

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

SUBCOMMITTEE ON PUBLIC HOUSING

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December 17, 2008
Start: 1:10 pm
Recess: 1:40 pm

HELD AT: Committee Room
City Hall

B E F O R E:
ROSIE MENDEZ
Chairperson

COUNCIL MEMBERS:

A P P E A R A N C E S

Steven Love
Director of Federal Relations, Policy and
Compliance
NYCHA

Brian Honan
Director of Intergovernmental Relations
NYCHA

Lisa Burris
Organizer
Good Old Lower East Side

2 CHAIRPERSON MENDEZ: Good afternoon.

3 This hearing has come to order. My name is
4 Councilwoman Rosie Mendez and I am the chair of
5 the Subcommittee on Public Housing. I want to
6 thank Chairman Dilan and Speaker Quinn for working
7 with the subcommittee to put together this hearing
8 so quickly on this pre-considered resolution,
9 which is calling upon the United States Congress
10 to pass and President George W. Bush to approve a
11 second economic stimulus package that includes \$5
12 billion in supplemental funding for the Public
13 Housing Capital Fund. Since President Bush has
14 been in office, public housing authorities across
15 the nation and other domestic programs have been
16 chronically underfunded. In regards to the
17 Housing Authority, this has resulted in operating
18 budget deficits since fiscal year 2002, where it
19 has routinely transferred capital funds to its
20 operating budget in order to close its budget gap.
21 Since fiscal year 2001, NYCHA has been
22 shortchanged, and I want the Authority to tell me.
23 I have \$502 million, but I also had \$611 million
24 somewhere else.

25 STEVEN LOVE: They're different

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numbers.

CHAIRPERSON MENDEZ: One is capital, one is operating.

STEVEN LOVE: That's correct.

CHAIRPERSON MENDEZ: See, I just sleep with the numbers. At the end of the day it's a lot of money you should have received that you didn't receive and that is the big problem and the result of this budget deficit. The Housing Authority plans on transferring an additional \$75 million from its capital budget to its operating for its current fiscal year, which ends at the end of this month. This practice has led to capital projects being deferred or delayed into the future, including the maintenance and repair of elevators, which has been an issue on everyone's mind in the last few months. NYCHA has identified \$500 million worth of capital projects which they would be able to begin work immediately should the funds become available. This will result not only in much needed capital repairs, but it would create jobs, also needed during this economy. My colleagues are not here, this has been short notice, but I would like to thank NYCHA residents,

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2 the Housing Authority and the advocates who are
3 here today and who will testify on this matter.
4 I'd also like to mention that there was an article
5 today in the Daily News about the CM/Build
6 Program, which is about the capital work that has
7 been done in some of the housing authorities. I
8 just want to put on the record that I see no
9 correlation between the shortchanging of the
10 Housing Authority of money that's needed and this
11 program. Certainly this subcommittee needs to
12 take a look at the program and see whether the
13 program has been working efficiently. It's
14 something that we have advocated for to create an
15 apprenticeship program with the prospect of future
16 union jobs. Having said that, for anyone who is
17 here, if you want to give testimony please
18 remember to sign in with the sergeant-of-arms in
19 the back. On behalf of the Housing Authority we
20 have Steve Love and Brian Honan and whoever is
21 ready to testify, I look forward to your
22 testimony.

23 STEVEN LOVE: Good afternoon,
24 Council Member Mendez. My name is Steven Love. I
25 am the director for federal relations, policy and

1 compliance on behalf of the Housing Authority.

2 And with me this afternoon is Brian Honan, NYCHA's

3 director of intergovernmental relations. We are

4 here this morning to discuss pending actions by

5 the Congress to enact a national stimulus package

6 that we hope will include \$5 billion in

7 supplemental funding for the Public Housing

8 Capital Fund. President-elect Obama has called

9 for this stimulus plan with the goal of

10 jumpstarting the economy by saving or creating 2.5

11 million jobs nationwide. This stimulus is

12 designed to address both neglected public

13 infrastructure projects and creating employment,

14 including green jobs, as well as encouraging the

15 use of environmentally friendly technologies.

16 Congressional leaders are working toward having

17 the stimulus package ready for the new president's

18 signature on taking office on January 20th.

19 Public housing is, of course, an integral part of

20 the national infrastructure, as necessary and as

21 important to our community as highways, mass

22 transit, bridges and tunnels. For the past seven

23 years, public housing has been denied the funding

24 required to maintain the national inventory of 1.1

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1 million public housing apartments. Persistent
2 underfunding by the federal government over that
3 period has resulted in a loss to NYCHA of \$502
4 million in needed capital funding. Each year's
5 appropriation has barely provided enough to
6 address the capital needs that accrue annually,
7 thereby creating a growing backlog of capital
8 needs. A recent study by Parsons Brinkerhoff
9 concludes that NYCHA's backlog of capital needs
10 has reached nearly \$6 billion. We have made it
11 known that NYCHA has \$500 million in capital
12 projects, including \$107 million in elevator
13 replacement and upgrades that have been through
14 the design phase and are literally ready to go.
15 Two-thirds of these undertakings are energy
16 efficient or environmentally beneficial. A few
17 weeks ago we provided members of the council with
18 listings of the work that NYCHA could undertake if
19 the proposed stimulus were enacted and if NYCHA
20 received its fair share of the sum appropriated.
21 The costs were estimates at the time of design and
22 would have to be revisited at a future date as a
23 result of changing market conditions. Investment
24 in public housing is a proven multiplier,
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2 stimulating economic activity in the locality. A
3 recent study by the Econsult Corporation concludes
4 that for every dollar spent on capital or
5 maintenance projects, \$2.12 in other economic
6 activity is generated in the surrounding
7 community. Thus, \$500 million in proposed capital
8 projects, plus the value of NYCHA's current
9 capital undertakings could result in \$3.174
10 billion in economic activity for the city itself.
11 Similarly, it is estimated that \$500 million in
12 capital spending would result in an estimated
13 3,500 new jobs. Additionally, if the proposed
14 legislation were expanded in its criteria, NYCHA
15 has an estimated \$193 million in other work that
16 could be undertaken almost immediately. That
17 would be deferred maintenance, including the
18 painting of common areas, the installation of
19 interior doors and kitchen and bath upgrades. We
20 appreciate the Council's support in encouraging
21 congressional leaders and the city's congressional
22 delegation to include a minimum of \$5 billion
23 nationally in supplemental funding for the Public
24 Housing Capital Fund, and to distribute stimulus
25 funding using the current formula for allocating

1 capital fund assistance. NYCHA has a proven
2 capacity to undertake a program of this size.
3 Moreover, this is an opportunity for public
4 housing as an economic engine to play an important
5 role in generating much needed economic activity
6 within the city. Once again, I would like to
7 thank Chairwoman Mendez for your support of our
8 efforts. On behalf of NYCHA's Chairman Ricardo
9 Morales, we wholeheartedly support the Resolution
10 before the Council and we look forward to its
11 passage. If you have questions, we would like to
12 try to respond.
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14 CHAIRPERSON MENDEZ: Thank you.

15 Can you tell the committee what is NYCHA's current
16 backlog of unfunded capital needs?

17 STEVEN LOVE: It's estimated in the
18 Parsons Brinkerhoff study, which I referred to, as
19 nearing approximately \$6 billion in cost.

20 CHAIRPERSON MENDEZ: The type of
21 capital projects that that would include would be?

22 STEVEN LOVE: They're of a variety
23 of nature. They would include, as I mentioned,
24 kitchens and bath upgrades, boilers would possibly
25 be included, depending upon the life expectancy at

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2 the individual development. We're talking about
3 floor tiles. We're probably talking roofs and
4 bricks. Capital work.

5 BRIAN HONAN: But our first
6 priority, of course, would be elevators.

7 CHAIRPERSON MENDEZ: Could you
8 please identify yourself?

9 BRIAN HONAN: Brian Honan, director
10 of intergovernmental affairs. Our first priority
11 though, before any of these jobs, would be
12 elevators. Chairman Ricardo Morales has already
13 stated that and let staff know too that this is
14 his first priority as the new chairman.

15 CHAIRPERSON MENDEZ: And about a
16 month or so ago the Housing Authority announced
17 that it was going to defer some other capital
18 projects and put more money into the elevators for
19 \$107 million, which you referred to in your
20 testimony. If this stimulus package is approved,
21 is there any additional money that you would put
22 in the elevator capital program?

23 STEVEN LOVE: I'm certain we would.

24 CHAIRPERSON MENDEZ: Do you have an
25 idea of how much money that would be?

2 STEVEN LOVE: The question is what
3 amount will the Congress appropriate, what will be
4 our share, whether or not it'll be distributed
5 based upon the current formula for allocating
6 funds or whether or not there would be a different
7 format. All of these are factors. Of course, as
8 I've said in the testimony, we favor using the
9 current formula.

10 CHAIRPERSON MENDEZ: During the
11 last six, seven years, you have been transferring
12 money from capital to expense, to your operating
13 budget to cover your funding gaps. Can you tell
14 me how much money you have transferred and how
15 much it has been per year? Do you have that
16 information available?

17 BRIAN HONAN: No, but I can get it.

18 STEVEN LOVE: No, but we can get it
19 for you.

20 CHAIRPERSON MENDEZ: And do you
21 have the total amount that has been? Did I refer
22 to it in my testimony?

23 STEVEN LOVE: Yes, you made a
24 reference to a specific amount in your opening
25 statement.

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2 CHAIRPERSON MENDEZ: Yeah, it's in
3 there somewhere.

4 STEVEN LOVE: Well we can get you
5 the figures that you're requiring.

6 CHAIRPERSON MENDEZ: If I can turn
7 my focus to Washington, D.C., and ask the
8 Authority who from the New York congressional
9 delegation has been working with the Authority and
10 have those discussions been going in D.C., and
11 what is the prospect of getting this economic
12 stimulus package passed?

13 STEVEN LOVE: We have been working
14 with staff of the Senate and the House
15 Appropriations Committees. We've also had a
16 number of conversations with staff representing
17 Senator Schumer's office and with staff
18 representing Congresswoman Velazquez and
19 Velazquez's office.

20 CHAIRPERSON MENDEZ: To your
21 knowledge, are other public housing authorities in
22 support of the proposed second economic stimulus
23 package? How is NYCHA coordinating with those
24 other public housing authorities in its efforts?

25 STEVEN LOVE: Other housing

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2 authorities throughout the country are in support
3 of this. In fact, the proposed stimulus
4 addressing the Public Housing Capital Fund has
5 been endorsed by the National Governor's
6 Association and by the Conference of Mayors. It
7 has been endorsed by the three major public
8 housing interest groups in D.C., the Council of
9 Large Public Housing Authorities, the National
10 Association of Housing and Renewal Officials. It
11 has been endorsed by the Public Housing Director's
12 Association and also the National Organization of
13 African Americans in Housing. The Center on
14 Budget and Policy Priorities has also endorsed the
15 \$5 billion figure and recommended that in
16 correspondence that they've issued.

17 CHAIRPERSON MENDEZ: Without this
18 additional supplemental funding, how would this
19 affect the Housing Authority in your capital
20 projects? I know 107 is earmarked already for the
21 elevators, but how would this affect your elevator
22 renovations at all?

23 BRIAN HONAN: Well, we've committed
24 to \$107 million, but what that means is we're
25 going to have to defer projects. And I think we

1 provided the council a list of projects that we'd
2 have to defer. So that's work that won't be able
3 to be done because we're going to put that money
4 towards elevators.
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6 CHAIRPERSON MENDEZ: Let's just
7 hope no other problems happen between then and
8 now, right?

9 BRIAN HONAN: Yeah, exactly.

10 STEVEN LOVE: Yes.

11 CHAIRPERSON MENDEZ: Can I ask the
12 Authority to make any comments regarding the Daily
13 News article that appeared today regarding the
14 CM/Build Program?

15 STEVEN LOVE: These are preexisting
16 issues which have been identified. We understand
17 that Chairman Ricardo Morales has identified these
18 issues and taken action to be able to implement
19 and correct them. We believe that's been taken
20 care of and we should be able to move ahead,
21 especially with regard to the possibility of being
22 able to receive stimulus funds.

23 CHAIRPERSON MENDEZ: Let me just
24 check. Regarding the stimulus package, if the
25 current formula is utilized, how much would the

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Housing Authority get?

STEVEN LOVE: We generally have pulled over the past few years about 14% of the national appropriation. That would come to probably about \$730 million. That's a rough estimate.

CHAIRPERSON MENDEZ: What was that number again?

STEVEN LOVE: About \$730 million. We would look at that as being our fair share.

CHAIRPERSON MENDEZ: I want to thank the Housing Authority for their testimony here today. In regards to the CM/Build Program, it is a topic I've been looking at and trying to get more information. So it's something that we will be tackling in the future through this subcommittee. I want to thank you for coming here on such short notice to testify.

STEVEN LOVE: Thank you, Chairman. And we'd like to thank you in your leadership on this Resolution and Speaker Quinn as well.

CHAIRPERSON MENDEZ: Thank you very much. We will move on now to the public testimony. So far we only have one person who's

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2 signed up to speak. Anybody else, please go see
3 the sergeant. Lisa Burris from Public Housing
4 Residents of the Lower East Side.

5 LISA BURRIS: How are you doing,
6 Madame Chair? I'm Lisa Burris. I'm from Good Old
7 Lower East Side. I'm an organizer there. I
8 appreciate this opportunity to testify about this
9 resolution so that the powers that be in
10 Washington, D.C., start putting public housing on
11 the map. It's been marginalized and I think that
12 this economic stimulus package would be a perfect
13 opportunity for the federal government to step up
14 in terms of their accountability to public housing
15 residents. I'm here to support the economic
16 stimulus package as it speaks to improving overall
17 conditions in public housing and the quality of
18 life, and also providing jobs for residents that
19 live in public housing. As you all know, the
20 Housing Authority has a huge deficit of \$195
21 million that they're trying to manage. It's been
22 rendered from this investment from the government
23 on all three levels. In light of that the Housing
24 Authority has thought of inventive ways to still
25 adhere to their commitment to providing decent and

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2 affordable housing to residents. They've done
3 things that we don't agree with. They've also
4 made decisions that they were limited in, which
5 was transferring capital money so that they can
6 operate. And as per NYCHA's report it was \$175
7 million to be exact. And so on the books while
8 this saves money we have to think about how this
9 translates to residents. It compromises the
10 Housing Authority's ability to provide decent
11 housing. We have to also think about the people
12 who are suffering, which are the residents. The
13 Housing Authority has also been proactive by
14 creating a centralized calling center so they can
15 minimize the cost of providing residents repairs
16 and various services for maintenance. But they've
17 also, in that same light, have laid off staff that
18 provide maintenance in and around the buildings
19 and provide paint for the residents. That's a
20 huge concern right now locally for us. At Two
21 Bridges right now, the TA president wants the
22 lobby painted. In Campos Plaza there are
23 residents that want their apartments painted, but
24 there's a long wait for that. In Jacob Riis,
25 residents have reported several times that they

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2 feel the building sway. They move. There's also
3 issues of installation. All of these things are
4 maintenance that are very vital in providing true
5 and decent housing for residents, but the New York
6 City Housing Authority is constantly compromising
7 doing this because of the lack of funding. Also,
8 just to give response to the CM/Build Program, I
9 think that NYCHA would definitely benefit from the
10 CM/Build. It is one of the programs that our
11 organization took the lead in and was very
12 involved in working with the Housing Authority so
13 that we could put pressure on the Housing
14 Authority to adhere to Section 3 of the Housing
15 Act of 1968, which mandates federally that when
16 there are construction projects done on HUD
17 property that there are opportunities for training
18 and jobs for residents. So I too want to echo
19 what you said in terms of speculations that the
20 Housing Authority is dealing with on the CM/Build
21 Program and how I've also seconded that it has no
22 correlation to the Housing Authority's need and
23 that this investment that the government has
24 chronically provided to public housing residents.
25 I would like to work with the Housing Authority

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2 and work with other residents and all government
3 levels so that we could see how we could address
4 this overall deficit with the Housing Authority
5 and then too, how we could support this very
6 inventive way for the federal government to step
7 up and to stop marginalizing us and putting us in
8 center. So I thank you for this opportunity and
9 will take any questions if you have them.

10 CHAIRPERSON MENDEZ: Thank you.

11 Your testimony was pretty thorough. I'd like to
12 ask you about any efforts you have taken
13 individually or on behalf of your organization in
14 terms of Washington, D.C. and getting some
15 response by the federal government on this
16 economic stimulus package, or any other issue
17 regarding the Housing Authority.

18 LISA BURRIS: This is multifarious
19 fight, so we work on many fronts to improve
20 different challenges with residents. One of the
21 things that we're doing now is we're working on a
22 national level with other organizations to figure
23 out ways that we address the overall funding issue
24 with public housing on the federal level. It's
25 been challenging to meet with our congressional

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2 leaders because of issues that's happening right
3 now and also our congresswoman has been very busy.
4 We have a meeting scheduled with her for February.
5 We were trying to meet before.

6 CHAIRPERSON MENDEZ: Her who?

7 LISA BURRIS: I'm sorry. Everybody
8 should know my congresswoman. Congresswoman Nydia
9 Velazquez, she's awesome. She's been our pillar
10 for the fight for public housing residents. She
11 had no problem with meeting with us. She's
12 meeting with us on February 6th. Obama introduces
13 his budget in February, so we've been trying to
14 meet with her. Since November we've been trying
15 to push for this meeting, it's just been
16 challenging. We all understand that they've been
17 busy, but she wants to meet with us, and so we're
18 hoping that at that time it can still be timely
19 for us to push for it. But we also communicated
20 it in letters to the congresswoman and to Maloney.
21 We're focusing on the congresswoman because she
22 sits on the Housing Committee and we're pushing
23 for them to also have congressional hearings about
24 public housing, local ones. So we're hoping with
25 those two initiatives on a national level we could

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2 ameliorate the things that we're trying to
3 address.

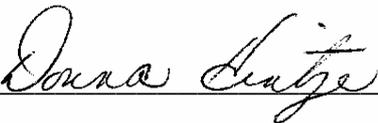
4 CHAIRPERSON MENDEZ: I want to
5 thank you for your testimony and just give an
6 opportunity again if anyone wants to testify
7 regarding this matter. Seeing none. I would just
8 like to state on the record that I have a lot of
9 developments in my district. I have seen much
10 needed capital repair from roof work and boiler
11 work and certainly elevator work being deferred as
12 the Housing Authority has been struggling with
13 this budget crisis. I have tried to work with
14 residents and have been putting in capital money,
15 particularly for cameras, which the federal
16 government has not been putting any funding for.
17 Something that lots of tenants associations have
18 pounded my office doors saying that they need in
19 their developments. This economic stimulus
20 package, if passed, would bring relief not just to
21 the New York City Housing Authority but other
22 public housing authorities across the nation that
23 has had to defer essential capital work. I am
24 hopeful that under the Obama administration we can
25 get this money into the hands quickly of the

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2 people who need it. But first we need to get
3 President Bush to pass it. This Resolution is
4 being referred to the Housing and Buildings
5 Committee of which we are the subcommittee. They
6 will be voting on this tomorrow and then by the
7 full City Council later on in the afternoon as
8 well tomorrow. We're hoping that this resolution
9 will send a message to Washington that New York
10 City thinks this is critical and that having one
11 of the premier and the first housing authorities
12 in this nation that we are committed to it. We
13 hope that the federal government follows suit.
14 This hearing will come to an end. Thank you very
15 much.

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C E R T I F I C A T E

I, Donna Hintze certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature 

Date December 26, 2008