

TESTIMONY FROM NYCHA'S INTERIM CHAIR AND CEO KATHRYN GARCIA
EXECUTIVE BUDGET HEARING – PUBLIC HOUSING
COMMITTEE ON PUBLIC HOUSING WITH THE COMMITTEE ON FINANCE
TUESDAY, MAY 7, 2019 – 1:00 PM
COUNCIL CHAMBERS, CITY HALL, NEW YORK, NY

Chairs Alicka Ampry-Samuel and Daniel Dromm, members of the Committees on Public Housing and Finance, and other distinguished members of the City Council: good afternoon. I am Kathryn Garcia, NYCHA's Interim Chair and CEO. I am pleased to be joined by General Manager Vito Mustaciuolo; Plachikkat V. (PV) Anantharam, Executive Vice President for Finance and Chief Financial Officer; and Deborah Goddard, Executive Vice President for Capital Projects. Thank you for this opportunity to provide an update on funding allocations for the Authority as well as the progress we're making to improve the quality of life for the residents we serve.

Moving Forward

With new leadership at the helm and new initiatives underway, our NYCHA 2.0 long-term strategic plan as our guide, and a federal monitor as a partner, we're working to strengthen our organization and our delivery of services to residents – and ensure the longevity of public housing in our city. For instance, we are providing residents with seven days-a-week janitorial services for the first time ever after collaborating with our workforce leadership to launch Alternative Work Schedule (AWS). AWS began at 13 consolidated developments this spring. It launches at another 39 developments this summer and will be rolled out to all our developments within the next year. I'll provide you with more updates on our work later in my testimony; first I'd like to take you through some of the funding news that's become available since we last met with the Council.

Federal Capital Funding

Congress has allocated approximately \$549 million in capital funding for NYCHA for 2019, \$243 million more than we expected. I'd like to thank Senate Minority

Leader Schumer, Senator Gillibrand, and our congressional delegation for securing dollars that our residents and our buildings so desperately need. We're investing these funds in facade repairs, elevators and heating plants, and apartment rehabs that will help address mold and lead. We must continue advocating for increased federal support of public housing and to ensure that the President's draconian vision does not come to fruition: for 2020, he proposes zeroing out capital funding for public housing and reducing operating funding by 40 percent. This would be particularly detrimental considering the Authority's estimated \$32 billion in capital needs and the fact that the federal government has already underfunded NYCHA by a total of approximately \$3 billion in capital and operating dollars since 2001.

Section 8 Funding

For 2019, NYCHA has been allocated 99.5 percent of the Section 8 funding it's eligible for – just over \$1 billion – which is a quarter of a percent lower than the prior year's funding. This allocation, along with other factors such as program attrition, will allow NYCHA to support an additional approximately 5,000 vouchers, including those previously committed for project-based Section 8 contracts and Section 8 PACT conversions.

State Funding

We have been speaking weekly with the Governor's Office and relevant State agencies, making progress to finalize the grant agreement of \$450 million committed by the State in last year's and the prior year's budgets. We want to put that money to best use for our residents as quickly as possible, for additional heating plants and elevators.

The City's Investments

I'd also like to thank Mayor Bill de Blasio for his unprecedented investments in NYCHA. He has committed \$6.5 billion to support NYCHA's capital infrastructure and operations over the next decade. This is enabling us to fix over 900 roofs, repair facades at nearly 400 buildings, enhance security at 15 developments, upgrade and replace heating systems across the city, reduce the work order backlog, and more. However, it should be noted that while City funds can make a big difference in residents' quality of life, they are not a replacement for adequate federal funding or addressing the totality of NYCHA's major long-term capital needs.

Preserving and Improving Affordable Housing

With NYCHA 2.0 as our roadmap, we are bringing major repairs and improved quality of life to residents. At the heart of these efforts is our groundbreaking work to convert 62,000 apartments to Section 8 funding over the next decade through our Permanent Affordability Commitment Together (PACT) program. Since we last updated the Council, we released two Requests for Qualifications seeking both large and small development teams, property managers, general contractors, and social service providers to partner with us as we transform residents' homes. Responses are due on May 10.

We are also in predevelopment on the PACT conversion of 30 developments containing nearly 5,700 apartments in Brooklyn and Manhattan, home to more than 12,000 residents. These conversions are slated to be completed by the end of 2019.

Health and Safety Improvements

As you know, NYCHA entered into an Agreement with the federal government earlier this year that is focused on implementing significant health and safety-

related improvements at the Authority. We have been working with the monitor appointed by the federal government, Bart Schwartz and his team, to fulfill the Agreement's obligations. Here are some recent highlights of our work:

- As of May 6, NYCHA has corrected presumed lead paint failures in 2,336 apartments with a child under 6 and attempted to remediate 223 apartments. We continue to work with our residents to gain access and make the corrections.
- We kicked off our unprecedented \$88 million initiative to test over 134,000 apartments for the presence of lead-based paint using high-tech XRF analyzers by the end of 2020. Testing began at Harlem River Houses on April 15 and on May 1 at seven additional developments: Bronx River, Castle Hill, Johnson, Marble Hill, Red Hook West, Saint Nicholas, and Williamsburg Houses. Residents are receiving testing results for their apartment, and cumulative results are being posted on our website. Mayor de Blasio and I worked together on creating LeadFreeNYC, the City's roadmap to eliminate childhood lead exposure in New York City, and NYCHA apartments are an important part of this plan.
- We established an Environmental Health and Safety Department dedicated to making improvements in several high-priority areas impacting residents, and a Quality Assurance Unit to proactively identify and report on issues at the Authority, review the work performed by NYCHA, and oversee enhancements to the work order process.

We have begun assessing the total costs of our compliance with the Agreement, including the creation of the new departments. Since many of the expected costs are not yet known – such as lead abatement based on the XRF testing results – we are still refining that figure. We look forward to sharing additional updates with you as our work and progress continue.

Conclusion

As I have described today and in recent hearings, NYCHA is making real and substantial changes that are moving the agency forward and improving the quality of life for residents. Thank you for your support as we preserve this vital resource of affordable housing for current – and future – residents. We are now happy to answer any questions you may have.



TESTIMONY

Presented by

**Lorraine Cortés-Vázquez
Commissioner**

on

FY 2020 Executive Budget

before the

**New York City Council
Committee on Finance & Committee on Aging**

on

**Tuesday, May 7, 2019
11:00 A.M.**

at

**Council Chambers, City Hall
New York, NY 10007**

Good morning, Chairpersons Dromm, Chin and members of the Finance and Aging Committees. I am Lorraine Cortés-Vázquez, and I am honored to be the new Commissioner of the New York City Department for the Aging (DFTA) and excited to lead DFTA today, and to set a pathway into the future. I am confident that in partnership with the City Council, we will address the growing needs of older New Yorkers. DFTA's current resources are used to meet the most pressing needs of adults 55 and older, which we all know is the fastest growing segment of the city's population. We do not lose sight that we also need to consider and serve the vast age spectrum in the 50 and older population.

It is clear to me that since 2014 this Administration has made major investments in DFTA, including an increase of more than 65% in baseline City Tax Levy funding—representing an overall increase of \$101 million. This funding has allowed us to baseline and enhance our programs and services, as well as rebuild and replace the significant losses from previous years, when DFTA's budget was drastically cut.

I am joined today by Sasha Fishman, Deputy Commissioner for Budget and Fiscal Operations and Caryn Resnick, Deputy Commissioner for External Affairs. We thank you for this opportunity to discuss DFTA's Executive Budget for Fiscal Year 2020.

OVERVIEW

The Executive Budget projects \$363.1 million in funding, of which \$158 million is to support senior centers, \$39 million for home delivered meals, \$37 million for case management, \$30 million to support home care for non-Medicaid eligible homebound seniors, \$7 million for NORC programs, and \$8 million for caregiver services. This budget includes the \$5.5 million invested to address the transfer of NYCHA senior clubs and the repairs and upgrades of cooling centers.

In Fiscal Year 2019, DFTA received over \$30 million in discretionary funds from the City Council to support its programs. This level of support made a significant impact on the services that community-based partners provide to the network including the management and reduction of waiting list for vital services.

PRELIMINARY BUDGET UPDATES

Before proceeding with the details on the Executive Budget, I'd like to briefly update you on two items raised during the Preliminary Budget hearing, they are: DFTA's Geriatric Mental Health program (DGMH) and our Senior Center Food Model Budget process.

As you know, an additional \$1.7 million in ThriveNYC funding was allocated to DFTA to expand the current program, allowing DFTA to embed more licensed clinicians in centers across the City and give seniors greater access to important mental health services. We are pleased to share that as of February 2019, nearly 1,700 seniors have been assessed by mental health clinicians and over 720 participants have received mental health services. Members have also participated nearly 21,000 times in structured engagement activities which are integral to mental health services. Clinicians work in senior centers to de-stigmatize mental health among the population, to conduct mental health assessments, and to provide psychotherapy to individuals, groups, families, and couples; they also make referrals when needed. DGMH services are provided by bilingual and bicultural social workers fluent in the major languages spoken at the senior centers—including Spanish, Cantonese, Mandarin, Polish, Russian, and Ukrainian.

Since the announcement of the Geriatric Mental Health expansion, we have been analyzing data on the demographics and membership profiles of our senior centers to determine where funds may be most needed. Staff are in the process of visiting numerous centers to determine if they are a good match for the program, to assess if the organization has the capacity to incorporate these services, and if the facility meets the requirements of the New York State Office of Mental Health. We expect to identify up to 25 additional

centers in the upcoming fiscal year, for a total of up to 50 geriatric mental health sites; it is important to note that prior to ThriveNYC funding, DFTA was unable to provide comprehensive mental health services for the older adult population.

Lastly, an update on Phase II of the Senior Center Model Food Budget, a topic of great interest to us all. As we recently shared with Chairwoman Chin, we remain engaged in the second and final phase of the model budget process, centered on food costs and food service staff costs. The first phase was to ensure equity and parity of services across our network of 249 senior centers. In close collaboration with OMB and our stakeholders, for Phase II we are reviewing datasets, including the Local Law 140 report. Our goal is to determine the funding needed for food purchase and preparation, an adequate level of food service staff, and comparing their salaries to ensure DFTA workers receive fair market rate wages. The end goal is providing high quality meals with cultural diversity throughout the senior center network. The good news is we are continuing this complex and detailed task, we are making progress, and look forward to sharing our results soon.

EXECUTIVE BUDGET

A direct result of ongoing dialogue and partnership with the City Council, the Administration recognizes the importance of enhancing senior centers and has made an investment of \$4M for NYCHA Senior Center maintenance. The priority for this additional baseline funding will be to continue critical repairs and/or replacement of problematic HVAC systems in these centers. You will recall, during the summer of 2018, there were approximately 30 sites that could not serve as cooling centers due to inadequate air conditioning. We are happy to report that DFTA, in collaboration with our sister agencies, has been diligently working toward completing the necessary repairs, which vary substantially in complexity and cost. A majority of the repairs have already been completed, and we are working towards full completion by the summer of 2019 in time for heat season.

In addition to this \$4M baseline investment, the FY '20 executive budget also includes a commitment of \$1.5 million to transfer seven NYCHA senior clubs into DFTA's portfolio. In the Bronx, these include Highbridge Gardens, Sedgwick, and the Soundview senior clubs. The Brooklyn senior clubs are Brownsville, Glenmore Plaza, and Cypress Hill. In Manhattan, the Wagner senior club will also be included into DFTA's network of senior centers.

To meet the challenges presented by an uncertain revenue and economic future, the Mayor instituted this Administration's first city-wide Savings Initiative, calling for \$750 million in savings in the Executive Budget. DFTA's \$2 million savings target includes approximately \$250,000 through a six headcount reduction agency wide, and nearly \$900,000 in savings through the NYCHA senior club consolidation. That said, this mandated savings program, did not result in a decrease in DFTA's overall budget or essential services.

DFTA is committed to providing senior center members a safe and healthy environment where they can participate and enjoy quality social engagement. Therefore, the decision to consolidate some NYCHA senior clubs has been challenging and complex, yet, it is the appropriate decision as many of these senior centers were not meeting essential senior center health and safety standards. Many are not ADA compliant and have chronic leaks, flooding and sewage back up. Additionally, several have low participation rates that resulted in higher than usual per-participant costs. Given the current physical plant issues, and a thorough review and analysis, DFTA came up with an alternative service approach to continue serving the members of 12 senior clubs. All 12 clubs have one or more quality senior centers within $\frac{3}{4}$ of a mile of their location, and in some cases only one or two blocks away. Where needed, transportation services will be made available to the nearby high-performing centers. We recognize there may be some concerns; however, we will work closely with the members of the NYCHA senior clubs as well as the alternate senior centers

to provide a smooth transition. This alternate approach affects 12 NYCHA senior clubs in Brooklyn, Queens, and Manhattan – four in each borough cited.

CONCLUSION

I thank you for this opportunity and applaud the City Council for its commitment to older New Yorkers, the bedrock of our neighborhoods and City; they volunteer, continue to take care of family, and also have very high civic participation rates. Today, there are more adults aged 65 and older than there are children 5 years old and younger. And by 2030, older adults aged 65+ are projected to outpace those 18 years of age and younger. Together I am confident we will meet the challenges of this growing population today, and create a pathway for our future.

I am pleased to answer any questions you may have.

FOR THE RECORD

Testimony by Dr. Cynthia Maurer, Executive Director
Visiting Neighbors, Inc.
to New York City Council Hearings on Aging

May 7, 2019

My name is Dr. Cynthia Maurer. I am Executive Director of Visiting Neighbors.

Thank you for this opportunity to give voice to the needs of our City's forgotten seniors...the oldest old, the 90+ year old's, the homebound and frail elderly, seniors who spend their days alone, unable to attend senior centers; so isolated that they have no incentive to eat their meals or to see their doctors. Many have outlived their friends and families. They may be out of sight and alone, but we must not forget them!

For the past 47 years, Visiting Neighbors has earned an outstanding reputation as a trusted lifeline for seniors and caregivers. We serve more than 1,000 seniors each year in lower Manhattan and parts of Queens. We provide vital support services to seniors and their caregivers who have nowhere else to turn. The average age of the seniors we serve is 89, and we now have 15 seniors who are age 100+. Our oldest client is 105 and with our help, she is still able to enjoy the comfort of living in her own cherished apartment.

Our seniors are struggling to survive on limited fixed incomes. Almost all are slightly above eligibility levels for Medicaid-funded services, but cannot afford to pay privately for care on a regular basis. Visiting Neighbors reaches out to keep these seniors safe, connected with their community, providing companionship and encouragement, health advocacy, helping them with shopping and errands and escorting them to medical and other important appointments so they can safely navigate our City's challenging streets. The hazards they face when they leave their apartments are familiar to all of us, but can be life-threatening to a frail senior whose vision may be impaired or who may be unsteady on their feet – traffic that comes barreling down on pedestrians the second the light changes, potholes, cracks in the sidewalk, bicycles and oblivious pedestrians engulfed in their cell phones. The number of our oldest old is growing dramatically (almost 20% increase each decade), yet there seems to be more focused on providing services that are valuable to younger seniors who can go to senior centers, but virtually excludes our City's most isolated and vulnerable.

Cost-effective supportive services for seniors living at home help reduce the number of seniors who are forced into nursing homes. Last year the cost of a nursing home in New York City was estimated to be \$131,765 for one senior for one year, according to The New York State Partnership for Long-Term Care. As you know, most of this cost is paid for by Medicaid and other government programs. The government can significantly reduce costs by funding cost-effective preventive supportive services like Visiting Neighbors to help maintain seniors in their own cherished homes. It just makes sense!

Our volunteer visitors also serve as extra eyes and ears for our professional staff, alerting us immediately of any change in a senior's mental, physical or emotional condition so they can get the attention they need promptly, before irreversible damage is done.

The seniors look forward to visits and calls from their Visiting Neighbors' volunteers as the only respite in their lonely lives. As 94-year old Rose often feels, "Visiting Neighbors is the only family I've got."

We are dependent on the support of the Council. Discretionary funds have helped us stay in business so we can keep our seniors safe and at home. We are most grateful for the funding to support our nursing and wellness program (a lifesaving program) we received through the *Senior Centers and Enhancement Initiative*. It has indeed been a lifesaver – enabling us to continue to keep our doors open and to provide essential services to our frail and vulnerable elderly neighbors.

This year marks Visiting Neighbors 47th year of service to the community. We remain true to our mission of providing vital support services that help seniors remain independent, safe and able to live in their own cherished apartments. With the support of hundreds of dedicated volunteers, recruited, trained and supervised by our professional staff, our seniors get the help they need as they struggle with the inevitable challenges of aging, often alone.

We have found that many of our seniors avoid going to the doctor when they are sick because they are afraid that they will be sent to the hospital and that once they are hospitalized, they will never return home.

Our Health Advocate and Nursing Students:

- encourages the seniors to see their doctors,
- to eat right,
- to ask for help when they need it,
- check their apartments for remove safety hazards,
- If hospitalized, visits them so the staff knows that someone is watching.
- When discharged, assist to assure that proper support is in place.

Visiting Neighbors' looks forward to helping the Council meet the seniors' growing needs. As our seniors are living longer, their needs often become more complex and require more time and attention. Programs like Visiting Neighbors are compassionate, extremely cost-effective, and they work! I hope that you will include these seniors and organizations like Visiting Neighbors in your plans and commit the needed resources. We need you and our seniors need us!

Visiting Neighbors' main services include:

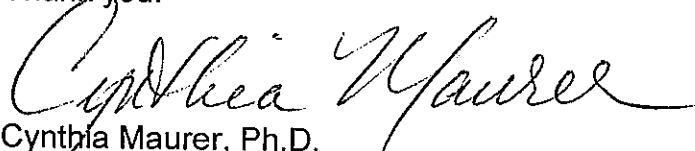
- **Friendly Visiting** to relieve isolation and loneliness.
- **Shop and Escort Service** to enable seniors to get to medical or other important appointments safely and confidently, and to help them with shopping and errands.
- **Remembering Special Occasions** - Visiting Neighbors personally recognizes seniors' birthdays, holidays and other special occasions.
- **Nursing Program and Health Advocacy**. Student nurses, under the supervision of their professor and Visiting Neighbors staff, provide wellness visits, check medications, medication reconciliation check, blood pressure, help seniors ask questions and better communicate with medical professionals.
- **Wellness Programs** to further enhance the lives of seniors. Last year Visiting Neighbors' staff engaged over 500 seniors in wellness programs. Our programs include a series of workshops on health-related topics such as nutrition, chair exercises and stress reduction. We have planned more wellness programs in the year ahead on a variety of topics including:
 - heart health
 - oral health
 - stretching/chair exercises
 - stress management
 - nutrition
 - the importance of staying connected with others
 - staying strong as the seniors face physical changes
 - beating the blues
 - fall prevention
 - advanced directives
 - communicating more effectively with medical professionals
 - mental stimulation through games and conversation
 - emergency preparedness

It is only with the support of the Council, the Speaker, discretionary funding from our legislators' initiatives and the money through the *Senior Center and Enhancement Initiative* that our seniors are given the attention they need to survive and thrive at home and that Visiting Neighbors is able to continue to do its vital work in our communities.

We urge you to continue to provide funding and support for programs like Visiting Neighbors. Agencies like us must receive the support we need so we can help our City's elderly remain safe, healthy and confident with the knowledge that they have not been cast aside by society.

We are appreciative of the support of the Council. We know you get it. We are counting on you so we can continue to help our City's seniors survive and thrive. Together we make a huge impact on the lives of our elderly neighbors' and enable them to remain independent, safe, at home and connected members of our community.

Thank you.

A handwritten signature in cursive script that reads "Cynthia Maurer". The signature is written in black ink and is positioned above the printed name and title.

Cynthia Maurer, Ph.D.
Executive Director

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