just
want to—you said the groundbreaking is scheduled for—
—?

COMMISSIONER SILVER: The fall of this
year.

CHAIRPERSON FERRERAS-COPELAND: The fall
of this year?

COMMISSIONER SILVER: Correct.

CHAIRPERSON FERRERAS-COPELAND: Okay, and
this—in the—we can not expect any delays. You know
do you see, foresee a reason for us to have any
additional relief?

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COMMISSIONER SILVER: I don't know what
stage it is in the procurement process, but a lot of
things could happen in procurement, but if we believe
it's going smoothly at this point, we expect the
contractor if there are nay concerns through
procurement. It has not been awarded yet, but it is
in the procurement phase. Things that happen--

CHAIRPERSON FERRERAS-COPELAND:
[interposing] What does that mean? Is that like the
final stage?

COMMISSIONER SILVER: It has been awarded
correct.

CHAIRPERSON FERRERAS-COPELAND: So, does
awarded mean--

COMMISSIONER SILVER: [interposing] And
registered as basically the last step before--

CHAIRPERSON FERRERAS-COPELAND:
[interposing] Well, after it's awarded, then it's
registered? Okay, so, I'm sure the Council Member
will be following up with you and the chair will give
him the update, but this is vitally important
especially I think Danny is the district with the
least most--the least being paid.

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COMMISSIONER SILVER: [interposing] Right,
and we're very proud of Travers Park. In fact, when
we talk about Parks Without Borders it is one of the
featured parks that we use. So, we are also very
eager to get this started because it is quite
exceptional that you're actually closing off the
street to join two different parks.

CHAIRPERSON FERRERAS-COPELAND: Right.

COMMISSIONER SILVER: So, I share their--
both sense of urgency to get this moving. Again,
this is one that started before my tenure, but while
I was here, we did play a role at figuring out how to
actually blend in that street with the surrounding
parks. So, it is going to be a beautiful park when
it's done. I understand their sense of urgency to
see it as quickly as possible.

CHAIRPERSON FERRERAS-COPELAND: And--and
also there's a green market that's part of Travers
Park that also needs to understand the timeline
because it provides an incredible service for the
community, and if the Green Market is moved then I
think they're trying to figure out where they're
going to go. And every time kind of the goal post

gets moved, it creates incredible anxiety in the
community.

COMMISSIONER SILVER: But we always
encourage the public. Maybe we have to get the word
out more. We have something called the Capital
Tracker. You can go online for any park in the city
and follow the progress. I failed to mention that to
Council Member Menchaca, but we do want the public to
utilize it. We're getting tens of thousand of-of
visits to the site, but anyone can find any park to
check the status so they know exactly what's going
on, and we encourage them to do the same with Travers
Park.

CHAIRPERSON FERRERAS-COPELAND: And I'm
glad that you brought up the site, I you're your
website because I've had certain people, and I'm
going to follow up with you where they-they wish the
site could be more friendly in other languages.

COMMISSIONER SILVER: Okay.

CHAIRPERSON FERRERAS-COPELAND: So, I
think there's an opportunity to have, you know, so
many mechanism now. You can translate a website, and
that is not facilitated in our website in particular.

COMMISSIONER SILVER: Point well taken.

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CHAIRPERSON FERRERAS-COPELAND: There's a
big disadvantage that creates for people in many
communities.

COMMISSIONER SILVER: Correct, thank you.

CHAIRPERSON FERRERAS-COPELAND: Chair.

CHAIRPERSON LEVINE: The final question--

COMMISSIONER SILVER: [interposing] We're
told there is automatic translator on our site.

CHAIRPERSON FERRERAS-COPELAND: It's--
it's--it is not translating as it should, and when you
use like automatic translators it makes like the
Borough of Queens sound like Queen.

COMMISSIONER SILVER: Oh.

CHAIRPERSON FERRERAS-COPELAND: Right, so
[Speaking Spanish]. You know, things like that. So,
we can perfect it. I'll follow up with you. We can
do better, but thank you.

CHAIRPERSON LEVINE: If the machine
translation breaks down on the technical stuff,
there's nothing better than humans for cleaning up
parks and translating website. The last Park, I
wanted to ask you about is Orchard Beach. We're
excited that you have committed I believe \$30 million
towards renovation of the boat house. There was some

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confusion on how has been assembled for the boat
house the last time. Is it 30 from the city, 10-30
from the administration, 10 from the City Council and
10 from the state? Sorry, it was 30 from the
governor. I would have gotten in a lot of trouble if
I didn't clarify that.

COMMISSIONER SILVER: Yes.

CHAIRPERSON FERRERAS-COPELAND: Thank you,
thank you, Governor--

COMMISSIONER SILVER: [interposing] It's
still in the city.

CHAIRPERSON FERRERAS-COPELAND: --Cuomo
for giving \$30 million to Orchard Beach and \$10
million from the Mayor and \$10 million from the City
Council. We're sorry for the disassembly.

COMMISSIONER SILVER: Several.

CHAIRPERSON LEVINE: Well, I really
mangled it. Maybe one of you can straighten this
out.

COMMISSIONER SILVER: Yes. May I.

CHAIRPERSON LEVINE: Yes, it's been a
long hearing.

COMMISSIONER SILVER: It is--you're
correct. There's \$50 million committed for the

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projected. We needed between \$45 and \$50. So, we do
have the funds committed to begin to proceed.

CHAIRPERSON LEVINE: And just clarify the
breakdown maybe a little.

MATT DRURY: So, it's \$10 million from
the Borough President.

CHAIRPERSON LEVINE: Right.

MATT DRURY: \$20 million from the Mayor.
Those are city funds that are in place.

CHAIRPERSON LEVINE: Yeah.

MATT DRURY: There's a \$10 million
commitment from the Governor and a \$10 million
commitment from the Assembly for which paperwork is
being processed now through the Dormitory-

CHAIRPERSON LEVINE: [interposing] Okay,
thank you for clarifying that. Everyone gets credit
where it's due. It's a-it's a large property, if you
will, and the boat house is only one element. It's
been pretty much untouched since the Robert Rose's
(sic) Era and no major renovations, and there is
plenty of work to do beyond the boat house. Could
you give us a sense of the cost of the full project
if we were to complete-completely update the process?

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COMMISSIONER SILVER: Well, we'll get
back to you. We had a study conducted. We'll get
back to you with the exact number. I don't want to
give a false number, but we do have the full number,
and we'll get back to you very quickly.

CHAIRPERSON LEVINE: Okay. I think it
might be over \$100 million for the whole site.

COMMISSIONER SILVER: It is a large
number, yet.

CHAIRPERSON LEVINE: And I know that
Maintenance Operations Building, which needs to be
raised and modernized is about \$14 million.

COMMISSIONER SILVER: That's right.

CHAIRPERSON LEVINE: It matches more or
less. This inch by inch is probably one of the most
heavily used park properties in the city. I don't
know how many use it a year, but I wouldn't be
surprised if it's over a million, or at least
somewhere in that neighborhood.

COMMISSIONER SILVER: The beach is around
I believe about a million.

CHAIRPERSON LEVINE: What's that?

COMMISSIONER SILVER: I believe it's
about a million for.

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DEPUTY COMMISSIONER KAVANAGH: [off mic]

It was \$1.9 million last year.

CHAIRPERSON LEVINE: \$1.9 million.

COMMISSIONER SILVER: \$1.9 million last
year, yes.

CHAIRPERSON LEVINE: So, an unbelievably
heavily used property. The price tag relative to
that use is actually reasonable considering how many
people would benefit from a modernized facility. So,
just want to tell you how important it is. I think
we not only to the boat house, but really do right by
the entire Orchard Beach property. Alright. Thank
you, Madam Chair.

CHAIRPERSON FERRERAS-COPELAND: Thank
you. Commissioner, we may have additional questions.
We ask that you get them back just as soon as
possible because we'll be using them to negotiate the
budget, and we're going to be following up. Now, we
will hear from Council Member Mealy before we--

COMMISSIONER SILVER: [interposing] And I
do have a point to clarify for the record on the
Esplanade. I believe I said \$41 million phase one
and \$25 million phase 2. In total it was—it was \$15

phase one, 25 phase 2 for a total roughly about 41.

So, I just want to clarify that for the record.

COUNCIL MEMBER MEALY: Yes, I just wanted to follow back up on a question. Someone just said that they had—we had problems with turning on the water or something like—different things like that at one of our parks. How do you deal with the electric company when you build the park and you put in provisions that it will glow, well light up at night, but then it never was connected and every year you would say that it's dealing with the Con Edison. How do you rectify those issues, and I know my park is Baywood (sic) Park in Brooklyn—in Bedford-Stuyvesant. To me when people call my office I get on the line—get on the phone with Con Ed Government Affairs and things happen. So, this park has been done now about five or six years and the electrical is still not on in this park. So, could you explain how do you all handle these issues? I just heard another issue somewhere.

COMMISSIONER SILVER: Were you referring to the lighting, the street—the lighting in the park itself because that's not our jurisdiction.

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COUNCIL MEMBER MEALY: No, the lighting
in the park also. We have brand new lights, but then
behind the water park you put some beautiful that as
soon as nightfall, dusk it's supposed to light up,
and it has neve it up--

COMMISSIONER SILVER: [interposing]
Right.

COUNCIL MEMBER MEALY: --since the park
was done. That's at least six years ago.

COMMISSIONER SILVER: Alright.

COUNCIL MEMBER MEALY: So I'm just
wondering how do you perfect dealing with government
agencies just like the roof, the water, DEP? How do
you handle those things that it could be expedited
and it doesn't? We want our community to get the
full benefit of the park. What's the sense of
building a beautiful park and that extra little light
that goes behind that--that wall with beautiful green
rocks and when you put it--as soon as when the lights
turn on, it's supposed to turn on also, and it has
never turned on.

COMMISSIONER SILVER: [interposing] Well,
we'll follow up to see what's going on. I'm not
familiar with that particular park and the lighting

issue, but we'll follow up to see exactly what's
going on so we can go ahead and address that.

COUNCIL MEMBER MEALY: Okay, then and
then one more question. With my colleague Miller's
park, how often do—if a contractor do not perform
what they're supposed to do, and then they hire a
subcontractor, how do they hire their subcontractors?
Do the contractor have their own ability just to go
out and get a subcontractor or they go through bids?
Do they go—

CHAIRPERSON EUGENE: [interposing] My
understanding is that—

COUNCIL MEMBER MEALY: --for minority
contracting? I would love to know exactly how you—if
that's a subcontractor—you do get another contractor
to finish that part, would they go through minority
contractors are they able just to get their own
subcontractor?

DEPUTY COMMISSIONER KAVANAGH: We--

COMMISSIONER SILVER: [interposing] they
have to—I'm sorry. Go ahead, please.

DEPUTY COMMISSIONER KAVANAGH: We do
approve all of the subcontractors [bell] that work on
our projects, and we do have goals for participation

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by Minority and Women Owned Businesses as well, and I
think we have a--have a very strong record in that
area. So, yes we do.

COUNCIL MEMBER MEALY: It's the first in--
in that area--

DEPUTY COMMISSIONER KAVANAGH:
[interposing] Excuse me.

COUNCIL MEMBER MEALY: --that they have a
subcontractor, minority. That's what you said?

DEPUTY COMMISSIONER KAVANAGH: I--I don't
know in this particular case if there was any--any
Minority and Women Owned Business subcontractors on
the project that Council Member Miller was concerned
about, but we do approve the subcontractors who work
for our--our prime contractors and we, you know,
stress the importance of--of making our projects
including the subcontracting opportunities available
to Minority and Women Owned Businesses.

COUNCIL MEMBER MEALY: Okay, thank you,
Chairs.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. As I mentioned before, we're
going to have additional questions for both
committees, and we'll get them out to you, and I'm

hoping that you can respond as soon as possible.

That concludes today's hearing. Thank you again to

Commission Silver and his staff for being with us

today. I'd also like to once again thank my co-

chairs for today's hearings, Council Members Torres,

Vacca, Greenfield and Levine and the members of their

committees. Again, a reminder that public will be

invited to testify on Thursday, May 25th the last day

of budget hearings at approximate 1:00 p.m. in this

room. For any member of the public who wishes to

testify but cannot make it to the hearing, you can

submit your testimony to the Finance Division on the

Council's website council.nyc.gov/budget/testimony

and it will be part of the official record. The

Finance Committee will resume budget hearings

tomorrow in this room at 11:00 a.m. with the

Committee on Cultural Affairs and the Subcommittee on

Libraries to hear from our library system followed by

the Department of Cultural Affairs, and with that,

this hearing is now adjourned. [gavel]

C E R T I F I C A T E

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



Date June 22, 2017