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COMMITTEE ON HOUSING AND BUILDINGS

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING AND
BUILDINGS

Jointly with
COMMITTEE ON PUBLIC
HOUSING

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April 9, 2014
Start: 1:15 a.m.
Recess: 5:31 p.m.

HELD AT: Council Chambers
City Hall

B E F O R E: Jumaane D. Williams
Chairperson

COUNCIL MEMBERS:

- Rosie Mendez
- Ydanis Rodriguez
- Karen Koslowitz
- Robert E. Cornegy, Jr.
- Rafael Espinal
- Mark Levine
- Antonio Reynoso
- Ritchie J. Torres
- Helen K. Rosenthal
- Eric L. Ulrich
- Margaret Chin
- Ben Kallos

Council Members:

Rory Lancman

Letitia James
Public Advocate

Carmen Morales
Knickerbocker Plaza Resident

Susan Marens
Housing Against Downsizing

Rita Popper
President of Knickerbocker Plaza Tenants
Association

Gale Brewer
Manhattan Borough President

Vicki Been
Commissioner at HPD

Cecil House
NYCHA General Manager

Laurie LoPrimo
Assistant Commissioner of Division of Tenant
Resource

Carolyn Jasper
NYCHA Senior Director of Lease Enforcement

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COMMITTEE ON HOUSING AND BUILDINGS 3

CHAIRPERSON WILLIAMS: Good

afternoon, welcome to the joint hearing of the Committee on Housing and Buildings and the Committee on Public Housing. I'm Council Member Jumaane Williams, Chair of the Committee on Housing and Buildings, and I'm joined today by Council Member Ritchie Torres, Chair of the Public Housing Committee. We have Majority Leader Jimmy Van Bramer, Council Member Antonio Reynoso, Council Member Levine, Council Member Koslowitz, Council Member Chin, Council Member Rosenthal, Council Member Ulrich, Council Member Kallos, Council Member Cornegy, Council Member Lancman and Public Advocate Letitia James. We're very excited to have you on this here. Before we get into the actual hearing, we have to have a vote on a carbon monoxide bill. So we're going to run through the colleagues who are on Housing and Buildings and ask everyone for a vote. Clerk is going to--so Clerk, can you call the roll?

CLERK: Introduction 11--

1 COMMITTEE ON HOUSING AND BUILDINGS 4

2 CHAIRPERSON WILLIAMS: [interposing]

3 I'm sorry, the Chair is recommending an aye
4 vote.

5 CLERK: William Martin, Committee
6 Clerk, roll call vote Committee on Housing and
7 Buildings, Introduction 11A. Council Member
8 Williams?

9 CHAIRPERSON WILLIAMS: Aye.

10 CLERK: Koslowitz?

11 COUNCIL MEMBER KOSLOWITZ: Yeah.

12 CLERK: Cornegy?

13 COUNCIL MEMBER CORNEGY: Aye.

14 CLERK: Levine?

15 COUNCIL MEMBER LEVINE: Yes.

16 CLERK: Reynoso?

17 COUNCIL MEMBER REYNOSO: Aye.

18 CLERK: Rosenthal?

19 COUNCIL MEMBER ROSENTHAL: Aye.

20 CLERK: Torres?

21 COUNCIL MEMBER TORRES: Aye.

22 CLERK: Ulrich?

23 COUNCIL MEMBER ULRICH: I vote aye,
24 and I want to commend the Minority Leader for
25

2 proposing this piece of legislation. I look
3 forward to voting it on the floor.

4 CLERK: Rodriguez?

5 COUNCIL MEMBER RODRIGUEZ: Aye.

6 CLERK: By a vote of nine in the
7 affirmative, zero in the negative and no
8 abstentions, items adopted. Members, please
9 sign the committee report.

10 CHAIRPERSON WILLIAMS: We'd like to
11 leave the roll open for all the members of the
12 Housing and Buildings as they come in they can
13 vote. I too also want to commend Minority
14 Leader Ignizio for this bill and for making
15 many changes that were needed after we had the
16 hearing. So thank you. Our first order of
17 business today is a vote. We just did that, a
18 vote of the Committee on Housing and Buildings
19 on proposed Intro 11A. As I mentioned the bill
20 will generally require that carbon monoxide
21 detector system be installed for assembly
22 spaces in new buildings that have fire alarms.
23 It also will require carbon monoxide detector
24 system for existing buildings with fire alarms
25 when those fire alarms are ready to replace.

2 The bill is an important step toward protecting
3 New Yorkers from carbon monoxide poisoning, and
4 we just did the roll. We did the roll already,
5 we did the roll. Our second order of business
6 is a review of HPD and NYCHA's downsizing
7 policies and a general look at how both
8 agencies coped with the sequestration cuts to
9 their section eight programs. As I'm sure most
10 everyone here knows downsizing is a policy that
11 involved moving tenants from apartments that
12 the agencies say are too big to apartments that
13 agencies say are appropriately sized. We have a
14 lot to cover today so I'm going to talk briefly
15 about HPD, and I thank my fellow Chair who is
16 going to address NYCHA. Put plainly, we want
17 to know HPD started downsizing last year and
18 more importantly why it continues to downsize
19 now. We know that were sequestration and we
20 know that there were budget cuts. My
21 understanding was that sequestration was over
22 and that a lot of the money that came out of
23 HPD's budget has been put back on or soon will
24 be. If that is the case, I don't understand why
25 we still have policies in place that are

1
2 designed to cover a deficit that is not really
3 there. So I think that we need today--what we
4 need today is for the Administration to walk us
5 through the numbers to explain how they dealt
6 with the deficit last year, how much of the
7 deficit is left this year, and why they still
8 feel downsizing is necessary if in fact it
9 isn't. What also troubles me is that this
10 downsizing policy seems to be limited to the
11 section eight program. HPD has plenty of other
12 affordable housing programs, and none of them
13 seem to be downsizing. I'm not--now, I'm not
14 complaining that there isn't more downsizing.
15 What I'm asking if those programs found a way
16 to operate without downsizing, what prevents
17 HPD from doing the same thing with section
18 eight? And if those programs didn't need to
19 cut costs because they had enough money, well,
20 is there any way that money can be spread
21 around to cover section eight's problems.
22 Additionally, the public has reason to be
23 confused about downsizing altogether. We have
24 evidence that many tenants have been sent to
25 HPD's new subsidy standards which clearly state

1 that families of one are to occupy units with
2 zero rooms, yet they have been advertising in
3 the newspapers with HPD logos on it showing the
4 individuals, families of one, can still in fact
5 rent affordably one bedroom units. You can take
6 a look at the posters behind me, the two on the
7 extreme show the advertisements that say
8 explicitly one person get one bedroom and in
9 the middle you see the policy that says one
10 person should go to zero bedrooms. In addition
11 to the why, we also want to know how the
12 downsizing is being carried out. We understand
13 that HPD sends folks a letter when it considers
14 them over housed and we know that at some
15 points tenants have to move out or pay higher
16 rents, but we don't know too much about what
17 happens in between. For example, how long after
18 the letter does the family have before it needs
19 to act? What can they do if the letter is a
20 mistake? Who can they go to for help with
21 moving expenses, with storage and with other
22 thousand thing involved in going from one home
23 to another? This is particularly important for
24 elderly people. Older folks tend to make up a
25

2 sizable part of the over housed population,
3 because their families have moved away or
4 passed on, but elderly people can't always just
5 up and move themselves. Sometimes it's harder
6 for them to get around, and sometimes they have
7 medical issues. They've also put down some deep
8 roots. They have lived in their homes for 10,
9 20, 30 years in some cases, and they've
10 accumulated enough memories and enough things
11 to literally fill a lifetime. How do you ask
12 someone like that to move, and if you do ask,
13 you better make sure you're helping them do it.
14 With that, I'd like to thank everyone for
15 coming. I'm going to turn over to my fellow
16 Chair for his opening remarks. Council Member
17 and Chair Torres?

18 CHAIRPERSON TORRES: Good afternoon
19 and welcome everyone. As my fellow Chair
20 mentioned I'm Council Member Ritchie Torres and
21 I Chair the Committee on Public Housing. I want
22 to start by saying that unfortunately there are
23 no easy solutions for NYCHA. We can criticize
24 them and we surely do, but I think we can all
25 agree on the basic point that their task is not

1 a simple one. Right now there are 55,000
2 residents in public housing that NYCHA says are
3 living in apartments that are too big for them,
4 and of those residents, how many do you think
5 are looking forward to moving to smaller
6 apartment? My guess would be very, very few,
7 and who can blame them? Name one person who
8 looks forward to moving. It's stressful. It's
9 disruptive. You have to take down all the
10 pictures you took so long hanging just right,
11 pack up all the furniture you spent so long
12 arranging and rearranging. You leave behind the
13 place you called home and have to start all
14 over again, away from the comfort of familiar
15 things, the neighbors you had, the stores you
16 walked to, the places where you work. If it
17 would be possible for every single public
18 housing resident to stay in the apartment they
19 have now, then I think we at the Council would
20 be happy and NYCHA would be happy and I know
21 the residents themselves would be happy, but
22 we'd be ignoring one huge issue. Right there
23 are almost a quarter of a million families on
24 the waiting list to get into public housing.
25

1
2 These are families that qualify that could be
3 in public housing right now if only there were
4 space for them. How do you weigh a family that
5 wants to stay in its home against a family that
6 needs a home? I think when we are faced with a
7 problem like that, the best you can do is find
8 the balance. It is the sad reality that some
9 families will have to endure the hardship of
10 moving in order to make way for another family
11 to have a home. What NYCHA must do and what we
12 have to ensure is that families called on to
13 move are those that are most able to do so and
14 that we help make the transition for those
15 families as easy and as painless as possible.
16 And today, we are here to make sure NYCHA is
17 doing just that. Before I close, I would like
18 to say that while downsizing is our focus, it
19 isn't the only thing that we're concerned with
20 today. Unlike HPD, NYCHA managed to salvage its
21 section eight program without downsizing.
22 Obviously, we are happy to hear that and I
23 think there are going to be those who hold up
24 NYCHA to HPD and say, "See, it can be done."
25 But today I want to ask those folks to hold

2 judgment. I think it's important that we dig
3 deeper. Yes, NYCHA avoided downsizing, but at
4 what cost? For example, we know that one thing
5 NYCHA did was significantly reduce its payment
6 standard. That will mean a lot of section eight
7 residents will have to pay more in rent in the
8 long run, and I think we need to learn more
9 about why NYCHA chose to face the cuts the way
10 it did, and why HPD chose its own way before we
11 weigh in on whether we think one approach or
12 the other is best. With that said, I'd like to
13 thank everyone for coming and I'll now turn
14 things back over to my fellow Chair.

15 CHAIRPERSON WILLIAMS: Thank you
16 fellow Chair Torres. We are going to hear an
17 opening statement from the Public Advocate.
18 First we'd like to allow Council Member Espinal
19 to vote on the previously mentioned bill.

20 CLERK: Council Member Espinal?

21 COUNCIL MEMBER ESPINAL: I vote aye.

22 CLERK: Vote now currently stands at
23 10 in the affirmative.

24 CHAIRPERSON WILLIAMS: Madam Public
25 Advocate?

2 PUBLIC ADVOCATE JAMES: First, I'd

3 like to thank Chair Williams and Chair Torres,

4 and thank my colleagues at the council for

5 holding this hearing and to the Commissioner

6 and her staff for taking the time to work with

7 me in the office of Public Advocate. As I look

8 in the audience I see my former constituents

9 from Fort Green, Clinton Hill, Crown Heights

10 and Prospect Heights. Basically they're the--

11 and residents all throughout the city of New

12 York who have now become my friends. They're

13 the face of sequestration and they represent a

14 federal austerity budget which is not friendly

15 and not warm and fuzzy. We understand that 37

16 million dollar--million cuts at the federal

17 level leave HPD in a difficult position to do

18 more with less. Certainly, the alternative of

19 terminating vouchers altogether is not a great

20 solution. But I'd like to share my concerns as

21 to how the HPD downsizing policy perpetuates

22 injustice on seniors, people with disabilities

23 and other vulnerable New Yorkers. In the

24 implementation of this policy we must ensure

25 that the cuts are not disproportionately

1 impacting populations that are at greater risk
2 of eviction and homelessness. According to a
3 recent Daily News article, 42 percent of these
4 tenants are disabled and one third are senior
5 citizens. I have some suggestions for reform.
6 First, make the procedures for exemption less
7 onerous on seniors and disabled. It is my
8 understanding that voucher holders with
9 disabilities can seek reasonable accommodations
10 from HPD from this policy, but the question is,
11 how many of them are taking advantage of this.
12 As things stand now, elderly and disabled
13 tenants are given only 15 days to document
14 proof for being exempted from downsizing. I
15 propose that HPD also consider including a
16 hardship exemption for veterans and victims of
17 domestic violence. I believe that these
18 populations are particularly vulnerable to
19 falling into homelessness or may otherwise be
20 dramatically hurt and therefore should also be
21 exempt. My second suggestion is a simple tweak
22 to the process of disseminating information
23 about the downsizing program. I'd like to see
24 HPD provide more information up front to
25

1 residents about the exemptions that are
2 available. This way, residents are more likely
3 to be aware and avail themselves of these
4 exemptions. There's also a phenomenon in New
5 York City that's called Grandmothers who are
6 Mothers Again, grandmothers who are taking care
7 of their grandchildren and taking care of
8 relatives and their families. And so I'd like
9 to see HPD provide greater assistance for these
10 families and create an exemption for
11 Grandmothers who are Mothers Again. I'd also
12 like to see HPD provide greater assistance for
13 rehousing impacted residents, in particular
14 seniors and families with children. Many of our
15 elderly neighbors rely on local senior centers
16 and services and HPD should work to avoid any
17 disruption to their lives. And let me just also
18 add that the vouchers in question,
19 unfortunately, are not sufficient to relocate
20 the neighborhoods that unfortunately are
21 becoming more and more gentrified and the rents
22 have gone up increasingly, and it would be
23 unfortunate that seniors cannot remain in their
24 neighborhood. So downsizing must be evaluated
25

1 as part of our overall strategy to make this
2 city a suitable place to grow old. We are
3 seeing more and more seniors, more and more
4 individuals over the age of 65 and they're
5 expected to grow. Giving cuts to programs like
6 Mitchell Ombra [phonetic] and recent assaults
7 on rent control and rent stabilization, the
8 city must work to create fair and appropriate
9 policies that protect our seniors and not harm
10 them, and in addition, I'd like to work with
11 HPD and not for profit charities to set aside
12 money to assist residents impacting by
13 downsizing, moving expenses and other costs
14 associated with making such a move. Until there
15 is much more fair and compassionate policies
16 with respect to downsizing, I join with my
17 colleague, particularly Manhattan Borough
18 President Gale Brewer in asking for a
19 moratorium until such time as these things are
20 addressed. Thank you.

22 [applause]

23 CHAIRPERSON WILLIAMS: Thank you,
24 Madam Public Advocate. I also, also wanted to
25 recognize Manhattan Borough President Gale

2 Brewer who will be testifying in a little bit
3 as well. And I want to thank the Administration
4 for being here and indulging our new way of
5 doing this and trying to make sure we have some
6 people whose voice will affected heard first.
7 And so the first panel we'd like to call up is
8 Carmen Morales from Knickerbocker Plaza, Susan
9 Marens, Enhanced voucher tenant, and Rita
10 Popper [phonetic], KBTA and HHAD. Each will
11 have three minutes in which to present their
12 testimony.

13 CHAIRPERSON TORRES: Please raise
14 your right hand. Do you swear or affirm to tell
15 the truth, the whole truth and nothing but the
16 truth before the Committee today? Thank you.

17 CHAIRPERSON WILLIAMS: So I called
18 three people. Oh--okay. You can start at your
19 leisure at whatever direction you want to
20 start.

21 SUSAN MARENS: Good afternoon. Thank
22 you, Mr. Chairman and esteemed Council Members.
23 My name is Susan Marens, and I am co-
24 representative of various developments as part
25 of the Housing Coalition Against Downsizing,

2 and I speak in support of all Enhanced Voucher
3 tenants, which is a small part of the section
4 eight program, very special, specialized. It
5 was only identified with a 10 million dollar
6 deficit in the budget of the total 35 million
7 dollar deficit. The Mitchell-Lama, we thank you
8 for giving voice to our concerns and to be the
9 heart of this conversation. The tenants are all
10 ex-Mitchell-Lama tenants. Mitchell-Lama was the
11 gold standard of the 70's affordable housing
12 model. It brought together citizens of all
13 races, ages, creates ethnicities and to
14 hospital housing complexes across New York
15 State. They were the bedrock of New York City
16 as middle income citizens with a strong work
17 ethic and shared family values. They brought up
18 their families and shared in the responsibility
19 and commitment to transform their marginal
20 neighborhoods into stable vibrant communities
21 that everyone now wants to live in. Their real
22 estate became economically productive for the
23 entire city. Unfortunately for these tenants
24 there was no planned exit strategy once the
25 program expired, and as landlords no longer

1 wanted to remain in the program. The end of
2 Mitchell-Lama for most of these developments
3 created real undue hardships for all tenants.
4 Each development had to struggle to find a
5 balance to keep tenants housed. A make-shift
6 remedy was negotiated with landlords in the
7 cities. Enhanced vouchers in the section eight
8 program became a solution, a program that was
9 not created for tenants with middle income
10 savings and earnings. It was and is a misfit
11 and it was never retrofitted to fit the clients
12 but rather the clients had to fit the program.
13 Others who were eligible under Mitchell-Lama
14 were no ineligible in the voucher program
15 because they earned too much. They had to
16 negotiate with their individual landlords to
17 reach some compromise. It is now bankrupting
18 the affordability for those tenants to remain
19 in their homes. Those tenants who are income
20 eligible for Enhanced Vouchers were offered
21 voucher contracts that permitted to remain in
22 their homes that they are currently living in.
23 Tenants were granted vouchers based on standard
24 family composition that was fair and
25

1 reasonable. Today, that policy has been
2 arbitrarily and capriciously changed and
3 downsizing is the result. This is added insult
4 to injury because most Enhanced Voucher tenants
5 already pay above the 30 percent rent they were
6 promised. Some pay 50 percent of their income
7 are now asked to downsize. This is affordable
8 housing at its worst. Under the Voucher
9 Program, the gift of having a lovely home which
10 we had occupied for many decades was
11 overshadowed with the fear and angst of what
12 might be. The proverbial waiting for the other
13 shoe to drop because politics might undermine
14 their remaining in their homes, funding may be
15 cut. The interaction with HPD continues to feel
16 like a throwback to another era when
17 authoritative control never took into account
18 the client base as part of the conversation and
19 that is exactly what happened when HPD
20 arbitrarily modified and changed--oh, my gosh,
21 can I keep going?

22
23 CHAIRPERSON WILLIAMS: You can get a
24 little extra time, but if you can just wrap up,
25 that'd be great.

SUSAN MARENS: Okay. I have one more page to go. In late July 2013, 667 identified voucher families received an HPD official letter advising them they were now over housed and had to be downsized. There was no discussion. It was an edict. We learned after the fact that HPD, the lease that was required of them by announcing some obscure local newspaper, a public hearing on the downsizing. No one showed up because no one, no stakeholders of tenants, elected officials, advocates knew it was being held. The role out of the downsizing was premeditated to avoid any discussion and response, and the fears originating from the settlement year 2003 for Mitchell-Lama to enhance section eight became a reality to tenants. When the mandate went into effect, HPD strategic plan had no due process of uniform and standardized implementation. Staff did not know how to answer questions, give out incorrect and conflicting information, forms were incomprehensible or non-existent. HPD abrogated their responsibility by delegating much of the implementation to

1 individual management landlords. It took months
2 and lots of political intervention to get
3 clarification on the entire process. Tenants
4 communications from landlords were all
5 different and conflicting making bias and
6 subjective methods of downsizing the tenants.
7 Meantime, tenants were paying the price with
8 their help. A direct outcome of this policy
9 change and its lack of clarity have affected
10 the elderly and the not so elderly with a
11 health crisis that is well documented. Tenants
12 health became issues culminated in
13 hospitalization, panic and anxiety attacks,
14 sleeplessness, depression, etcetera. All
15 tenants, disabled, seniors, singles, people 40
16 to 100 suffering illnesses over this. The only
17 option available--

19 CHAIRPERSON WILLIAMS: [interposing]
20 Mr. Marens, I'm going to have to ask you just
21 if you could sum it up that would be great.

22 SUSAN MARENS: Okay.

23 CHAIRPERSON WILLIAMS: Thank you.

24 SUSAN MARENS: HPD for years, I have
25 several questions just to bring up as a raised

1
2 point. HPD for several years has overlooked its
3 own organizational inconsistencies and
4 inefficiencies leading to mismanagement of
5 funds. In order to understand how monies were
6 spent and wasted it requires a forensic audit,
7 which could address issues such as why were
8 truly over housed tenants left for years in
9 their apartments after their family size
10 decreased? How much money was wasted in giving
11 it away?

12 CHAIRPERSON TORRES: Hold up, ma'am,
13 I have to respectfully cut you off. The Speaker
14 of the Council is going to hold a celebration
15 at 5:00 for the respondents for the East Harlem
16 explosion, and so that's why we're rigorously
17 enforcing time limits. So we're going to want
18 to move onto the next person to testify. Thank
19 you. But we will submit your testimony for the
20 record.

21 CHAIRPERSON WILLIAMS: If you want to
22 testify, you have to fill out a card. Have you
23 filled one out?

24 TUCK MILLIGAN: I'm sharing a card.

25 CHAIRPERSON WILLIAMS: No.

UNKNOWN: He has his own card.

CHAIRPERSON WILLIAMS: I understand.

Hold on a second please.

TUCK MILLIGAN: I'm Tuck Milligan.

I'm from the Tenants Alliance of Glen Gardens.

Yes, I did. Oh--

UNKNOWN: No, he has it.

CHAIRPERSON WILLIAMS: Just hold one second. We'll come back. Can the next person just start with the testimony, please?

CARMEN MORALES: Hello. Good afternoon. My name is Carmen Morales. I move Knickerbocker Plaza October 19th, 1975 with three bedroom. My three children and my husband and me. When my two daughter got married I went by myself to the office and I say I don't need that apartment any more. So they switch me to 33N with my son, my husband and me. My son got married 1998, and then asked me--I went again, and they told me I have to move to one bedroom apartment, but my husband got very sick and then he passed away 2007. Again, I went to the office again and I say, "I don't need this room anymore." So they switch me to 26 G, which I'm

1
2 living now. I have to get rid [phonetic] of
3 everything, everything, nothing. So now that I
4 get everything, now they said I have to go to a
5 zero studio, and I refuse because the only
6 thing I got in my memories, my picture. Why
7 they going to put me in a hole? That not even a
8 bed fit in there. I refuse to move again. I
9 don't want--I'm 76 years old. I don't have the
10 money. I'm tired. I don't want to move again.
11 This is my testimony.

12 CHAIRPERSON WILLIAMS: Thank you.

13 RITA POPPER: Good afternoon. My
14 name is Rita Popper. I'm Co-Chair of Housing
15 Alliance Against Downsizing and President of
16 the Knickerbocker Plaza Tenants Association.
17 Mass downsizing is the most illogical and
18 contradictory plan ever conceived. We follow
19 the rules and suddenly the rules change.
20 Affordable housing apartment size has always
21 been determined by a family's composition.
22 Eleven years ago I voluntarily downsized from
23 three bedrooms to one. My family composition
24 changed. At the buy out from Mitchell-Lama
25 Affordable Housing program, HPD distributed an

Enhanced Voucher fact sheet to all recipients.

It states vouchers will be offered to income eligible applicants residing in the development at the time of conversion. There is no opportunity for issuing new vouchers. HPD gives examples of over-housed and properly house families. For example, it says on the fact sheet, one single person is eligible for one bedroom. My voucher says one person, one bedroom. HPD's over housed letter state, "Based on your current family composition, you are residing in an apartment that exceeds the number of bedrooms on your voucher." Most families have not changed and neither has mine, and the original voucher is right here.

Vouchers were a onetime only offer at the time of conversion. Can HPD just allude to a voucher that physically does not exist in order to match an arbitrary change? Apartment occupancy change went into effect on July 15th, 2013.

What happened to the stipulations governing in those original vouchers? Sequestration of federal funds necessitated the implementation of cost saving plan. January 2014, sequestered

1 funds were released and HUD's budget was
2 restored. It now appears that there was a short
3 fall and it's only two million dollars.
4

5 Downsizing costs tenants money. Here are the
6 receipts for my downsizing from three bedrooms
7 to one. That was 40,000 dollars. I'm not doing
8 it again. Who will pay for my furniture that
9 can't be moved? Like many other tenants, I
10 properly downsized according to HPD's section
11 eight briefing booklet. I didn't write the
12 booklet. They did. And in the booklet it says
13 one person, one bedroom, single parent with
14 child older than four years old, two bedrooms.
15 I just will end up. Housing Alliance Against
16 Downsizing respectfully requests this housing
17 committee led by Chair Jumaane Williams who for
18 years has distinguished himself as a leading
19 advocate for tenant's rights, affordable
20 housing, therefore we urge the city Council to
21 vote on and calling for a moratorium on
22 downsizing until the benefits and legality are
23 defined. Thank you.

24 [applause]

2 CHAIRPERSON WILLIAMS: Thank you. So
3 we're going to try to see if we can keep the
4 clapping to a minimum. We try to do this so we
5 can get our expressions out, but it's a little
6 quieter. Ms. Marens, I know that there was some
7 miscommunication at the beginning so we're
8 going to make an exception, but just know we
9 try to be consistent with all of the people who
10 are testifying so we could be fair, but because
11 of the miscommunication that we understand
12 happened, we're going to allow you to finish
13 your testimony as a onetime exception.

14 SUSAN MARENS: Thank you so much.
15 The only option available to tenants for us to
16 prove they are worthy and deserving or
17 remaining in their current homes is by
18 collecting medical documentation if possible.
19 The HPD process requires medical practitioners
20 to sign affidavits that tenants have illnesses,
21 that if downsized would be possibly detrimental
22 to their health. But who is reviewing these
23 medical requests? Not a medical practitioner,
24 but a supervisor at HPD. And when tenants go to
25 a fair hearing to plead for their homes, who is

1
2 mediating at the conference but a paid employee
3 by HPD. Are these options available to tenants
4 really unbiased? So back to the forensic audit
5 and what could address such issues. Why were
6 truly over-housed tenants left for years in
7 their apartments after their family size
8 decreased? How much money was wasted? Why are
9 landlords granted approved rent increase
10 annually, especially when there are funding
11 shortfalls? How are contract rents calculated
12 to be equitable and fair? Why is HPD funding
13 landlords at a not for profit program with
14 rents way over market rent? Why have these
15 increases in contract rent not been
16 investigated to ensure that money was being
17 spent equitably on Enhanced Voucher apartments
18 and not just on market tenant apartments? Why
19 unlike any other housing program do tenants
20 have to pay more than 30 percent of their
21 income, and yet when tenants ask HPD for an
22 explanation of their rent portion calculation,
23 tenants are told they must file a complaint in
24 order for it to be reviewed and then there is
25 no offer of disclosure unless the tenant makes

1
2 it a fight? Why do different apartments demand
3 the same documentation as another? Tasks are
4 duplicated because there is no sharing between
5 departments? Everything is segmented and it
6 takes so many hours of work to get to the
7 appropriate department. Why are voucher
8 tenants penalized in their family composition
9 standard when new affordable housing is
10 advertised in the newspaper with the former
11 standard that is now no longer applicable to
12 voucher tenants because they are no longer--
13 because they are ineligible. That is not
14 equitable or fair. This is discrimination
15 directed to one class of tenants and one that
16 pays more than 30 percent of their income for
17 rent. Affordable housing should be just that,
18 affordable and equal no matter what the funding
19 sources are across the board. Please
20 reconsider evaluating the Enhanced Voucher
21 program. Deconstruct it and then reconstruct to
22 meet the defined client, the former ex
23 Mitchell-Lama tenant, middle income who is now
24 become an older tenant on a fixed income who
25 deserves to be treated with dignity and respect

2 and not pronounced over housed when all the
3 fund have gone to organizational inefficiency
4 and landlord rent increases. Let's make this
5 less of a tale of two cities. Thank you.

6 CHAIRPERSON WILLIAMS: Thank you very
7 much for your testimony. Just want to look
8 around and see if any of my colleagues have
9 questions. Seeing none. I just want to say
10 thank you so much for sharing your testimony
11 with us and your personal story. Having been
12 Executive Director of Tenants and Neighbors, we
13 worked a lot on these issues, so I'm very happy
14 now as a Co-Chair, I'm able to bring a little
15 further light. I just want to announce that we
16 have a couple of testimony for the record.

17 Michael Soball [phonetic] submitted testimony
18 for the record. Diane Eslapsin [phonetic]
19 President of Independence Plaza North Tenant
20 Association and Congress Member Charles Rangle
21 also submitted testimony.

22 CHAIRPERSON TORRES: So I would like
23 to call up the Manhattan Borough President Gale
24 Brewer.

2 CHAIRPERSON WILLIAMS: Before we
3 have the--I want to recognize that we have
4 Council Member Laurie Cumbo from Brooklyn who's
5 joined us and Council Member Rosie Mendez, who
6 I'd like to allow an opportunity to vote on the
7 bill we presented before.

8 CLERK: Introduction 11A, Council
9 Member Mendez?

10 COUNCIL MEMBER MENDEZ: I vote aye.

11 CLERK: Final vote now stands at 11
12 in the affirmative, zero in the negative and no
13 abstentions.

14
15 CHAIRPERSON TORRES: Madam Borough
16 President, do you swear or affirm to tell the
17 truth--raise your right hand. Do you swear or
18 affirm to tell the truth, the whole truth and
19 nothing but the truth before the committee
20 today?

21 GALE BREWER: I do.

22 CHAIRPERSON TORRES: Thank you so
23 much. You may proceed.

24 GALE BREWER: Thank you very much.
25 It's great to be here on this really important

2 topic and I want to thank you all for giving me
3 the opportunity. I know we have submitted
4 testimony which I will summarize and also a
5 letter that I think the Public Advocate
6 recognized on February 21st on this issue, and
7 I want to thank HPD for reviewing that. I know
8 they're in the process of doing it. I have a
9 little standing in this in that I remember the
10 early days when Glen Gardens and other
11 Mitchell-Lama went private from Mitchell-Lama
12 and they were absolutely promised at that time
13 section eight and something called the Landlord
14 Assistance Program, LAP, which we never
15 understood what in the world it is or was, but
16 there was a real understanding that people
17 would continue in the apartment with the kind
18 of funding that would enable them to pay 30
19 percent of their rent with this particular
20 voucher. So while I believe there is intrinsic
21 value in trying to maximize the usage of HPD
22 and NYCHA apartments by right sizing each unit
23 with families of appropriate housing needs and
24 sizes, I strongly believe that this overall
25 process of relocation can be improved. We need

1
2 to plan and pause. And we need to, as the
3 Public Advocate indicated have a moratorium
4 until we can figure out the right way to do the
5 right sizing. So I just want to mention what
6 was said earlier, that in terms of NYCHA
7 there's a waiting list which in NYCHA and
8 section eight of around 369,000 people. So we
9 know that we need to right size. But there are
10 so many challenges, and let me just start with
11 the Mitchell-Lama's. The Mitchell-Lamas, as we
12 know, residents in these buildings hold what we
13 call sticky vouchers, sticky section eight
14 vouchers that allow individuals to pay 30
15 percent of their income toward rent while HPD
16 pays the difference between the amount a
17 resident pays and the remaining rent, and
18 obviously under this voucher they must relocate
19 within the same building in what was suggested
20 and what we're talking about today. And in
21 July 2013 HPD changed its policy in determining
22 the criteria for downsizing and you heard a
23 little bit about that in terms of Knickerbocker
24 Plaza and some of the other Mitchell-Lamas, and
25 we know that this is very, very challenging for

1 seniors. I find that residents when I've been
2 in touch with them just don't have adequate
3 notification and time to appeal. We heard
4 earlier that a 15 day window is not enough for
5 seniors or anyone to gather the necessary
6 documentation. In fact, it's not even clear to
7 me if its 15 business days or calendar days.
8 Just to give you one example of what some of
9 the challenges are. Number two, residents are
10 downsized to units sometimes that conflict with
11 their health and medical needs. And I know that
12 with Council Member Helen Rosenthal's
13 assistance and ours and Glen Gardens, we had to
14 work with someone who is 90 years old with
15 their seven year old child. They were being
16 moved from a two bedroom to a one and the fact
17 of the matter is that is an individual at 90
18 who needs a tremendous amount of medical
19 equipment. It's not possible in addition to
20 have a home health aide. This should not have
21 ever been something that was being considered
22 in our very forgiving city. Number three, HPD I
23 find is mostly responsive but it is very hard
24 when people are so upset this move down policy
25

2 and they are still concerned individuals who
3 are complaining to us about how they get
4 answers. Number four, this whole issue of
5 accountability. HPD's downsizing is supposed to
6 offset federal budget cuts and would supposedly
7 yield as we know, 35 million dollars in savings
8 in the section eight program in Mitchell-Lama.
9 But it's my understanding from Congress Member
10 Maloney, that HUD's housing choice voucher
11 renewal funding has increased each year since
12 2012. In 2013, HPD received 361 million dollars
13 plus an additional 9.3 million, and in 2014 HUD
14 is providing 397 million in these renewal
15 funds. HUD has not provided numbers to date
16 about the savings. HPD is not provided numbers
17 to date. We may hear them later about the
18 savings of this initiative. Number one, what is
19 the status of the savings? Number two,
20 factoring in the federal contributions, what is
21 the current HPD shortfall? Number three, how
22 many households have been downsized and what is
23 their current status? Number four, how many
24 appeals have been registered and what are their
25 outcomes? Number five, how is HPD monitoring

1
2 the transfers and ensuring a fair process for
3 residents across the different Mitchell-Lama's
4 with section eight tenants. Number six, is the
5 current policy which impacts a large number of
6 residents the right approach toward closing the
7 budget gap? That's Mitchell-Lama. Very quickly
8 on NYCHA, I think the Council Member mentioned
9 earlier the fact that NYCHA has many many
10 challenges. I totally agree. I think the issue
11 here is slightly different. I think we all
12 agree that there are folks in large apartments
13 and no place to go. We all want to keep a
14 senior, in particular, whose family in NYCHA
15 has moved out to stay in his or her home. So in
16 terms of what we should be doing there, I think
17 we need to look much more globally about much
18 more NYCHA senior housing in the neighborhood,
19 however that is able to manifest itself.

20 Again, we have communications issue and the
21 ability issues. Number one, what is the status
22 of NYCHA's downsize units? Where are the
23 relocated households coming from and are those
24 units being occupied appropriately and where
25 are the transferred residents living now? What

1 assistance has been provided if any to help
2 populations that are vulnerable, the people who
3 don't speak English and seniors? What is NYCHA
4 doing to create more size appropriate units for
5 residents who want to and need to downsize?
6

7 They want to downsize. So we want to have some
8 of these questions answered, and how do we keep
9 people in their neighborhood where they can be
10 with their friend? So I think as we have said
11 earlier, between those who have medical issues,
12 those who are seniors, this downsizing issue is
13 a particularly challenging, and we need to keep
14 long term accessibility in mind. So in

15 conclusion, I want to say that all of these--
16 both of these agencies, which I know work very
17 hard, must be aware the downsizing that imposes
18 extreme stress and fear like I have not seen in
19 a long time. My letter that we wrote has
20 created unbelievable discussion, and we think
21 that because of all of these challenges and the
22 hardship the downsizing is creating as I
23 indicated earlier, I'd like to see a moratorium
24 on the implementation of downsizing until the
25 practical, the ethical, the sticky voucher, all

1
2 the legal challenges are resolved, particularly
3 I will say for those who are 80 years old and
4 older. Thank you very, very much.

5 CHAIRPERSON WILLIAMS: Thank you. Do
6 any of my colleagues have any questions? Thank
7 you Madam Borough President.

8 CHAIRPERSON TORRES: And I know
9 Council Member Rosenthal has to head to a
10 meeting so she wants to make a very brief
11 comment.

12 COUNCIL MEMBER ROSENTHAL: Thank you
13 for giving me the opportunity to do that.
14 Unfortunately I have to go to an event at three
15 o'clock in my district where we're packing bags
16 of food for people who need it, and I can't
17 miss that. So while I'm eager to hear your
18 testimony, Commissioner Been, I appreciate your
19 having passed it around. The comment I'd like
20 to make is basically one that is a reiteration
21 of Borough President Brewer's statement. I
22 think what the community, just to get into the
23 weeds for a moment, what the community is
24 looking for is an understanding of the review
25 that you did internally. Given the restriction

1
2 but also the breadth of options that you have
3 within HPD to implement this program. What if
4 you could detail either in--I don't quite see
5 it in your testimony today, but as a follow-up,
6 if you could detail the options that were given
7 or were given to your predecessor and how you
8 evaluated those option and the ones--even if
9 it's, these were the ones that were taken under
10 my predecessor but now here's how I'm just
11 tweaking them a little bit so that the burden
12 is falling more in x, y, z places. That would
13 be very much appreciated. Again, I want to
14 thank my colleagues for giving me an
15 opportunity to make this comment.

16 CHAIRPERSON WILLIAMS: Thank you. And
17 now we'd like to call up the Administration,
18 Commissioner Vicki Been, HPD, Laurie LoPrimo,
19 HPD, Cecil House, NYCHA, Carolyn Jasper, NYCHA,
20 Tina Lam, NYCHA, and there is a lot of
21 wonderful staff at HPD. I want to single out
22 one, Mr. Chris Gonzales, who I learned today is
23 his last day. I'm very, very saddened to hear
24 that, but we wish you all the best of luck as
25 you move forward in life, and it's been just a

2 great pleasure working with you even before I
3 was a Chair of the committee. So thank you for
4 the work you've done. And I want to give you
5 a--let us know when you're ready, and Council
6 Member Torres will do the swearing. We're doing
7 some technical stuff.

8 : Chairman, do you want to swear us
9 in or you want me to launch in?

10 CHAIRPERSON TORRES: Yes. No
11 exception for government officials. Please
12 raise your right hand. Do you swear to tell the
13 truth, the whole truth and nothing but the
14 truth before the committee today?

15 COMMISSIONER BEEN: I do.

16 CHAIRPERSON TORRES: Thank you, you
17 may proceed.

18 COMMISSIONER BEEN: Thank you.
19 Chairman William, Chairman Torres and members
20 of the Committee on Housing and Buildings and
21 the Committee on Public Housing.

22 CHAIRPERSON WILLIAMS: Can you speak
23 into the mic or turn it on?

24 COMMISSIONER BEEN: Oh, I'm sorry. It
25 needs to go on. Sorry. So Chairman Williams,

2 Chairman Torres and members of the Committee on
3 Housing and Buildings and the Committee on
4 Public Housing and Borough President Brewer,
5 Public Advocate Letitia James, and all of those
6 who are in the audience, I appreciate your
7 attention and thank you for the opportunity to
8 testify today. I am joined today by HPD's
9 Assistant Commissioner of the Division of
10 Tenant Resources, Laurie LoPrimo. It's
11 important for members of your committee to
12 understand the steps that HPD took in the face
13 of very serious federal spending cuts to
14 prevent the termination of as many as 3,000
15 families from the section eight housing Choice
16 Voucher Program. They were exceedingly painful
17 steps. They have caused I know a lot of fear
18 and pain to many of our voucher holders and we
19 regret that very much, but had we not made the
20 difficult decisions that we did, I'm afraid
21 this hearing would be quite different. It would
22 be more likely to be focused on the families
23 who through no fault of their own would have
24 been terminated from the program altogether and
25 might then have wound up displaced bearing

1
2 unsustainable rent burdens or of course our
3 very worst fear, ended up homeless. So I want
4 to just because these are complicated matters,
5 and they vary between HPD and NYCHA and they
6 vary by kind of voucher that we're talking
7 about, I wanted to just provide a tiny bit of
8 background and I know that we're pressed for
9 time, so I'm going to race through this. But to
10 provide an overview of the section eight rental
11 program, how it works and how HPD's program is
12 both similar to and different from NYCHA's.
13 Section Eight, as many people know is also
14 referred to as the Housing Choice Voucher
15 Program and it's made up of both regular tenant
16 based vouchers, project based vouchers and the
17 enhanced vouchers that Ms. Marens and Ms.
18 Morales and others talked about earlier.
19 Regardless of which of those three types we're
20 talking about, typically tenants pay
21 approximately 30 percent of their income for
22 rent. Units have to meet housing quality
23 inspection standards, and HPD has to approve
24 the reasonableness of the rent that's charged.
25 I want to delve a little more deeply into how

1
2 our program is run versus how NYCHA's--versus
3 NYCHA's program. First is the mere size
4 difference between the programs. NYCHA's
5 program is about--Cecil will correct me if I'm
6 wrong, but about 90,000 vouchers and it's the
7 largest in the United States. We are about
8 32,000 vouchers and we are the fifth largest in
9 the United States, whereas the NYCHA vouchers
10 are really designed to meet the needs of all
11 low income residents by allowing them to rent
12 housing on the private market. The purpose and
13 the reason why we have different voucher
14 programs is that we're--the main purpose for us
15 is really to provide a rental subsidy to make
16 it possible for the lowest income households to
17 afford the subsidized housing that we build or
18 preserve and so that's a critical difference. I
19 want to emphasize that when we manage our
20 section eight program responsibly, we have to
21 think not only about the families that are
22 receiving subsidy, receiving a voucher, but
23 also we have to think about the housing that we
24 are building or preserving, because the
25 vouchers that we make available that we give

1
2 out are a critical part of the underwriting of
3 that housing, often housing for supportive
4 housing, housing for the formerly homeless,
5 housing for seniors, and that pipeline directly
6 addresses our affordable housing prices, serves
7 to end homelessness and helps obviously to
8 revitalize neighborhoods. So we have to be
9 concerned about both the individuals who have
10 our vouchers and the housing that those
11 vouchers make possible for us to build and to
12 finance. Just in terms of what we're talking
13 about, most of our vouchers, the vast majority,
14 about 25,000 of our voucher holders are the
15 regular section eight program. A very small
16 number of them are project based vouchers and
17 then the enhanced vouchers that you heard
18 discussed in terms of preservation of Mitchell-
19 Lama and other housing. Now, let me just
20 explain just very briefly the difference
21 between the regular vouchers and the enhanced
22 vouchers, and I'm going to focus on those in
23 the interest of time. The regular vouchers
24 relocates families that are benefitting from
25 HPD sponsored renovation and helps to avoid the

1 displacement of those families. It houses
2 special needs populations like in our
3 supportive housing. Income eligibility is
4 established at 50 percent of area median
5 income, and the subsidy is capped at the
6 payment standard. When we're talking instead
7 about the enhanced or sticky vouchers, those
8 allow tenants to stay in place at affordable
9 rents when a project--when a building or a
10 development that has been subsidized in the
11 past converts or opts out of the affordability
12 restrictions, housing like Mitchell-Lama.
13 Income eligibility is established at 95 percent
14 of AMI rather than 50. The subsidy is capped at
15 the market rate for the rents, and tenants must
16 use the voucher in that development. They can
17 leave and go elsewhere, but they then convert
18 to a regular voucher instead of a--instead of a
19 sticky voucher. Okay, so with that, those
20 basics in mind I want to just also mention a
21 couple of things because it's already been
22 brought up by several of your comments about
23 the kinds of restrictions that affect what
24 leeway we have in dealing with the voucher
25

1
2 program. So to determine funding, HUD looks at
3 the PHA, the Public Housing Authority, which we
4 are considered for these purposes. They look at
5 our actual spending on vouchers in the previous
6 year. We are encouraged to spend all of the
7 money and but we are very much encouraged not
8 to go over our budget. HUD will increase our
9 allotment sometimes based on inflation, and
10 then they decrease our allotment based upon
11 congressional funding and of course what we're
12 talking about here today is about a decrease.
13 In terms of reserves, PHA's are able to
14 accumulate reserves, but there's a disincentive
15 to do so because renewal funding is reduced by
16 the unspent funds in those reserves. So it's a
17 very--it's a tight--it's a balancing act. It's
18 walking on a tightrope to figure out how much
19 we can put aside for events like what led for
20 us to be here, the sequester, versus trying to
21 spend the funds as we're required to do. There
22 is very little flexibility in how we can spend
23 the funds. We are subject to all kinds of
24 requirements and restrictions about that, and
25 there's also in response to some of the

1 questions that you raised, there's very little
2 flexibility in terms of adding any money into
3 the pot. We are not allowed to spend other
4 dollars on the voucher program. We could not--
5 if you gave me 10 million dollars today, I
6 could not spend that in our voucher program
7 because of the restrictions that HUD puts on
8 us. So, we're really very tightly regulated and
9 tightly constrained in that way. Okay, so why
10 did we end up here? Well, unfortunately, in
11 2011, Congress passed the Budget Control Act to
12 encourage Congress and future Congresses to
13 address the deficit. The budget control act
14 added a mechanism sequestration to cut funding
15 automatically unless specified progress was
16 made in cutting the deficit. That progress was
17 not made and therefore, sequestration came into
18 effect, and it limited the growth of the
19 federal government over a ten year period
20 within an across the board cut to all of the
21 non-veterans federal discretionary programs. At
22 the time that sequester was put into place, HPD
23 had been told by HUD that we were a high
24 performing agency, that we were running a very
25

2 efficient program that our voucher rates and
3 everything were generous and we had been able
4 at the time that sequestration went into effect
5 to walk this tightrope and build a reserve fund
6 of about 24 million over a long period of time.

7 So where were we when sequestration happened?

8 The impact of sequestration was devastating.

9 Our estimated cost for the vouchers that we had
10 in 2013, calendar year 2013, were 403 million,

11 but with sequestration HUD told us that we
12 would only get 366 million in funding, leaving
13 this gaping hole of 37 million dollars in

14 calendar year '13. We weren't told this of
15 course at the beginning of the year when we had
16 the most flexibility to deal with it, instead

17 we were told in spring of 2013 that we had to
18 make difficult decisions so as to not run up a
19 37 million dollar deficit. That 37 million

20 dollar deficit at worst meant that we faced
21 possibly having to terminate the existing

22 vouchers of 3,000 households pulling all
23 assistance away from those households and

24 removing them from the program altogether. So

25 that's where we were in the spring of 2013. HUD

1 issued notices about how we could respond.
2 Again, we're tightly regulated on this and they
3 issued notices about how we could respond. They
4 told us that we had to stop issuing new
5 vouchers forcing attrition and reducing
6 spending, which we did immediately. They told
7 us we had to rescind any vouchers that were
8 awarded but had not yet been leased up, which
9 we did immediately. They told us that we had to
10 spend down all of our reserves, that 24 million
11 that we had built up for events like this. We
12 did that immediately. We had to start biweekly
13 meetings talking with the HUD shortfall
14 prevention team about what else we could be
15 doing, and we did that every other week. And
16 then we had to demonstrate to HUD that we were
17 looking at every policy change possible to
18 reduce spending, and we did that. We had very
19 limited levers, very limited options as Council
20 Member Rosenthal mentioned. We had very few
21 levers about what we could do. We tried every
22 one that we could think of. We asked for
23 permission to do the various ones that we could
24 think of. Some of those HUD denied. So for
25

1
2 example, we asked could we right size the
3 utility payment to units before we started
4 cutting, before we started asking people to
5 move. HUD denied our ability to do that. So we
6 had very limited policy levers, and that really
7 left us looking at our payment standard and our
8 subsidy standard and we ended up having to
9 implement changes for both, and let me just
10 spell those out. So let's look first at the
11 payment standards. They payment standards are
12 the maximum allowable subsidy that we can give
13 to a voucher holder and they range--by law,
14 they can range from 90 percent of fair market
15 rent up to 110 percent fair market rent. We
16 were at the top end of that. We gave 110
17 percent of fair market rent, and so that was
18 one of the levers that we had because we were
19 at the most generous end of that. Many PHA's
20 were much below. Many PHAs were at 90, and so
21 we had some leverage to try to layer, to try to
22 lower that payment standard. So we did lower
23 that payment standard from 110 to 105 percent
24 of the fair market rent for the units. I won't
25 go through the chart with you. It's just, you

1 know, it's lowering them from 110 percent to
2 105 percent. And if the reasonable rent--we
3 have to determine what is a reasonable rent for
4 any apartment, and if the reasonable rent is
5 above that payment standard--so now, 105 under
6 our policy change, the tenant has to pay the
7 difference, right? Okay, so that's what we did
8 in terms of payment standards. In terms of what
9 is called the subsidy standards, which is the
10 number of bedrooms assigned to a household
11 based upon the family composition, we had a
12 very complicated system in place in prior to
13 this policy change. We made adjustments for
14 gender, for age, for relationship. We made all
15 kinds of complicated determinations, and we
16 decided that one of the things that we had to
17 do in order to avoid this shortfall was to try
18 to both simplify this and to lower it. So we
19 lowered for example, from one person one
20 bedroom to one person in a studio. The new
21 subsidy standards apply, they consider family
22 sized. They don't get into the complications of
23 gender relationship and age and all of those
24 things. They just lower the number of bedrooms
25

1 based upon the number of people in the
 2 household. Okay, so in terms of our
 3 implementation of this, it varies between the
 4 regular section eight voucher holders which is
 5 the vast majority of our voucher holders. Each
 6 of them has to recertify their income and their
 7 household size each year, and upon the first
 8 recertification after we put this policy into
 9 place in July, we re-determined what the
 10 voucher standard should be. We assigned that to
 11 the household when they recertified and let
 12 them know whether or not their voucher size was
 13 reduced. At that time, the tenant then faces
 14 the choice of either having to move to an
 15 apartment that is the size of the voucher or
 16 having to pay the difference between their
 17 voucher standard is and what the rent on that
 18 apartment is. The enhanced voucher is different
 19 in that while it's the same process for re-
 20 certification. No one is asked to move until an
 21 apartment that is the right size becomes
 22 available in that development. When an
 23 apartment becomes available in the development
 24 that is the right size, then that household is
 25

1
2 offered that apartment and they then again have
3 to choose between staying in their old
4 apartment and paying the difference or moving
5 to the right sized apartment. Now, whether it's
6 regular vouchers or whether it's enhanced
7 vouchers, if a person has a medical condition,
8 a disability, if moving would, you know,
9 exacerbate that medical condition, if the size
10 of the apartment that they're being asked to
11 move to is inappropriate given their medical
12 condition. They can ask for a reasonable
13 accommodation and if they have the doctor's
14 certification or medical professional's
15 certification that they are in fact disabled
16 and that that disability or the age would make
17 moving inappropriate or would make that size of
18 apartment inappropriate, they are granted a
19 reasonable accommodation and the policy is not
20 applied to them. Okay, so where do we stand? So
21 that's the unfortunate choice that we had to
22 make about our calendar year 2012 situation,
23 right? We knew we faced an incredible deficit
24 if we didn't do something. We knew we had to do
25 something fast because we only had the last

1 half of the year to deal with this deficit. So
2 what we did, as I said, is we spent down our
3 reserves. We applied to HUD and received a nine
4 million dollar supplement to help us keep from
5 having to terminate people and we put these
6 policy changes into effect. In calendar year
7 2012, those policy changes, which was really
8 the last half of calendar year 2012, those
9 policy changes saved us about three million
10 dollars and between the reserves that we spent,
11 the set aside money that we got from HUD and
12 the savings from this policy, we did not go
13 into--I'm sorry. We did go into just a one
14 million dollar deficit. Okay? So that was the
15 situation in 2013. Okay. So as Borough
16 President Brewer mentioned, it's a new year and
17 the sequestration, and there was another budget
18 deal cut. So where do we stand now? In calendar
19 year 14, last week, I believe it was last week,
20 we got our notice from HUD as to how much we
21 would be allocated for calendar year 14. We
22 were allocated 400 million dollars. We believe
23 that our expenses will be about 396 million
24 dollars leaving us with a surplus, if all of
25

1
2 our expenses stay in line of four million
3 dollars. Alright? We have no reserves left,
4 and of course there's no set aside funding.
5 Our--the policy changes that we put into place,
6 we estimate, although we think that this is a
7 high number because we can't estimate with
8 great accuracy the reasonable accommodation
9 issue, but we believe that the policy change
10 will result in a savings of about 10 million
11 dollars this calendar year. Okay? So given
12 where we are, that would leave us with putting
13 some money into reserves of about 14 million
14 dollars for this year. Okay. So some people
15 will say, "So, why don't you roll back the
16 policy?" And the reason that we do not believe
17 that we can act in a fiscally responsible way
18 is that if you look at calendar year 15, there
19 is--in calendar year 15 it is expected that
20 congress will flat line. So we have been told
21 that we are likely to get about 382 million
22 dollars in calendar year 15. We will then have
23 a short fall of again, about 17 million
24 dollars. If we spend the reserves that we will
25 be creating in calendar year 14 and we achieve

1 the policy savings that from this program then
2 will we end up with about six million dollars
3 over. We will not end up in a budget. If we
4 don't continue with these policy changes, then
5 we will not have that nine million dollar
6 policy changes and we will be in a deficit in
7 calendar year 15. In calendar year 16, the
8 situation gets even more dire, because
9 sequestration kicks back in and the expectation
10 is that we will get around 370 million dollars.
11 Again, our expenses will way out pace that, so
12 we will face a shortfall of 25 million, and
13 even with the reserves and even with the policy
14 changes in calendar year 16 we will be facing
15 an 11 million dollar deficit again. So, that's
16 the hard choice that we face. Do we run a
17 deficit that could cause us to have to put
18 people out of the voucher program all together,
19 or do we continue with a program which we know
20 is causing a lot of pain and suffering. And I,
21 you know, I wish it weren't so. I hear your
22 stories. When I think about this policy, the
23 picture in my mind is my 93 year old mother in
24 law who has lived in her apartment for 40
25

1 years. I know what this would mean to her to
2 have to move. I understand what pain we're
3 causing, right? I understand that, but I am
4 faced with a congress that is dysfunctional at
5 best and is leaving us in the position where
6 we're either cutting people out of our program
7 and taking vouchers away from them, keeping the
8 housing that we believe is critical to provide
9 for the formerly homeless, to provide for
10 supportive housing from being built because we
11 can't guarantee this underwriting or taking
12 these kinds of steps to try to save some
13 dollars so that we don't have to cut people off
14 the program and not be able to deal with the
15 formerly homeless and the people in our
16 supportive housing buildings. It's not a choice
17 that I would wish on anyone. It's not a choice
18 that I or my staff have taken lightly. It pains
19 us enormously and that's where we are. Thank
20 you.
21

22 CHAIRPERSON WILLIAMS: Thank you.

23 CECIL HOUSE: Good afternoon,
24 Chairman Torres, Chairman Williams, Members of
25 the Committee on Public Housing and Housing and

2 Buildings, other distinguished members of the
3 City Council, the Public Advocate Letitia
4 James, Borough President Gale Brewer. Thank
5 you for this opportunity to discuss with you
6 the New York City Housing Authority's policy on
7 right sizing, our method to ensure that every
8 family in public housing has access to an
9 apartment with enough space to fulfil their
10 particular needs. I'm Cecil House, NYCHA's
11 General Manager. Joining me today are Carolyn
12 Jasper, just to my right, our Senior Director
13 of Lease Enforcement and Tina Lam, our Director
14 of Applications and Tenancy Administration.
15 Now, NYCHA was established 80 years ago, partly
16 as a remedy to unsanitary and overcrowded
17 conditions in New York City tenements and
18 economically challenged neighborhoods. In
19 fulfilling our mission to provide safe, decent,
20 affordable housing for low and middle income
21 New Yorkers, we have been committed since our
22 founding to ensuring that overcrowded
23 conditions which drove our creation do not
24 exist within our developments. Quality of life
25 for NYCHA residents is our highest concern and

2 a good quality of life is often determined by
3 the availability of appropriate living space.
4 However, ensuring that every public housing
5 family is in an apartment of appropriate size
6 presents a huge challenge, one that NYCHA has
7 wrestled with over the years. For many years,
8 NYCHA did not have an effective approach to
9 making sure that residents in our public
10 housing developments has appropriate living
11 space for their needs. While NYCHA had
12 procedures governing the subject, they were not
13 consistently enforced. Residents in over-
14 crowded apartments were left to their own
15 devices. They could take advantage of our
16 transfer process, but they were often no larger
17 apartments to move into. With the development
18 of plan ni--of our road map for the
19 preservation, Plan NYCHA in 2011, NYCHA began
20 to look at how we could optimize apartment
21 usage by transitioning families to apartments
22 appropriate for their needs. During this
23 planning process, we heard from residents who
24 were living in overcrowded apartments and
25 residents who were living in under occupied

1 apartments. We knew the right thing to do was
2 to accommodate our larger families in
3 appropriately sized apartments. We began to
4 focus on enforcing our existing policy on
5 occupancy and apartment size. We fully
6 recognized the impact, enforcing NYCHA's right
7 sizing policy has on NYCHA residents across the
8 city, including seniors, families and children.
9 Therefore, NYCHA works very hard to enforce
10 this policy in an inclusive, collaborative,
11 sensitive and fair manner. Right sizing does
12 not only improve the quality of life of current
13 NYCHA residents, but also provides housing to
14 more New Yorkers on our waiting list. To
15 successfully optimize the limited but vital
16 resource of public housing, we continue to see
17 collaboration from NYCHA's leadership and
18 staff, residents and other stakeholders
19 concerned about the wellbeing of NYCHA
20 residents and families. This afternoon, I will
21 provide a brief overview of the real challenges
22 that we face, our current process, what we've
23 done so far and how we plan to move forward.
24 Nearly 40 percent of NYCHA households, that's
25

1
2 71,219 live in apartments that are not the
3 correct size for their family composition.
4 44,663 live in under occupied units and 11,403
5 are in extremely under occupied apartments, and
6 I'll define these in just a moment. Meanwhile,
7 we have 15,153 families living in overcrowded
8 units in NYCHA. We work hard to address both
9 situations. For example, when families in
10 overcrowded apartments have been on a specific
11 developments waiting list for a larger
12 apartment for more than two years, they can opt
13 to be placed on another specific development's
14 waiting list. With this provision, we want to
15 increase the likelihood that families in
16 overcrowded apartments will move into a larger
17 apartment sooner. While NYCHA understands that
18 this hearing was called out of concern for
19 residents in under occupied apartments, NYCHA
20 constantly strives to appropriately balance the
21 interest of our residents in under occupied
22 apartments with those in overcrowded
23 apartments. We know that many of the situations
24 brought to your attention by your constituents
25 or what you hear in the news often have a

1 negative bent. In our experience, this is not
2 always the case. For example, consider the case
3 of a Compolt [phonetic] plaza resident who was
4 raised along with her nine siblings in a five
5 bedroom apartment that was later passed onto
6 her and her own daughter. Because she wanted
7 another family to receive the same opportunity
8 that she had benefitted from, she requested a
9 transfer to a smaller, more appropriately sized
10 apartment. She now lives with her daughter in a
11 two bedroom apartment. A family of nine was
12 able to take her place in the five bedroom
13 apartment. Or consider the case of a mother and
14 her son who moved into a two bedroom apartment
15 from a three bedroom apartment at East 180th
16 Street in Monterey Avenue so that a couple and
17 their two children could move in from their one
18 bedroom apartment. So our process for right
19 sizing apartments begins with our annual review
20 during which all residents must provide NYCHA
21 with documentation indicating their income and
22 family size and composition. Using the
23 information collected during this review, NYCHA
24 deems families in apartments with one extra
25

1
2 bedroom under occupied. Families in apartments
3 with two or more extra bedrooms are considered
4 extremely under occupied. Conversely, families
5 needing one additional bedroom are deemed
6 overcrowded and those needing two or more extra
7 bedrooms are considered extremely overcrowded.
8 To clarify the terms under occupied and
9 overcrowded are synonymous with the terms
10 underhoused and overhoused which are often used
11 with respect to the lease housing or section
12 eight programs. It is also important to note
13 that NYCHA's standard occupancy is generally
14 one to two people per bedroom. Residents in
15 both under occupied and extremely under
16 occupied apartments receive a letter indicating
17 that they should visit their housing manager to
18 sign up for the transfer list. At this point
19 they can request a transfer to an apartment of
20 the appropriate size in their development,
21 which is called a intradevelopment transfer, or
22 a NYCHA development elsewhere, which is called
23 an interdevelopment transfer. If a resident of
24 a merely under occupied apartment fails to
25 follow up, no further actions are taken by

1
2 NYCHA. Before any action is taken regarding
3 residents of extremely under occupied
4 apartments, a minimum of three letters are sent
5 to the residents. If the resident fails to
6 respond after the third notification letter,
7 they are automatically placed on a list for
8 transfer to a development within their borough
9 selected by the tenant selection and assignment
10 plan computer system, known as TSAP. Even
11 after residents have been placed on the borough
12 list, NYCHA management will continue to work
13 with them in choosing to transfer to a specific
14 development. If however, residents are placed
15 on a borough list and subsequently selected by
16 TSAP for a specific apartment, they have two
17 opportunities to select an apartment of
18 appropriate size. Tenancy action may be taken
19 for residents who are in noncompliance of the
20 right sizing policies. Residents with certain
21 health conditions or with certain mobility
22 impairments may not be required to transfer. We
23 will consider requests for reasonable
24 accommodation on a case by case basis. NYCHA
25 understand that some families who have lived in

2 their apartments for many years will find
3 moving to be a traumatic experience. This is
4 why we provide a number of resources to support
5 the transition into a smaller one, more
6 appropriately sized apartment including modest
7 help with moving expenses. Our Family Services
8 Department offers help with moving logistics
9 and works to support the elderly and those with
10 disabilities or other special needs to
11 acclimate them to their new apartment. A
12 social worker may arrange for new furniture,
13 provide emotional support, facilitate school
14 transfers or link the family to support
15 services and resources. NYCHA operates the
16 nation's largest housing choice voucher
17 program, also known as section eight. Having
18 issued more than 91,100 vouchers, approximately
19 property owners participate. Eligibility is
20 based on the family's gross annual income and
21 the family's size. Sixty-five percent of NYCHA
22 voucher holders earn less than 30 percent of
23 the area median income. Voucher holders must
24 recertify annually and notify NYCHA of any
25 additions to the household or if any family

1
2 members no longer lives in the unit. With this
3 information, NYCHA is in a reasonable position
4 to ensure that voucher holders receive the
5 appropriate level of subsidy for their needs.

6 To ensure the efficient use of subsidies
7 provided by the federal government, we must
8 implement cost saving strategies. The federal
9 budget sequester of 2013 significantly reduced
10 funding for all areas of the work we do,
11 including the administration of our section
12 eight program. In response to drastic cuts, our
13 leased housing department took some very
14 important actions to control programmatic costs
15 and ensure no loss of existing vouchers.

16 Although right sizing was not one of them. We
17 ceased all new admissions, reduce the overall
18 size of the program. We billed the originating
19 housing authority for tenants transferring in
20 to New York City. We ceased voluntary moves for
21 project based voucher households, and we
22 restricted moves to higher cost units.

23 Emergency transfers were exempt from that
24 policy. We were prepared to revise our payment
25 standards, which would have required a waiver

1 from HUD, but HUD funded our budget shortfall
2 in 2013, and did not approve our waiver
3 request. Thus, NYCHA did not change its
4 payment standard. But even with the cost
5 savings measures, HUD shortfall funding and the
6 depletion of 58 million dollars of our reserve
7 fund, NYCHA's section eight program will face a
8 nine million dollar deficit this year. Now, in
9 NYCHA's traditional section eight program,
10 consistent monitoring of available income and
11 family composition ensures that voucher holders
12 are in the right size apartment. Generally,
13 voucher holders choose to rent the size
14 apartment that best fits the voucher for which
15 they are eligible, thus right sizing is less of
16 an issue in NYCHA section eight program.
17 Voucher holders usually choose to right size to
18 conserve their own resources. However, in some
19 cases, if family composition changes, a voucher
20 holder may choose to remain in their current
21 unit using the payment standard appropriate for
22 their family size. So in that case they would
23 pay the difference. The situation is different
24 for holders of enhanced vouchers, sticky
25

1 vouchers as the Commissioner mentioned.
2
3 According to an analysis conducted last summer,
4 NYCHA has about 2,200 enhanced vouchers, a
5 number that continues to decline as families
6 move. We estimate that we have about 2,800
7 enhanced vouchers today. Now, enhanced vouchers
8 protects tenants during housing conversions
9 such as Mitchell-Lama opt outs by ensuring that
10 they pay no more than 30 percent of their gross
11 income on rent. But HUD requires that NYCHA
12 work to ensure that these voucher holders are
13 in an apartment appropriate for the size of
14 their family. This policy is limited to the
15 building in question, that is, when an enhanced
16 voucher holder's family composition changes,
17 HUD requires NYCHA to determine whether there
18 is an available apartment for the new size of
19 the voucher holder's family available in that
20 same building. Of the 2,008 enhanced vouchers
21 that are currently in NYCHA's portfolio,
22 approximately 626 households are over housed.
23 The right sizing policy required by HUD may
24 impact approximately 310 of those 626
25 households. Some of the 626 voucher holders are

1
2 exempt due to reasonable accommodations and
3 others because there are no smaller units
4 available. We're in the process of reviewing
5 the 310 households to determine their options,
6 and they will be notified within the next 60
7 days. We are proceeding with right sizing in
8 the case of one enhanced voucher holder, a
9 single person living in a three bedroom duplex
10 whom we've asked to move to a one bedroom
11 apartment in the same building. Since the last
12 City Council hearing on right sizing we have
13 translated the right sizing letters for public
14 housing residents into Spanish, Chinese and
15 Russian and all versions of the letters
16 including English are available in our internal
17 forms library. NYCHA continues to work with
18 stakeholders including residents, resident
19 leaders, elected officials and advocates on
20 right sizing issues. From 2011 through 2013 we
21 transferred 2,339 families or 4,092 people out
22 of under occupied apartments and 2,916 families
23 or 10,101 people out of overcrowded apartments.
24 There are currently 12,263 families on our list
25 to transfer out of overcrowded or under

1 occupied apartments. This includes 2,916
2 overcrowded, 169 extremely overcrowded
3 families, 7,422 under occupied and 1,756
4 extremely under occupied families. Although
5 we've made strides we know that a lasting
6 sustainable solution to right-sizing will only
7 be accomplished the support investment of our
8 most important partners, including residents,
9 elected officials, and by fundamentally
10 transforming several of the policies that
11 affect over crowded families. HUD approved TSAP
12 changes proposed in our 2013 annual plan that
13 further weigh the preference for newly vacant
14 apartments in favor of transfers for current
15 residents. In addition, as of the beginning of
16 this year, residents have preference for an
17 apartment within their development over
18 residents from different developments if both
19 have the same transfer type. The best way for
20 us to tackle this issue fairly and sensitively
21 is to continue to invite as many voices as
22 possible to the table. The city council's
23 ongoing support is crucial for NYCHA as we work
24 to ensure the future of public housing in New
25

1
2 York City. To that end, we welcome your
3 continued collaboration in our effort against
4 overcrowding in public housing and request that
5 you inform your constituents about the benefits
6 our entire city enjoys when all NYCHA families
7 can live in apartments that suit their needs.
8 Thank you for your time today. I look forward
9 to updating you on our progress in the coming
10 months, and I'm happy to answer any questions.

11 CHAIRPERSON WILLIAMS: Thank you so
12 much for your testimony today. I have a few
13 questions. I'm sure my Co-Chair will and then
14 we'll send it over to our colleagues and I will
15 probably have some additional questions after
16 that. Just for housekeeping, my colleagues,
17 when we get to you we're going to ask that you
18 stick to five minutes for questioning. We're
19 going to try to see if we can wrap this up in
20 the next hour and 15-20 minutes so we can free
21 up the room. Otherwise, we'll have to move over
22 there and that may be a little frustrating
23 trying to do that. So we'll see if we can wrap
24 it up. On the questions list when we get to it
25 is Council Members Kallos, Lancman, Reynoso,

1
2 Cumbo, Mendez and Richards. Commissioner Been,
3 thank you again for your testimony. A couple
4 of things that struck me. On one, so we cannot
5 add any money to--if we gave you money you
6 cannot put it into section eight, is that
7 correct?

8 COMMISSIONER BEEN: We cannot issue a
9 voucher based upon money that you give us as
10 opposed to money that comes from the federal
11 government, no.

12 CHAIRPERSON WILLIAMS: And that's
13 federal guidelines?

14 COMMISSIONER BEEN: Yes.

15 CHAIRPERSON WILLIAMS: That's a
16 terrible guideline. Okay. Now, you said you
17 were able to build up a reserve, 24 million
18 dollar reserve? Which confused me. You said
19 any money that's not spent HUD then takes away
20 that money the following year. Is that correct?

21 COMMISSIONER BEEN: Well, they
22 consider what you spent in year one when
23 they're deciding what it is to give in year
24 two. So you're incentive is to spend, you know,
25 to the max, right, so that your next year's

1 allocation is based upon that maximum spending.
2
3 However, so that's what I meant when I said
4 it's a tightrope. You want to have some
5 reserves because you want to be able to deal
6 with a situation like this that's
7 unanticipated, and yet you don't want to do too
8 much of that because its effecting what your
9 allocation would be in the following year. So
10 we tried over a period of many years to, you
11 know, take a little bit and build up that
12 reserve to put us in a position to deal with
13 exactly these kinds of problems.

14 CHAIRPERSON WILLIAMS: I just want to
15 understand. The reserve that you built--

16 COMMISSIONER BEEN: [interposing]
17 Right.

18 CHAIRPERSON WILLIAMS: Did that
19 affect the amount of money you got from HUD?

20 COMMISSIONER BEEN: Yes. I mean,
21 every year that we--let's say in a particular
22 year we had two million that we put into that
23 reserve, right. The following year we got
24 essentially two million less, right, in our
25 allocation. So that was always the trade off

1
2 that we were trying to make. Can we build up a
3 reserve here to deal with situations where we
4 might be forced to actually terminate somebody
5 as opposed to, you know, spending--of course
6 it's hard to spend exactly the right amount
7 because you're making projections over the
8 course of the year. So we made a decision to
9 put aside, you know, and build--try to build up
10 a little bit in reserves each year so that we
11 could deal with situations like this.

12 Obviously, it wasn't enough.

13 CHAIRPERSON WILLIAMS: Okay, just
14 walk me through so I can understand, because it
15 seems to me then that might be a wash. If you
16 save money and then get less money, it balances
17 out.

18 COMMISSIONER BEEN: Well, it doesn't
19 exactly, because when you--so, let's say that
20 the one million that I--let's say that we put
21 one million in a reserve. The next year I get
22 one million less, but I don't issue a new
23 voucher for that. So going forward, I'm not--if
24 I issue a voucher--

2 CHAIRPERSON WILLIAMS: [interposing]
3 Oh, you're not giving out new vouchers.

4 COMMISSIONER BEEN: Right.

5 CHAIRPERSON WILLIAMS: So that's
6 what's happening.

7 COMMISSIONER BEEN: Exactly, exactly.

8 CHAIRPERSON WILLIAMS: Okay. So there
9 are people who might need vouchers but then are
10 not getting them.

11 COMMISSIONER BEEN: Right. So I'm
12 making that balancing decision about trying to
13 save some back so that I don't actually have to
14 terminate people versus giving a new voucher
15 that would spend up every dollar that I have,
16 right?

17 CHAIRPERSON WILLIAMS: Well then we
18 probably know whenever the cut comes, they're
19 going to tell us to spend the reserve.

20 COMMISSIONER BEEN: They're going to
21 tell me to spend the reserve or they're going
22 to tell me to terminate people out of the
23 program.

24 CHAIRPERSON WILLIAMS: I understand
25 what you're saying. I just--it's to me, if we

1 know that we're saving a million every year,
2 let's say for 10 years and we're not giving out
3 the voucher so we could prevent cut, but then
4 in 10 years, they cut us 10 million dollars.
5 We have to use our reserve anyway. So it's not-
6 -I'm trying to figure out how the reserve is
7 beneficial.

9 COMMISSIONER BEEN: Because the
10 reserve keeps us from having to actually
11 terminate people. To us, one of the very worst
12 things is to say to somebody who is in an
13 apartment using a voucher, "Sorry, you don't
14 have anything." Right? "We're taking away your
15 voucher. You have no assistance whatsoever."
16 That person could end up homeless. That person
17 could end up, you know, in terrible straits,
18 right?

19 CHAIRPERSON WILLIAMS: So that, that
20 creates a buffer when the cut comes?

21 COMMISSIONER BEEN: Exactly, that I
22 don't have to terminate as opposed to not
23 issuing new vouchers, right.

24 CHAIRPERSON WILLIAMS: So you're
25 still going to get cut, but it's less deep. And

2 then looking at the out year budget, looking at
3 this, it seems to me that without sequestration
4 you're saying you would eventually have to
5 downsize anyway?

6 COMMISSIONER BEEN: Yes, if things,
7 you know, if the budget situation in Washington
8 continues and we did--if we rolled back the
9 policy change, right, so that we said there's a
10 moratorium or we're rolling it back, then if
11 things continue as we're projected, in fiscal
12 year--in--sorry--calendar year 15, I wouldn't
13 be achieving that nine million dollar in policy
14 savings so I'd be in deficit in calendar 15. So
15 I might then have to put this policy right back
16 into effect, right? That's part of the
17 difficulty of this.

18 CHAIRPERSON WILLIAMS: How--have you
19 made back the money from the sequestration
20 cuts? Have you balanced that part of it?

21 COMMISSIONER BEEN: Well, in calendar
22 year 14, we were--we received, we just received
23 the funding letter that we're getting 400
24 million. That's not making it back because I
25 don't have the 24 million that I had in

1 reserves, right? Four hundred million in--you
2 know, every year my expenses for the same
3 number of vouchers goes up, right? And so the
4 fact that I got back roughly where I was in
5 calendar year 12 or calendar year 11 doesn't
6 mean that I'm at the same place, because my
7 expenses are now higher, right? So no, I'm at
8 the same funding level, but I don't have a 24
9 million dollar reserve and my expenses are
10 greater for the same amount of money.

11
12 CHAIRPERSON WILLIAMS: How many
13 people have been moved to date?

14 COMMISSIONER BEEN: So the number of
15 people that have been moved to date are--so, in
16 the--let me start with the enhanced vouchers,
17 88 households have been moved during the--are
18 right now in the process of moving. In the
19 regular housing vouchers, 2,925 families have
20 either moved--

21 CHAIRPERSON WILLIAMS: [interposing]
22 Sorry, 2,000?

23 COMMISSIONER BEEN: Nine hundred and
24 25 families have either moved or had their
25 payments standard changed.

2 CHAIRPERSON WILLIAMS: And how many
3 people on a list now? So how many people
4 originally did you think you had to move in
5 either one of those to deal with that
6 sequestration?

7 COMMISSIONER BEEN: So it's hard
8 actually to separate out the people who were
9 affected by the housing standard, right, the
10 number of bedrooms and the people who are
11 affected by the change in the payment standard,
12 because those sometimes trigger each other.
13 They work together.

14 CHAIRPERSON WILLIAMS: Okay.

15 COMMISSIONER BEEN: So I have to lump
16 those together unfortunately. So in the
17 regular--

18 CHAIRPERSON WILLIAMS: [interposing]
19 I'm sorry. So, but the first numbers lumped
20 those together as well, correct?

21 COMMISSIONER BEEN: It does, yes, it
22 does.

23 CHAIRPERSON WILLIAMS: Okay, alright.

24 COMMISSIONER BEEN: So the number of
25 people who we anticipate will be affected in

1 the regular housing choice voucher is 5,561. In
2 the enhanced voucher it's 3,026.

3 CHAIRPERSON WILLIAMS: So--

4 COMMISSIONER BEEN: [interposing] Who
5 will either have to move or have their housing
6 payment standard changed or both.

7 CHAIRPERSON WILLIAMS: At the moment
8 of the sequestration, were these the numbers
9 that you thought you had to do to deal with the
10 sequestration?
11

12 COMMISSIONER BEEN: Yes. I mean, you
13 mean could we have said only half of these? Is
14 that--I'm sorry, I'm not--

15 CHAIRPERSON WILLIAMS: [interposing]
16 No, I'm just--I'm trying to figure out. Not
17 take into account year 15, year 16.

18 COMMISSIONER BEEN: Right.

19 CHAIRPERSON WILLIAMS: The deal with
20 what looks like would have 37 million dollar--

21 COMMISSIONER BEEN: [interposing]
22 Right.

23 CHAIRPERSON WILLIAMS: cut. These
24 were the numbers that you thought you had to
25 deal with.

2 COMMISSIONER BEEN: Yes.

3 CHAIRPERSON WILLIAMS: And so of the
4 3,026 in enhanced section eight and the 5,506 I
5 think it is from regular--

6 COMMISSIONER BEEN: [interposing]
7 Five hundred and sixty-one.

8 CHAIRPERSON WILLIAMS: Five hundred--
9 5,561. Of those you had 88 households in
10 section eight and 2,925 in regular that had
11 been affected.

12 COMMISSIONER BEEN: Right.

13 CHAIRPERSON WILLIAMS: And as in
14 fiscal year 14, we have gotten back to a
15 surplus where there's not a loss. Correct?

16 COMMISSIONER BEEN: There is not--
17 well, with the policy change there is a
18 surplus, yes.

19 CHAIRPERSON WILLIAMS: Okay. And if
20 you put a moratorium on that right now, you're
21 saying by year 16 you'd have to lift that
22 moratorium?

23 COMMISSIONER BEEN: I'm saying that
24 by, actually by 15 I would be in a deficit, so
25 I'd have to change it in 15. Right? Because

1
2 what I've given you there is, assumes that I
3 continue the policy in place which saves me
4 nine million dollars. If I don't save that
5 money in calendar year 15, then I'm in a
6 deficit, and then I'm in a deficit again, no
7 matter what, in calendar year 16 as well.

8 CHAIRPERSON WILLIAMS: So I know my
9 colleagues are going to have questions for
10 NYCHA. I mean, I was surprised. We had thought
11 that NYCHA had revised their payment standards
12 and this is why weren't able to prevent some of
13 the downsizing, but it turns out they didn't,
14 and I'm trying to figure out why or how HPD can
15 come to some of the same savings without doing
16 the downsize.

17 COMMISSIONER BEEN: I'm sorry. You
18 mean, why did we have to make these policy
19 changes when NYCHA chose not to?

20 CHAIRPERSON WILLIAMS: Yes.

21 COMMISSIONER BEEN: I mean, we did
22 not believe that we should run a deficit,
23 right? And we, you know, we had very limited
24 number of options about ways to not run that
25

1 deficit and so we felt like we had to do the
2 only levers that we had available for us.

3
4 CHAIRPERSON WILLIAMS: I see. So this
5 prevented you from running a deficit. Got it.

6 CECIL HOUSE: Chairman Williams, we
7 also did not have the option to change our
8 payment standard. We needed a waiver from HUD
9 in order to change our payment standard. HPD
10 did not need the same waiver I do not believe.
11 Is that right?

12 COMMISSIONER BEEN: I think actually
13 we didn't need the waiver, but they gave it to
14 us. Right?

15 CECIL HOUSE: Oh, they didn't give
16 it to us.

17 COMMISSIONER BEEN: Is that--oh, we
18 did? Oh, I see. I'm sorry. I'm sorry it was
19 just a different circumstance. So you know,
20 every--we were, as I mentioned, in biweekly
21 communication. We had these biweekly meetings
22 with the HUD staff where we were going over
23 every other week what our options were, what we
24 had to do, and we had to go to them with
25 permission for all of these things. It turns

1
2 out that the way that we structured it with the
3 subsidy standard change and the payment
4 standard change, we were able to do that
5 together without the--without a specific
6 waiver, so.

7 CHAIRPERSON WILLIAMS: Is there any
8 assistance given to the actual move?

9 COMMISSIONER BEEN: In my case, no.
10 We are not able to help the families with
11 moving expenses. Because I don't--I can't
12 spend the section eight dollars. I am not
13 allowed to spend them for that kind of moving
14 assistance.

15 CHAIRPERSON WILLIAMS: This is
16 terrible. I mean, I'm trying to under--I
17 understand that people have to--really, like I
18 understand both sides. I understand that people
19 have to get into the right apartments. I'm
20 trying to make sure it's done fairly and
21 elderly and people with disability taken care
22 of, but how do you force the parent--the
23 families who do this and not provide any
24 assistance in moving at all? I don't--that one
25 doesn't compute with me at all.

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COMMISSIONER BEEN: Well, it's terrible, I agree. It's harsh, I agree, and if we were to grant moving assistance then we would have to cut other vouchers to pay for that.

CHAIRPERSON WILLIAMS: I'm wondering if there's like a lawsuit or something involved. I mean, you're forcing people to do something and not giving the assistance to do it, but okay.

COMMISSIONER BEEN: I'm sorry, we couldn't cut other vouchers. We are not allowed to use the voucher money to pay for a move.

CHAIRPERSON WILLIAMS: Okay.

COMMISSIONER BEEN: We are not allowed to do that.

CHAIRPERSON WILLIAMS: And this is the last question for me for now, I'm definitely going to have more, and I wanted to pass it over to my co-chair, but help me explain--help me understand fully. I am a tenant, I get a letter. From the moment I get the letter, what happens until the move?

2 COMMISSIONER BEEN: So when you get
3 the letter you are given--let's see. It's the
4 same, right, for--let me--[off mic] So we
5 notified all participants in July that we were
6 going to be putting these changes into place,
7 right? And then when they come in for their
8 annual certification which varies across the--

9 CHAIRPERSON WILLIAMS: [interposing]
10 So wait. I just want to--I would have got a
11 letter in July?

12 COMMISSIONER BEEN: Everybody would
13 have gotten a letter in July of 2013.

14 CHAIRPERSON WILLIAMS: Okay.

15 COMMISSIONER BEEN: Saying we are
16 changing our payment standards and we're
17 changing our subsidy standards in the following
18 ways. Right? That doesn't--

19 [off mic]

20 CHAIRPERSON WILLIAMS: Okay, can we--
21 understood. So--

22 COMMISSIONER BEEN: [interposing]
23 Well, we believe that we sent those letters to
24 everyone on our rolls. If we, you know, if
25 people didn't get them then I need to know

1 about that. Right? So then at the annual
2 certification, right, that every voucher holder
3 is required to go through, we then have their
4 household size and we re-verify their income.
5 We verify their household size. At that time we
6 set, we applied the new standard, right, and
7 said, "Okay, you are now a one person household
8 living in a one bedroom or a two bedroom. You
9 are only entitled under this new policy to a
10 studio apartment or whatever." Right? Whatever
11 the sizing was, right? At that point, people
12 were given 15 days to accept the--so now we
13 have to vary by the regular choice voucher,
14 regular housing choice vouchers versus the
15 enhanced vouchers, right? So let me take the
16 enhanced vouchers first. So, when upon annual
17 certification we make a determination about--

18
19 CHAIRPERSON WILLIAMS: [interposing]
20 What--where are we up to now? July 1st, you're
21 saying they've gotten the letter?

22 COMMISSIONER BEEN: No, after July
23 1st, everybody, every voucher holder--

24 CHAIRPERSON WILLIAMS: [interposing]
25 Sure.

2 COMMISSIONER BEEN: has gotten that
3 notice, right?

4 CHAIRPERSON WILLIAMS: Yes.

5 COMMISSIONER BEEN: Then they come
6 in. Let's say that their annual certification
7 is in September, right?

8 CHAIRPERSON WILLIAMS: September,
9 okay.

10 COMMISSIONER BEEN: I mean,
11 everybody's varies. So this is going to take
12 place over the course of a year. They come in
13 September. We see that under the new policy
14 they have to have a different sized voucher,
15 right?

16 CHAIRPERSON WILLIAMS: Okay.

17 COMMISSIONER BEEN: So if they're an
18 enhanced voucher recipient, at that point we
19 put them on a waiting list for their
20 development.

21 CHAIRPERSON WILLIAMS: You said
22 something about 15 days, so 15 days for you to
23 respond?

24 COMMISSIONER BEEN: I'm trying to
25 explain.

CHAIRPERSON WILLIAMS: Okay.

COMMISSIONER BEEN: It differs in--
the difference--the 15 days I have to go back
to the regular choice voucher.

CHAIRPERSON WILLIAMS: Okay. So we're
enhanced voucher, okay.

COMMISSIONER BEEN: Okay. So in the
enhanced voucher, right, they get an over--at
the annual certification they get the notice
that their voucher is now a different size,
right? It's a smaller size. They have at that
point they have 30 days to request a reasonable
accommodation. They can do it in that 30 day
period or any time thereafter they can still
request a reasonable accommodation, right? So--
-

CHAIRPERSON WILLIAMS: [interposing]
They have 30 days to respond?

COMMISSIONER BEEN: There's--we
haven't--they haven't been offered an apartment
yet, so that's why this is a confusing
discussion, right? They've been told when an
apartment becomes available in your

1
2 development, you are going to have to choose to
3 move or not to move.

4 CHAIRPERSON WILLIAMS: Yes.

5 COMMISSIONER BEEN: Right? Okay. so
6 they don't have a choice. They don't have to
7 make a choice yet, because we haven't made that
8 apartment available.

9 CHAIRPERSON WILLIAMS: I just know
10 you said something about 30 days. So what
11 happens in 30 days? I heard something--

12 COMMISSIONER BEEN: When--I'm trying
13 to get to that. So let me just take it step by
14 step, because otherwise it's really confusing.
15 We tell them, "You're going to get a different
16 sized voucher." Right? They can within 30 days
17 or at any time thereafter ask for a reasonable
18 accommodation. They--

19 CHAIRPERSON WILLIAMS: [interposing]
20 Let me stop--

21 COMMISSIONER BEEN: [interposing]
22 They haven't been offered an appointment yet.

23 CHAIRPERSON WILLIAMS: Let me stop
24 for one second. And if it's confusing to me, I
25 know it's confusing to them. So, if they can

1 do it any time after, why the demarcation of 30
2 days. If you're demarking, that means that
3 something happens in 30 days.
4

5 COMMISSIONER BEEN: Well, we ask them
6 to do it, you know, within 30 days, but we also
7 say you can do it later because their
8 circumstances might change, right?

9 CHAIRPERSON WILLIAMS: So they are
10 asked to respond within 30 days and they are
11 allowed time after to also respond.

12 COMMISSIONER BEEN: Yes. They are
13 told you can ask for a reasonable
14 accommodation.

15 CHAIRPERSON WILLIAMS: At what point
16 are they no longer allowed to ask for
17 reasonable accommodation?

18 COMMISSIONER BEEN: They can always
19 ask for it. Up until it's denied and even after
20 it was denied, if their circumstance changed
21 they could come back and ask for another--

22 CHAIRPERSON WILLIAMS: So the 30 days
23 is an internal date, internal timeframe that
24 does not prevent them from asking for it?

25 COMMISSIONER BEEN: That is correct.

2 CHAIRPERSON WILLIAMS: Okay.

3 COMMISSIONER BEEN: Okay, so now they
4 are put on a wait list for their development.
5 Right? So they are--if they are under the new
6 policy entitled to a studio, let's say--

7 CHAIRPERSON WILLIAMS: [interposing]
8 I'm sorry. Hold one second. I'm sorry.

9 COMMISSIONER BEEN: I'm sorry?

10 CHAIRPERSON WILLIAMS: Go ahead. I'm
11 sorry.

12 COMMISSIONER BEEN: No, if they are
13 let's say entitled to a studio, they go on a
14 waiting list for whenever the first studio
15 becomes available, right? That waiting list is
16 ordered. It's ordered by the date of their
17 certification, the date when they were issued
18 a, you know, a differently sized voucher. So
19 let's go back to my September example. If there
20 was somebody who was certified in September and
21 was told then, "Your voucher size has changed."
22 And another person was recertified in December
23 and they were told that their voucher was
24 changed, the person who was notified in
25 September would be higher on the list than the

1 person who was notified in December, right? So
2 when a studio becomes available in that
3 development, it will be offered to the person
4 who's first on the list, the person who was
5 offered it in September, whose voucher was
6 changed in September. Right? Okay, so now they
7 then have--so they're offered an apartment.
8 They then have 15 days to respond to whether or
9 not they will take that apartment. Okay? Then
10 if they say, "Yes, I will take that apartment,"
11 they then have between 30 and 45 days which to
12 move.
13

14 CHAIRPERSON WILLIAMS: Sorry, bring
15 me back again. When did that 15 day kick in?

16 COMMISSIONER BEEN: When they're told
17 a studio is available for--

18 CHAIRPERSON WILLIAMS: [interposing]
19 Whenever, so which could be a year from now.

20 COMMISSIONER BEEN: Could be a year.
21 It could be two years. It could be any number,
22 you know. It could be any amount of time.

23 CHAIRPERSON WILLIAMS: Okay.

24 COMMISSIONER BEEN: So they're told,
25 okay, now an apartment at the right size is

1 available and then they have 15 days to say,
2 "Yes, I will move," or "No, I won't move."
3 Right? Then if they say, "Yes, I will move,"
4 then they have between 30 and 45 days to move.
5 Okay. Alright. So that's the enhanced voucher.
6 Alright. Now, for the--

8 CHAIRPERSON WILLIAMS: [interposing]
9 Any point are they forcibly moved if they do
10 not move?

11 COMMISSIONER BEEN: No, we don't
12 forcibly move people.

13 CHAIRPERSON WILLIAMS: So if they
14 choose not to move what happens?

15 COMMISSIONER BEEN: Then they would
16 be responsible for the difference in the rent.

17 CHAIRPERSON WILLIAMS: I see. Okay.

18 COMMISSIONER BEEN: And they would
19 also--they would--they would go to from and
20 enhanced voucher to a regular voucher. Okay?

21 CHAIRPERSON WILLIAMS: Say that
22 again.

23 COMMISSIONER BEEN: They would lose
24 their sticky voucher, their enhanced voucher,
25 which lets them stay in that development, and

2 they would get a regular voucher that they are
3 not necessarily able to use in that
4 development.

5 CHAIRPERSON WILLIAMS: So this is
6 that they choose not to move, they lose the
7 enhanced voucher.

8 COMMISSIONER BEEN: Right.

9 CHAIRPERSON WILLIAMS: Okay. Alright.
10 So we're jumping to regular vouchers now.

11 COMMISSIONER BEEN: Correct. Okay. So
12 regular vouchers, again, they got notice in
13 July, their first recertification. We look at
14 their household size and we tell them you get a
15 different sized voucher. We re-determine the
16 voucher size at that point. And when we re-
17 issue that new voucher, under the new standard,
18 then the person is given 15 days again or 30?
19 Thirty days for the regular voucher. They're
20 given 30 days in which to either move or again
21 to pay to stay in their current apartment but
22 to pay the difference.

23 CHAIRPERSON WILLIAMS: So they're
24 given a new standard and then given an
25 apartment at the same time?

2 COMMISSIONER BEEN: No, they have to
3 find an apartment with their voucher.

4 CHAIRPERSON WILLIAMS: They have to
5 find it?

6 COMMISSIONER BEEN: Right. That's the
7 huge difference between enhanced--

8 CHAIRPERSON WILLIAMS: [interposing]
9 So if I have a regular voucher I'm already in
10 the apartment, and then the regular voucher is
11 for somebody who can take it anywhere? But am I
12 already in the apartment?

13 COMMISSIONER BEEN: You're already in
14 an apartment using that voucher.

15 CHAIRPERSON WILLIAMS: And then I'm
16 re-certified.

17 COMMISSIONER BEEN: And you're re-
18 certified and told now you have to move to a
19 smaller apartment, so they have to--

20 CHAIRPERSON WILLIAMS: [interposing]
21 So that clock starts right then, after re-
22 certification process?

23 COMMISSIONER BEEN: Exactly. Exactly.
24
25

2 CHAIRPERSON WILLIAMS: And how much
3 time do you have then to ask for a reasonable
4 accommodation?

5 COMMISSIONER BEEN: You can ask for a
6 reasonable accommodation then or at any point.

7 CHAIRPERSON WILLIAMS: And if you do
8 not move what happens?

9 COMMISSIONER BEEN: Then you have to
10 pay the difference between the voucher amount
11 for the right sized apartment and whatever the
12 contract rent is on the apartment that you
13 remain in.

14 CHAIRPERSON WILLIAMS: Okay. Thank
15 you very much. I'm going to pass it over to my
16 co-chair. I do have some questions after.

17 CHAIRPERSON TORRES: Sorry. My first
18 question is actually to the HPD Commissioner.
19 I think we all understand that, you know, you
20 cannot control federal appropriations, the
21 amount of funding that you receive from the
22 federal government, but what you can control is
23 communication. And so I'm wondering before
24 deciding to downsize, did HPD hold a public
25 hearing? Did you allow for public comment?

2 COMMISSIONER BEEN: We did hold a
3 public hearing. We met with a variety of--I
4 mean, let me just kind of walk you through what
5 we did. So let me--I will spare you all of the
6 back and forth with HUD etcetera. Alright, so
7 we met in--we announced that--we got permission
8 from HUD to take this route. We then held a
9 public hearing in June about the policy change.
10 We then in July, we put the policy change into
11 effect. We then met with for example, a variety
12 of Assembly Members, a variety of Council
13 Members. We met with for example, the Glen
14 Gardens Tenant Association. In September we
15 again notified owners about the policy change
16 so that they had been informed. We again
17 continued meeting throughout July, August,
18 September with Council Members, with Congress
19 people with Assembly Members, with State
20 Senators.

21 CHAIRPERSON TORRES: So I understand
22 you're meeting with elected officials, but
23 public hearings?

24 COMMISSIONER BEEN: We had a public
25 hearing--

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CHAIRPERSON TORRES: [interposing]

How many public hearings?

COMMISSIONER BEEN: We only had one public hearing to my knowledge, right?

CHAIRPERSON TORRES: And that public hearing was held when?

COMMISSIONER BEEN: June.

CHAIRPERSON TORRES: So essentially over the course of one year only one public hearing?

COMMISSIONER BEEN: Well, we only learned that we had to do this, right, in late Spring. So we first were told you have to cut back, right, in April of 2013, and then over the next few months we had to work with HUD about the different options that we had on the table. So we didn't know until June.

CHAIRPERSON TORRES: So I want to be-

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COMMISSIONER BEEN: [interposing] We didn't--we couldn't hold a public hearing--

CHAIRPERSON TORRES: [interposing] In June of 2012 you held a public hearing--

2 COMMISSIONER BEEN: [interposing]

3 2013.

4 CHAIRPERSON TORRES: I'm sorry, 2013.

5 COMMISSIONER BEEN: Right.

6 CHAIRPERSON TORRES: You held a
7 public hearing informing the public about your
8 decision to downsize?

9 COMMISSIONER BEEN: Well, not just
10 informing, you know, saying here are our
11 options, what do you think we should do?

12 CHAIRPERSON TORRES: Okay. So once--
13 okay, once you--okay. Once you--

14 COMMISSIONER BEEN: [interposing]
15 Before we put it into effect, we listened to
16 try to figure out was there any other solution.

17 CHAIRPERSON TORRES: Now what was the
18 feedback from those hearings?

19 COMMISSIONER BEEN: Well, people
20 weren't--did not think that this was a good
21 solution, but we couldn't come up with any
22 other one.

23 CHAIRPERSON TORRES: Now, obviously I
24 consider section eight to be one of the few
25 sources of affordable housing in our city

2 because it offers a basic guarantee that your
3 rent will be 30 percent of you gross adjusted
4 income, but that's only partly true. It's your-
5 -it's 30 percent of your income up to a certain
6 point, up to a certain percentage of fair
7 market value, and so if there is a decrease in
8 payment standards or an increase in the fair
9 market values, then that will mean more tenants
10 are paying more than 30 percent of their
11 income, more than an affordable rent. So I'm
12 curious to know in each of your cases for HPD
13 and for NYCHA, what percentage of your tenants
14 are paying more than 30 percent of their
15 income, what number and percentage?

16 COMMISSIONER BEEN: Let me find that.
17 Do we--[off mic] Go ahead if you know while
18 I'm looking.

19 CECIL HOUSE: So, I don't have that
20 information with us, Chairman Torres, but we
21 will be able--we'll get it for you and we'll
22 send it out to the committee.

23 COMMISSIONER BEEN: Okay. I'm sorry,
24 I don't have it broken down in that way, so we
25 will send you that.

2 CHAIRPERSON TORRES: It's upsetting.

3 Look, I understand you're in a difficult
4 situation, right? You have two bad options.
5 You can either down size or you can cut
6 payments, but in order to decide which is the
7 worst option, you have to know the effect that
8 it will have on your residents, and I think you
9 should know how many more of your residents
10 would be paying more than 30 percent of their
11 income as a result of payment standard
12 reductions.

13 COMMISSIONER BEEN: Well--

14 CHAIRPERSON TORRES: [interposing] I
15 just think that's something you should know
16 well in advance when weighing the option.

17 COMMISSIONER BEEN: Yeah, and we
18 modeled all that out in order to figure out
19 what the effect of all the different options
20 that we were considering would be. I just don't
21 have it with me.

22 CHAIRPERSON TORRES: Well, I would
23 like that information.

24 COMMISSIONER BEEN: Yeah, we will
25 send that.

2 CHAIRPERSON TORRES: Then you noted
3 and I want to follow up on a question that
4 Council Member--Chairman Williams asked about
5 the restrictions. So I notice for calendar year
6 16 you will have an 11 million dollar deficit.
7 Am I reading that correctly?

8 COMMISSIONER BEEN: Yes.

9 CHAIRPERSON TORRES: And even if--so
10 if the City Council was willing to give you 11
11 million dollars, you could not use it to fill
12 that deficit. And so I'm curious to know, are
13 the restrictions based on law or is it based on
14 HUDs administrative rules or policy?

15 COMMISSIONER BEEN: Is it guidance
16 or--

17 [off mic]

18 COMMISSIONER BEEN: We asked for a
19 waiver to be able to spend other monies and
20 they refused. I have to go back and look to see
21 were they basing that on a guidance, on an
22 internal HUD rule or was it their
23 interpretation of the legislation?

24 CHAIRPERSON TORRES: And I'm curious
25 to know if the General Manager might have an--

2 COMMISSIONER BEEN: Okay. I'm sorry,
3 I don't know despite my team's telling me. I
4 haven't straightened all this out in my mind,
5 so I do not want to give you the wrong
6 information.

7 CHAIRPERSON TORRES: And I would love
8 that answer too.

9 COMMISSIONER BEEN: So I will get
10 you.

11 CECIL HOUSE: With the HAP [phonetic]
12 contract, we actually create a contract with
13 the landlord that we're going to pay and if
14 City Council funds and it becomes a--it's a
15 federal obligation. That's the concern. So the
16 federal government is prepared to maintain
17 federal obligation, but I'm not sure that
18 they're prepared to allow a city to step in in
19 the short term and then require the federal
20 government to pick it up in subsequent years is
21 the concern in--

22 CHAIRPERSON TORRES: [interposing]
23 But you don't know whether that's based
24 administrative rules or legislation.
25

2 CECIL HOUSE: No, we can--but we
3 we're looking and I think HUD has issued some
4 guidance on this recently. We'll have to get
5 that and share it with the committee.

6 CHAIRPERSON TORRES: And I want to
7 compare your situations, because I'm having
8 trouble understanding why HPD had to both
9 pursue a policy of downsizing and made payment
10 cuts whereas NYCHA was able to avoid both of
11 those options, and I'm wondering how could that
12 be the case? Both of you had budget shortfalls.
13 Both of you received shortfall funding and so
14 I'm wondering what is the difference in your
15 cases, and then I finally realized it. NYCHA
16 depleted its reserves, whereas HPD didn't.

17 CECIL HOUSE: We--

18 CHAIRPERSON TORRES: [interposing] So
19 even though you avoided it this year, I'm
20 wondering is downsizing and payment cuts coming
21 next year?

22 CECIL HOUSE: We have a shortfall
23 this year as well, even with the higher level
24 of funding that the federal government is
25 providing, but we do believe that our shortfall

1
2 is small enough this year. It was fairly large
3 last year, which was a big issue, but it's
4 small enough this year that the federal
5 government will be able through their shortfall
6 funding program be able to cover our shortfall
7 this year.

8 CHAIRPERSON TORRES: And how are you-
9 -you have depleted 58 million dollars in
10 reserves, right? What implications will that
11 have for future fiscal years?

12 CECIL HOUSE: We do not have the
13 cushion that we had in place. Even the 58
14 million wasn't enough for 2012, I mean for
15 2013, and as we move into 2014 we will not have
16 a cushion either.

17 CHAIRPERSON TORRES: So what are the
18 implications of not having a cushion?

19 CECIL HOUSE: Well, we are totally
20 dependent upon the funding that we received
21 from the federal government.

22 CHAIRPERSON TORRES: Right, and if
23 the trajectory of federal funding remains the
24 same or gets worse and you have no cushion--

25 CECIL HOUSE: [interposing] Right.

2 CHAIRPERSON TORRES: then downsizing
3 and payment cuts will come?

4 CECIL HOUSE: We'll have to make some
5 very difficult choices.

6 CHAIRPERSON TORRES: I just want to--
7 so what might seem like a rosy situation now
8 can become--

9 CECIL HOUSE: Yeah, I'm not
10 suggesting it's a rosy situation. We are making
11 it through this year, we think, but the future
12 is unpredictable for this very reason because
13 we're not getting predictability from
14 Washington.

15 CHAIRPERSON TORRES: And just I'm
16 curious to know the factors in federal funding.
17 I think federal funding is based on
18 appropriation, but it's based on also
19 utilization. So if you receive fewer
20 appropriations, then it's going to lead to less
21 utilization which will in turn will lead to
22 less fewer appropriations. So there's a vicious
23 cycle. I mean, am I--I just want to know if I'm
24 characterizing that dynamic correctly, or?

25

2 CECIL HOUSE: Yes. We focus on fully
3 utilizing our allocation so that that
4 allocation is at least available for the
5 subsequent years.

6 CHAIRPERSON TORRES: You're
7 hemorrhaging vouchers. You're losing them every
8 year. So I'm curious to know how many vouchers
9 have you lost in the last five years?

10 CECIL HOUSE: [off mic] Two thousand
11 last year. Last year? Yeah, so we know 2,000
12 last year. If you average that over the last
13 few years, it will vary from year to year, but
14 it's, you know, in the range of 7-10,000.

15 CHAIRPERSON TORRES: So on average
16 you're losing 7 or 10,000 or you've lost 7-
17 10,000 since?

18 CECIL HOUSE: No, no, that's over
19 five years.

20 CHAIRPERSON TORRES: Okay. Since. And
21 HPD?

22 COMMISSIONER BEEN: HPD in the last
23 year we went from 33,464 down to about 32,000.
24 So we're losing, you know, about 1,500. We
25 lost about 1,500 just in the last few years.

2 CHAIRPERSON TORRES: Now just like
3 the meaning of fair market value and payment
4 standards change, so does the meaning of right
5 sized, right? You keep adjusting your right-
6 size policy. So I'm wondering--I want to do a
7 comparison both for your HPD and NYCHA. How
8 many tenants were in the wrong size apartment
9 under you old policy and how many tenants were
10 in the wrong sized apartment under your new
11 policy. I'm just curious how significant the
12 difference between those two numbers if you
13 have them.

14 COMMISSIONER BEEN: See, that's part
15 of--we aren't positive until we get to that
16 annual certification, right? Because at that
17 annual certification they certify how many
18 people are in their household at that point,
19 and so that--those annual certifications
20 started in July of--I mean after the policy
21 change, started in July of 2013. We're not
22 through the annual certification cycle, so I
23 don't know exactly how many. We can tell you hw
24 many we think based upon a projection. Oops,

1
2 sorry. And let me find that piece of paper,
3 I'm sorry. If you want to go ahead and answer--

4 CECIL HOUSE: Our policy didn't
5 change, so we don't have a comparison.

6 COMMISSIONER BEEN: So here. Let's
7 see. We had so far this year as of the third
8 quarter of 2014, we had recertified about
9 15,000 of the total population of about 29,000.
10 So we're basically about half way through, and
11 based upon that we saw about 19 percent of our
12 tenants changing status.

13 CHAIRPERSON TORRES: So a change in
14 the definition of what is right-sized?

15 COMMISSIONER BEEN: Right.

16 CHAIRPERSON TORRES: Led to a 19
17 percent increase in the under occupancy rate,
18 or is that--

19 COMMISSIONER BEEN: [interposing] No,
20 no. So we saw that about 19 percent of our
21 tenants at recertification were getting a down-
22 sizing essentially, a downsizing notice.

23 CHAIRPERSON TORRES: In light of the
24 new--

2 COMMISSIONER BEEN: [interposing]

3 Right.

4 CHAIRPERSON TORRES: change in
5 definition.

6 COMMISSIONER BEEN: Exactly. Exactly.

7 CHAIRPERSON TORRES: Okay. That's
8 about, you said 19 percent?

9 COMMISSIONER BEEN: Uh-hm.

10 CHAIRPERSON TORRES: So how many of
11 those--what percentage of those residents or
12 voucher holders would have been over housed in
13 the absence of the change in the definition of
14 right sized?

15 COMMISSIONER BEEN: So were there
16 people aside from this policy change already--

17 CHAIRPERSON TORRES: [interposing]
18 Who would have been regarded as--

19 COMMISSIONER BEEN: [interposing]
20 over housed.

21 CHAIRPERSON TORRES: over housed. So
22 what subset?

23 COMMISSIONER BEEN: Right. I do not
24 have that figure with me. I'm sorry. We have
25 that figure. I will bring that to you.

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2 CHAIRPERSON TORRES: Okay. So that's-

3 -

4 COMMISSIONER BEEN: [interposing] I
5 will send that to you.

6 CHAIRPERSON TORRES: Okay. I have a
7 question about public housing units. We were
8 speaking about vouchers. I want to speak about
9 downsizing in the context of public housing
10 units. What percentage of your units are under
11 occupied? How many units are under occupied,
12 both numbers and percentages?

13 CECIL HOUSE: Just one second. I do
14 have that number. So 32 percent are under
15 occupied?

16 COMMISSIONER BEEN: Under occupied.
17 [off mic].

18 CECIL HOUSE: It's 32 percent are
19 under occupied.

20 CHAIRPERSON TORRES: Thirty-two
21 percent?

22 CECIL HOUSE: Yes.

23 CHAIRPERSON TORRES: Okay. And what
24 percentage of those under occupied are occupied
25 by a senior citizen?

2 CECIL HOUSE: Fifty percent of that
3 amount of the under occupied are occupied by
4 seniors.

5 CHAIRPERSON TORRES: So it's
6 disproportionately elderly?

7 CECIL HOUSE: Yeah.

8 CHAIRPERSON TORRES: So if I'm a
9 senior citizen in an under occupied unit, walk
10 me through the process again. What happens?

11 CECIL HOUSE: So I'm going to ask
12 Carolyn Jasper to do that. She's very skilled
13 at this and will hopefully present this very
14 crisply for you.

15 CAROLYN JASPER: So what happens is
16 that each year NYCHA's required to perform an
17 annual income review certification for all of
18 our residents. So at the time of the annual
19 income review the staff is required to review
20 the household composition as well as the income
21 of all household members. What they're required
22 to do is to look at the household composition
23 and when you have families who are currently
24 living in either under occupied or extremely
25 under occupied apartments, whether it's general

1
2 population or our seniors, management, they're
3 required to send out a notice to those
4 residents who they identify during the quarter
5 to let those residents know that they should
6 visit their management office because they're
7 currently living in an under occupied
8 apartment. What happens is if residents who are
9 living in under occupied apartments do not
10 respond to the letter, then 30 days later,
11 property management will send a second letter
12 to only residents living in extremely under
13 occupied apartments. Those residents were
14 informed, are informed that they were sent a
15 notice previously and that they are required to
16 come to the management office to discuss their
17 transfer options. If the resident fails to
18 respond to the letter, the second notice,
19 within 10 days, then property management then
20 places the resident on the borough-wide
21 transfer list. The resident is then sent a
22 notice informing them that they have been
23 placed on the borough-wide transfer list and
24 that they still have an option to come in to
25 discuss their transfer option, whereas either

1
2 they will have the option to be placed on their
3 development list or any other development
4 throughout the city that they would like, but
5 they would have an option at that time.

6 CHAIRPERSON TORRES: Okay. So I'm a
7 senior citizen. I've been living in, rooted in
8 my apartment for 50 years, and you
9 involuntarily put me on the transfer list, and
10 then what happens when an apartment is
11 available on this list? What happens if you
12 present me an option?

13 CAROLYN JASPER: Okay. So what
14 happens, if we--

15 CHAIRPERSON TORRES: [interposing]
16 And then I say no.

17 CAROLYN JASPER: Okay. So if we have
18 residents or seniors who are living in under
19 occupied apartments, we do not pursue them. We
20 only pursue those who are living in extremely
21 under occupied apartments. So, yes, if we have
22 a resident who is living in an extremely under
23 occupied apartment and for some reason they
24 fail to respond to any of the letters--yes,
25 they are placed on the borough-wide list. What

1 happens is that if they fail to come in at any
2 time they will be selected for an apartment at
3 that development. Okay? And that selecting
4 development, once they're selected through the
5 TSAP system, they will receive a notice
6 informing them to respond to the development
7 within seven business days because they have
8 been selected for an apartment.

10 CHAIRPERSON TORRES: And does the
11 resident have the option of declining?

12 CAROLYN JASPER: Well, the resident
13 does not have the option because they are in an
14 extremely under occupied apartment. So it--

15 CHAIRPERSON TORRES: [interposing] Is
16 this a intra or inter development transfer?

17 CAROLYN JASPER: It can--

18 CHAIRPERSON TORRES: [interposing] It
19 can be either or right?

20 CAROLYN JASPER: Well, if the
21 resident comes in they can request to have
22 their names placed on the intra, within the
23 development that they live on that waiting
24 list. If they fail to come in, yes, they can

1
2 end up on a development waiting list outside of
3 their development.

4 CHAIRPERSON TORRES: So the same
5 senior citizen, suppose the option that you
6 gave me, would transfer me to a development
7 that I say is much more dangerous than where I
8 currently live, can I decline that option?

9 CAROLYN JASPER: I mean, yes, the
10 develop--the resident can decline that
11 selection, and I believe--they do have two
12 choices, yes. They're offered two selections.

13 CHAIRPERSON TORRES: Okay, so I
14 decline my first option. You immediately offer
15 me a second option, or do I just go back on the
16 list until selected?

17 CAROLYN JASPER: They would--yes,
18 they will go back on the transfer list, and you
19 know--

20 CHAIRPERSON TORRES: [interposing]
21 and that could take like a year.

22 CAROLYN JASPER: It's possible.

23 CHAIRPERSON TORRES: Okay. So a year
24 later you present to me a second option?

25 CAROLYN JASPER: Yes.

2 CHAIRPERSON TORRES: And I decline
3 that one too.

4 CAROLYN JASPER: Right.

5 CHAIRPERSON TORRES: So what happens
6 then?

7 CAROLYN JASPER: So if that's the
8 case, then what happens is that they will be
9 called into the management office and they will
10 be told that their case, their tenancy case
11 will be submitted for termination of tenancy
12 proceedings.

13 CHAIRPERSON TORRES: So after
14 declining two options, then you're subject to
15 termination proceedings.

16 CAROLYN JASPER: Yes.

17 CHAIRPERSON TORRES: Okay. That's
18 what I--okay. How many residents have you
19 terminated?

20 CAROLYN JASPER: Okay. So as of to
21 date we have not terminated or evicted any
22 resident for failure to right size. However, we
23 do have cases pending say with the law
24 department, but to date, none have been
25 evicted.

2 CHAIRPERSON TORRES: Okay. But you
3 have had tenants who have declined more than
4 twice?

5 CAROLYN JASPER: Right. So what
6 happens is that if they are--if their cases are
7 sent for termination of tenancy action, they do
8 have the ability at that time when they, you
9 know, report for their hearing at the law
10 department, at that time they can agree to move
11 if selected again, and either they will sign
12 into a stipulation with the Housing Authority
13 agreeing to move and we will place them back in
14 the TSAP system with them, you know, agreeing
15 to move at the next time, during the next time
16 that they are selected.

17 CHAIRPERSON TORRES: And I know you
18 appreciate that, you know, abruptly uprooting,
19 you know, a senior citizen from a place where
20 he or she has been living for decades can be
21 traumatic, can be traumatic, and I'm wondering
22 what kind of social services do you provide to
23 ease the effects of a sudden relocation?

24 CECIL HOUSE: So we do provide
25 assistance to public housing residents with

2 their moving costs. We also have provided
3 assistance through our family services group,
4 social workers at NYCHA to assist and support,
5 and to the extent that it's appropriate we
6 connect them with other social services
7 providers that may be able to support the
8 transition as well.

9 CHAIRPERSON TORRES: So I think you
10 agree that the success of a humane policy
11 depends on a strong social service--

12 CECIL HOUSE: [interposing]
13 Absolutely.

14 CHAIRPERSON TORRES: component, and
15 how many family services employees do you
16 currently have?

17 CECIL HOUSE: I actually don't know
18 the exact number. It's around--I think it's
19 slightly less than 100. That's actually one of
20 the areas--

21 CHAIRPERSON TORRES: [interposing]
22 One hundred for the city?

23 CECIL HOUSE: For the city. That's
24 100--

2 CHAIRPERSON TORRES: [interposing]

3 How many senior citizens are we--how many
4 people are we talking about relocating?

5 CECIL HOUSE: It's not that every
6 family that gets relocated needs social
7 services.

8 CHAIRPERSON TORRES: Well even the
9 senior citizens.

10 CECIL HOUSE: How many have we moved?

11 CHAIRPERSON TORRES: Well, how many
12 are subject to transfer under your policy?

13 CAROLYN JASPER: So right now we have
14 4,679 seniors residing in extremely under
15 occupied apartments.

16 CHAIRPERSON TORRES: So 4,600. You
17 have 100 social workers for 4,600 of those
18 elderly residents who disproportionately
19 probably react negatively against downsizing.

20 CECIL HOUSE: Right. So and so
21 seniors are defined as 62 and above. So that
22 that's number.

23 CHAIRPERSON TORRES: Have you made
24 cuts to your social family services
25 department? Do you have fewer families?

2 CECIL HOUSE: Yes, over time through
3 budget reductions, our family services
4 organization has declined. We actually are
5 working very hard.

6 CHAIRPERSON TORRES: How dramatic?

7 CECIL HOUSE: I would say we're a
8 third or so of what we use to be, but I would
9 have to get you the exact number of the peak
10 family services staffing level because I'm sure
11 that occurred prior to my time at NYCHA.

12 CHAIRPERSON TORRES: Because my
13 concern is that you're cutting your social
14 service capacity by a third at a time when
15 you're attempting a mass relocation of your
16 elderly residents. I mean that--

17 CECIL HOUSE: [interposing] Right.

18 CHAIRPERSON TORRES: I mean, are you
19 sure you have the social service capacity to
20 humanely pursue this policy?

21 CECIL HOUSE: We have an excellent
22 team of employees in our family services group.
23 They are incredibly and extremely dedicated.
24 They work very hard and they're focused on
25 providing services to NYCHA residents. However,

1
2 I would not say that it is adequate for the
3 task that we have at hand. This is only one of
4 many needs that our social services
5 organization, or family service organization
6 fulfills. They are an incredible asset to
7 NYCHA, and we would be well served if we were
8 able to provide more resources in this area,
9 but unfortunately due to budget restrictions
10 and reductions, you know, we have to make
11 choices.

12 CHAIRPERSON TORRES: Are you looking
13 to expand your social service staff to ease the
14 effects of downsizing, or that's just not an
15 option?

16 CECIL HOUSE: It's not an option
17 solely for that purpose at this time. We do not
18 have the available funds for that purpose.

19 CHAIRPERSON TORRES: I'm speaking of
20 a humane downsizing policy. Commissioner, I
21 know HPD offers--Commissioner?

22 COMMISSIONER BEEN: I'm sorry.

23 CHAIRPERSON TORRES: I know HPD
24 offers reasonable accommodations.

25 COMMISSIONER BEEN: Yes.

2 CHAIRPERSON TORRES: How many voucher
3 holders have been granted reasonable
4 accommodations?

5 COMMISSIONER BEEN: I think it was
6 551 have applied. I'm sorry. Too many numbers.
7 I'm sorry I don't have them all in the tip of
8 my tongue. Okay. So a total of 375 people have
9 been approved for a reasonable accommodation.
10 Another 160 are currently pending, and 246 have
11 been denied.

12 COMMISSIONER BEEN: In the interest
13 of time I do have a few more questions, but
14 I'll ask it in the second round. I do want to
15 give my colleagues a chance to explore the
16 issues with you. Thank you so much.

17 COMMISSIONER BEEN: Thank you.

18 CHAIRPERSON WILLIAMS: So we have
19 Council Member Kallos, Council Member Lancman,
20 and then I think Council Member Reynoso's not
21 here, so we'll go to Cumbo and then Council
22 Member Mendez. Every Council Member will have
23 five minutes.

24 COUNCIL MEMBER KALLOS: Thank you to
25 Chair Jumaane Williams and Chair Ritchie Torres

1
2 for your friendship and leadership on this
3 issue by acting so quickly to hold a hearing on
4 downsizing and for having me today. Council
5 Member Ben Kallos, you can tweet me at
6 Benkallos. I represent the Upper East Side
7 Roosevelt Island and El Barrio [phonetic] where
8 residents in my district at Knickerbocker Plaza
9 are being forced out of their homes of more
10 than 30 years. These tenants moved into a
11 Mitchell-Lama building in 1975 as part of an
12 urban renewal that made the Upper East Side
13 what it is today. When their building left the
14 program they were promised they could stay and
15 reap the rewards of their lifetimes of
16 investments in their community. The federal
17 government promised they could remain in their
18 affordable housing units with enhanced section
19 eight vouchers paying landlords the difference
20 between the affordable rent and new rents. With
21 the federal sequester your agency rushed to
22 relocate tenants with little communication or
23 information and no consideration given to their
24 status as elderly or disabled residents giving
25 rise to serious concerns as the necessity and

1
2 implementation of downsizing. Gilda Leavner
3 [phonetic] is an 86 year old widow living in my
4 district at Knickerbocker Plaza. She's been
5 upgraded to a one bedroom from a studio
6 apartment after she had open heart surgery. She
7 says she can't imagine returning to a smaller
8 space and dreads having to open up a sofa bed
9 each night. This is just one story among many
10 of residents who need extra consideration and
11 sensitivity. I appreciate the difficult spot
12 HPD is in with regards to federal funding but
13 must be a better more sensitive way to handle
14 these residents of our city in need of
15 assistance. Because of this, I join more than a
16 dozen elected officials in insisting on a
17 moratorium now. Thank you for allowing me to
18 participate. I do have a couple of questions,
19 and we have three minute and 20 seconds to get
20 through them. How many of the affordable--and
21 these are all directed to HPD. How many of the
22 affordable housing tenants are disabled and how
23 many are senior citizens?

24 COMMISSIONER BEEN: I'm sorry. I'm
25 sorry, somebody was handing things to me. So

1
2 can you repeat the question please? I
3 apologize.

4 COUNCIL MEMBER KALLOS: How many of
5 the affordable housing tenants that you are
6 targeting are disabled and senior citizens?

7 COMMISSIONER BEEN: How many of the
8 people--so, how many of the voucher holders,
9 because it's not all affordable housing, it's
10 voucher holders--

11 COUNCIL MEMBER KALLOS: [interposing]
12 Yes.

13 COMMISSIONER BEEN: that who have
14 been effected by the policy or elderly--so let
15 me give you all the vouchers together. Six
16 percent of the affected households are elderly.
17 Twenty-three percent are disabled. Another 16
18 percent are both elderly and disabled. Fifty-
19 five percent are non-elderly and nondisabled.

20 COUNCIL MEMBER KALLOS: Okay. And so
21 it's 55 percent that are not--

22 COMMISSIONER BEEN: [interposing]
23 Non-elderly and non-disabled.

24 COUNCIL MEMBER KALLOS: And so 45
25 percent is everybody else.

2 COMMISSIONER BEEN: Yes.

3 COUNCIL MEMBER KALLOS: And those
4 folks are being asked to move just like the 55
5 percent that are not elderly or disabled?

6 COMMISSIONER BEEN: They are being
7 asked to move and they are being told if you
8 are elderly or disabled in that should entitle
9 you to a reasonable accommodation. Please
10 submit the required documentation.

11 COUNCIL MEMBER KALLOS: And a
12 reasonable accommodation is what?

13 COMMISSIONER BEEN: That they don't
14 have to--the policy is not applied to them.

15 COUNCIL MEMBER KALLOS: So, and how
16 long do they have to appeal?

17 COMMISSIONER BEEN: To appeal is 30
18 days?

19 COUNCIL MEMBER KALLOS: To request a
20 reasonable accommodation.

21 COMMISSIONER BEEN: To request a
22 reasonable accommodation, they can do it at any
23 time that they would be--that they would become
24 disabled or, you know, that they--

25

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2 COUNCIL MEMBER KALLOS: [interposing]

3 So they get a letter--

4 COMMISSIONER BEEN: [interposing]

5 would become entitled.

6 COUNCIL MEMBER KALLOS: It says you
7 have to move out in 30 days. How long do they
8 have to put in for a reasonable accommodation?
9 Can they ask for a reasonable accommodation on
10 day 30?

11 COMMISSIONER BEEN: They can ask for
12 a reasonable accommodation on day 30.

13 COUNCIL MEMBER KALLOS: And then how
14 long do they get before they get an answer
15 back?

16 COMMISSIONER BEEN: Approximately six
17 weeks on average before that determination is
18 made.

19 COUNCIL MEMBER KALLOS: And if there--
20 -

21 COMMISSIONER BEEN: [interposing] And
22 during that time--

23 COUNCIL MEMBER KALLOS: Once that
24 determination is made, what is their right of
25 recourse? What can they do if they're denied?

2 COMMISSIONER BEEN: If they are
3 denied they can then appeal. They have 30 days
4 to appeal.

5 COUNCIL MEMBER KALLOS: And all the
6 notices that you have sent have told anyone
7 that if they're seniors or disabled that they
8 don't have to move, that they can just ask for
9 reasonable accommodation.

10 COMMISSIONER BEEN: No, it doesn't
11 say you don't have to move. It says you are--
12 you should apply for a reasonable accommodation
13 if you believe that a reasonable accommodation
14 is necessary.

15 COUNCIL MEMBER KALLOS: Can future
16 notices please specifically state, "If you are
17 a senior or disabled you are entitled to
18 reasonable accommodation and do not have to
19 move."

20 COMMISSIONER BEEN: No, I cannot say
21 you do not have to move.

22 COUNCIL MEMBER KALLOS: So you're
23 willing to tell me this and everyone in the
24 room this, but we're not willing to tell our
25 tenants that?

2 COMMISSIONER BEEN: No, I have never
3 said that just because you are elderly that you
4 do not have to move. If you are elderly and you
5 request and receive a reasonable accommodation
6 then you do not have to move. But you have to
7 request--

8 COUNCIL MEMBER KALLOS: [interposing]
9 I'm really big about objective standard.

10 [cross-talk]

11 COMMISSIONER BEEN: reasonable
12 accommodation.

13 COUNCIL MEMBER KALLOS: What is the
14 objective standard? How do I know when a
15 tenant comes to me whether or not they can
16 request a reasonable accommodation and get it?

17 COMMISSIONER BEEN: What is the
18 standard?

19 COUNCIL MEMBER KALLOS: The objective
20 standard.

21 COMMISSIONER BEEN: The standard is
22 whether or not a doctor says that you're age or
23 disability requires that you know, that you not
24 be asked to move.

25 COUNCIL MEMBER KALLOS: So--

2 COMMISSIONER BEEN: [interposing]

3 Right? It could be that you're too frail. It
4 could be that you need medical equipment. It
5 could be that you need a caregiver. Your
6 medical provider will have to say this person
7 needs a reasonable accommodation, because of
8 their medical condition.

9 COUNCIL MEMBER KALLOS: Chair, I just
10 have two more questions if I may go out?

11 CHAIRPERSON WILLIAMS: You can ask
12 one or ask them both in succession. That would
13 be fine.

14 COUNCIL MEMBER KALLOS: Sure. I just
15 tried to get through one and it took a little
16 bit. Landlords of enhanced section eight
17 tenants received billions in federal, state and
18 city subsidies and tax abatements along with
19 guaranteed return on investment at six percent
20 to 7.5 percent over the past three decades. I
21 wish I got that on my investments, if you don't
22 mind. But has HPD tried securing concessions
23 from the landlords, sought them to actually
24 give something back in exchange for the years
25 that they have been given or done something

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like we did to our tenants where you told tenants who had gotten enhanced sticky vouchers that the terms have changed. Have we--

[applause]

CHAIRPERSON WILLIAMS: Alright. We're going to--

COUNCIL MEMBER KALLOS: tried doing that to the landlord?

CHAIRPERSON WILLIAMS: You got to keep it down, please.

COMMISSIONER BEEN: We asked landlords if they would consider that they would lower the rent for people who had been there for a long time. We could not force them to do so.

COUNCIL MEMBER KALLOS: So we can force the tenants but we can't force the landlords?

COMMISSIONER BEEN: We--

CHAIRPERSON WILLIAMS: [interposing] Mr. Kallos, we just want to make sure that we're respecting our colleagues also in the time that they've been waiting.

2 COUNCIL MEMBER KALLOS: Yes,
3 absolutely. The last question is just as of
4 March 4th, Commissioner Been, you were drafting
5 a response to a letter drafted by Manhattan
6 Borough President Gale Brewer and signed by
7 myself and 13 other colleagues officials
8 requesting a moratorium to the downsizing on a
9 serious concern about the implementation. Do
10 you have a reply now or when can we expect it?

11 COMMISSIONER BEEN: We are working on
12 that reply. We thought that we should have--we
13 should come to the hearing and hear what
14 everybody has to say, but we will certainly get
15 you that reply as quickly as possible.

16 COUNCIL MEMBER KALLOS: Two weeks?

17 COMMISSIONER BEEN: Certainly by two
18 weeks.

19 COUNCIL MEMBER KALLOS: Thank you.

20 COMMISSIONER BEEN: Hopefully sooner.

21 COUNCIL MEMBER KALLOS: Thank you.

22 CHAIRPERSON WILLIAMS: Council Member
23 Lancman, Cumbo and Mendez.

24 COUNCIL MEMBER LANCMAN: Good
25 afternoon. My question is directed to NYCHA. I

1
2 represent approximately 4,000 residents in the
3 Pomenag [phonetic] Houses, and as you can
4 imagine they are extremely concerned and
5 anxious, and this is a policy I'll say right up
6 front that I oppose I think it's terribly wrong
7 headed. I wanted to ask you about the medical
8 exemptions, but first, I'm hearing testimony
9 from NYCHA which is 180 degrees inconsistent
10 with documents that I have in front of me, and
11 I'm looking at in particular the series of
12 letters that was sent to a Pomenag resident
13 over the last two years who is a target of this
14 downsizing. If I'm not mistaken, I think that I
15 heard you testify that you are only focusing on
16 extremely under occupied apartments, and that
17 every resident is given two different choices
18 to move if they don't voluntarily move. I'm
19 looking at letters to a Pomenag Housing
20 resident from 2011 through 2013. It says, "A
21 review of our records indicate that your family
22 has gotten smaller, and that your apartment is
23 too large. It is underoccupied. You currently
24 reside in an four room apartment when you
25 should be in a three room apartment based on

1
2 NYCHA occupancy standards." I do not see how
3 someone who has one more room than what they
4 are allotted to or what they are-- NYCHA would
5 like to have in a perfect situation would count
6 as being extremely under occupied, but what I
7 really want to bring to your attention is the
8 testimony that I just heard regarding there
9 being, you know, two options for each resident.
10 This is a letter sent to a NYCHA--to a Pomenag
11 resident December 2013, "Dear NYCHA Resident,
12 NYCHA previously notified you that you must
13 move to a smaller apartment because your
14 current apartment is too large for your family.
15 A proper sized apartment is now available.
16 Information about the apartment is listed
17 above." This is a tenant that is being told
18 that they are required to move from Pomenag in
19 Flushing all the way to Long Island City
20 Astoria in Queens Bridge Houses. You can
21 imagine what a difference that makes in
22 someone's life.

23 CECIL HOUSE: Sure.

24 COUNCIL MEMBER LANCMAN: The next
25 sentence in capital letters, "YOU MUST MOVE TO

2 THIS APARTMENT DOWN BELOW." In bold, "You must
3 accept this apartment that is being offered.
4 You will not receive a second apartment offer.
5 Failure to accept this apartment offer will
6 cause NYCHA to start an administrative
7 proceeding which includes the opportunity for a
8 hearing that can result in termination of your
9 tenancy." Now, I don't know if you're not
10 familiar with the policy that you're
11 implementing or if it's changed from December
12 until today, but it's clear from what I have in
13 my hand that tenants, that you are not focusing
14 only on extremely under occupied apartments and
15 that you are not giving tenants two options,
16 but rather one.

17 CECIL HOUSE: So Council Member,
18 we'll have to look at the specifics of those
19 cases. The policy that we quoted is NYCHA
20 policy on this subject. If there was an error
21 in those letters going out we would apologize
22 to that resident and try to correct that
23 situation as quickly as we could.

24 COUNCIL MEMBER LANCMAN: Let's go out
25 to the medical exemption issue. We heard the

1
2 HPD testify, as I understood it, that HPD has a
3 reasonable accommodation policy for people who
4 are--because of their age or disability, and
5 NYCHA also has a healthcare medical exemption
6 policy, but it is the most draconian policy
7 that I've ever seen or heard of in all my years
8 in government and as a lawyer in private
9 practice representing people who have been
10 discriminated against 'cause of age, sex,
11 disability etcetera. The NYCHA policy from the
12 NYCHA management manual only allows an
13 exemption if the apartment is--the large
14 apartment is necessary to store or contain
15 medical equipment that's necessary for a
16 person's health or if moving would pose a
17 direct threat to the life of a member of the
18 household due to his or her health condition. I
19 have never anywhere seen where the standard for
20 an accommodation is so stringent and so
21 draconian, and if you consider the illnesses
22 and ailments that many elderly people commonly
23 have, high blood pressure, anxiety, asthma,
24 panic attacks, Alzheimer's, what the effect of
25 moving from an apartment would be to someone

2 who has Alzheimer's. None of those in and of
3 themselves even as serious as they may be in an
4 individual case would rise to the level of
5 direct threat to the life of a member. Why does
6 NYCHA have such a stricter policy when it comes
7 to medical and health exemption than HPD, and
8 will you consider aligning NYCHA's policy,
9 which is to what is the more commonly found and
10 accepted reasonable accommodation standard?

11 CECIL HOUSE: So, Councilman, that
12 policy is under review. I do expect it to be
13 modified as we move forward. We have agreed to
14 modify our reasonable accommodation policies in
15 other areas and we will take that under
16 advisement and ensure that we get an
17 appropriate policy in that area.

18 COUNCIL MEMBER LANCMAN: In light of
19 that policy being under review and it being a
20 very significant policy for so many of our
21 seniors, our elderly, will NYCHA commit to a
22 moratorium on downsizing until you have
23 reviewed your policy and make sure that it
24 comports what NYCHA itself would recognize to
25 be appropriate policy?

2 CECIL HOUSE: So we'll have to take
3 that under consideration. We have taken some
4 steps to ensure that all of our residents are
5 aware fully of their rights to a reasonable
6 accommodation. What we can do in this case is
7 to communicate very clearly to our property
8 management offices, to our TSAP and lease
9 enforcement organization that we should not be
10 taking enforcement action or inconveniencing
11 residents until we get this policy
12 appropriately in place.

13 COUNCIL MEMBER LANCMAN: Certainly,
14 until you have your policies in order and your
15 communications in order, I think it would be
16 appropriate for NYCHA to hold off on any
17 downsizing actions. But thank you for your
18 testimony. Thank you.

19 CHAIRPERSON WILLIAMS: We'll have
20 Council Member Cumbo and then Council Member
21 Mendez.

22 COUNCIL MEMBER CUMBO: Thank you. I
23 want to thank Chairman Torres and Chairman
24 Williams. I thank you all for your time here
25 today. I have a number of questions. So with

1
2 all due respect I want to try and get through
3 them as quickly as possible, as I know you do
4 too. I wanted to first start by asking you to
5 explain as I'm new to this, the savings part of
6 this. So for instance, I have a member here
7 from Tibly [phonetic] Towers, Alice Mitchell,
8 who lives in a one bedroom apartment, and if
9 she's being asked to downsize to a studio
10 apartment that is available in her building,
11 how does that create savings? How is that going
12 to close this multimillion dollar gap that
13 you're trying to close from having seniors move
14 from one bedrooms to studio apartments? Where
15 does the actual savings take place at a level
16 that justifies the inconvenience and is there
17 going to be that level of millions of dollars
18 in savings that you're trying to obtain?

19 COMMISSIONER BEEN: So thank you. I
20 mean, this is the projections of what the pol--
21 of the savings that the policy results in for
22 us. So in calendar year 14, about 10 million
23 dollars, in calendar year 15, about nine
24 million, calendar year 16, about eight million.
25 So over time it's obviously quite a bit of

2 money. The savings is achieved because the
3 studio apartment is cheaper for the rent on the
4 studio let's say compared to a one bedroom or a
5 two bedroom is just less expensive, and since
6 the voucher, you know, the tenant is paying 30
7 percent and we are paying the difference,
8 that's where the money comes from.

9 COUNCIL MEMBER CUMBO: Now let me ask
10 you a question, also. When you're entering
11 into agreement with landlords, how are you
12 coming up with those types of arrangements in
13 terms of what stipulations do you have with the
14 landlords to understand that they're not
15 dramatically going up on the cost of rent each
16 year?

17 COMMISSIONER BEEN: They aren't
18 allowed to--they aren't allowed to set the rate
19 at anything they want. HUD determines the fair
20 market rent and the reasonable rent that we
21 will allow, right? So, that may change.
22 Usually does change over time, but its not--

23 COUNCIL MEMBER CUMBO: [interposing]
24 What is the standard increase by year? Is there
25 a standard increase or best practice that they

1
2 like to adhere to in terms of entering into
3 those leasing arrangements?

4 COMMISSIONER BEEN: It's just the
5 fair market rent, the HUD determination of what
6 the fair market rent depends upon the market
7 conditions, which may change, you know, go up,
8 go down any particular year. Unfortunately,
9 they usually go up. They rarely go down. But
10 it's based completely on what HUD determines as
11 the fair market rent for the area.

12 COUNCIL MEMBER CUMBO: Was there any
13 thought put into creating an overall exemption
14 and understanding the financial ramifications
15 of those particularly, I believe it was the 16
16 percent that you talked about in terms of those
17 that are senior citizens or those that are
18 disabled or have other challenges, in terms of
19 saying anyone who is over let's say 75 years of
20 age who lives in a one bedroom, if we take them
21 all off the map, do we understand what the
22 financial implications of that will be? Would
23 it be that--

24 COMMISSIONER BEEN: [interposing] I
25 understand where you're going. We are not

2 allowed to do that because to say if you're 75
3 but not 65 you are exempt or whatever--

4 COUNCIL MEMBER CUMBO: [interposing]
5 Or 65.

6 COMMISSIONER BEEN: It's a violation.

7 COUNCIL MEMBER CUMBO: right?

8 COMMISSIONER BEEN: Is a violation--
9 we understand is a violation of the Fair
10 Housing Act. So we're told we could not draw
11 those kinds of distinctions.

12 COUNCIL MEMBER CUMBO: So one of the
13 testimonies that we heard today talked about
14 how that individuals that you ultimately at HUD
15 make the final determination. So are there
16 individuals that are saying they've gotten the
17 exemption from their doctor. They then present
18 that to HUD and then HUD is saying we're not
19 accepting that particular exemption and you do
20 not get a reasonable accommodation. So are they
21 denying doctor's recommendation?

22 COMMISSIONER BEEN: So it's--I'm
23 sorry. It's HPD that makes the determination.

24 COUNCIL MEMBER CUMBO: Okay.
25

2 COMMISSIONER BEEN: Not HUD. So it's
3 HPD.

4 COUNCIL MEMBER CUMBO: Thank you.

5 COMMISSIONER BEEN: If a--so, yes,
6 there have been instances in which we denied
7 the accommodation request. Those have tended to
8 be instances which the certification from the
9 doctor says this person has the following
10 medical condition, period. And there's nothing
11 that says, okay, so that medical condition
12 means they shouldn't move, they should have a
13 bigger apartment. You know, there has to be
14 both a medical condition and a causal
15 relationship between that medical condition and
16 the difficulty of moving or the difficulty of
17 being in that sized apartment.

18 COUNCIL MEMBER CUMBO: One of the
19 challenges that I recognized with this is that
20 my grandmother was also--she had lived in a one
21 bedroom apartment, but she needed a 24 hour
22 caretaker, and that 24 caretaker, it was
23 required that they had to have an additional
24 bedroom that was separate from that. So the
25 challenge is when you're moving seniors that

1
2 are still in their prime into these studio
3 apartments, when they will require that 24 hour
4 assistance, that may require--that will require
5 an additional bedroom, have there been any
6 thoughts as to what would happen to them in
7 that case?

8 COMMISSIONER BEEN: In those kinds of
9 cases, or many of the cases in which we've
10 given reasonable accommodation, where the
11 doctor says she needs a full time caregiver or
12 she needs a part time caregiver, and that
13 caregiver needs a another room, then a
14 reasonable accommodation is granted. That's
15 exactly the kinds of accommodations that we're
16 talking about.

17 COUNCIL MEMBER CUMBO: Thank you. And
18 then just--I just wanted to ask our General
19 Manager a question. How many vacant apartments
20 are there in NYCHA currently? Like for real
21 vacant, not extremely vacant, but just no one
22 lives there?

23 CECIL HOUSE: I don't actually have
24 the exact number for today. We gave testimony a
25 couple weeks ago--

2 COUNCIL MEMBER CUMBO: [interposing]
3 I remember.

4 CECIL HOUSE: and the number was
5 1,800 apartments, plus or minus a few that were
6 unoccupied, 1,200 approximately of which had
7 been committed to tenants and they were in the
8 review process leaving about 400 that were in
9 the process of being matched with residents
10 coming in.

11 COUNCIL MEMBER CUMBO: would it be a
12 better usage of our time in order to fill those
13 vacancies before we moved into this full-
14 fledged process to make sure that the
15 apartments that are actually available are
16 utilized to full capacity prior to downsizing
17 families?

18 CHAIRPERSON WILLIAMS: And Council
19 Member Cumbo, we're going to have to ask you--

20 COUNCIL MEMBER CUMBO: Yes, sir.

21 CECIL HOUSE: That is--

22 COUNCIL MEMBER CUMBO: [interposing]
23 Yes, Chairman.

24 CECIL HOUSE: a consideration. So as
25 apartments become available we have a transfer

1 list and residents are able to transfer. The
2 challenge that we have is having the right size
3 apartments in the right development, in the
4 right location to address the needs that we
5 have, but we do work to match up available
6 apartments with under occupied and overcrowded
7 residents. And I do have the number for our
8 family services group. We have 152 exactly in
9 that department, and it peaked out 321 a few
10 years ago.
11

12 CHAIRPERSON WILLIAMS: Thank you.

13 CECIL HOUSE: And additionally, when
14 we gave you the number for seniors, we were
15 actually looking at the wrong column. We told
16 you 4,000. It's actually 6,582.

17 CHAIRPERSON WILLIAMS: Thank you,
18 Council Member Cumbo. I have to get to Council
19 Member Mendez for a question, please.

20 COUNCIL MEMBER CUMBO: Thank you.

21 COUNCIL MEMBER MENDEZ: Thank you,
22 Mr. Chair. NYCHA, I have no questions for you,
23 okay? My questions is for HPD, and to my
24 constituents who were here and who are still
25 here, and I'm sorry I missed your testimony

1
2 earlier. I was at a doctor's appointment. So
3 for HPD is, one of my constituents gave
4 testimony and in her testimony she had a list
5 of questions. I would like these answered.
6 Chris? Can you tell Chris to answer these
7 questions--not today.

8 COMMISSIONER BEEN: Oh, okay.

9 COUNCIL MEMBER MENDEZ: I mean,
10 'cause it's going to take you a while, but
11 you'll get me the answers to each one of these
12 questions, right?

13 COMMISSIONER BEEN: I wrote them down
14 as quickly as I could, but yes, we will get you
15 answers, yes.

16 COUNCIL MEMBER MENDEZ: Thank you.
17 Thank you, Commissioner. First, I'd like to
18 know more about this public hearing that was
19 had in June. I want to know when in June,
20 where, what notice was given. I'd like a copy
21 of the notice to be given to me and to this
22 Committee.

23 COMMISSIONER BEEN: Okay. I wasn't
24 there. It was held on--I believe it was held
25 on June 27th of--

2 COUNCIL MEMBER MENDEZ: [interposing]
3 June 27th, while we were passing a budget,
4 okay. Cool.

5 COMMISSIONER BEEN: So and I would
6 have to get the notices, etcetera for you. I
7 don't have those with me.

8 COUNCIL MEMBER MENDEZ: Where was
9 it?

10 COMMISSIONER BEEN: I don't know.
11 Where was the hearing? No, where was the
12 hearing?

13 COUNCIL MEMBER MENDEZ: I'm raising
14 this because I want to see--

15 COMMISSIONER BEEN: [interposing]
16 The hearing was held at HPD.

17 COUNCIL MEMBER MENDEZ: the actual
18 notice because not just HPD, but various city
19 agencies have a tendency of putting out a
20 notice barely seen, barely known, 'cause they
21 really don't want people to show up to the
22 hearing. And this is something that if my
23 residents and I knew about, we would have been
24 there despite a budget. Matter of fact, when
25 HPD had a hearing at the 11th hour back in

2 November on short notice, I got all my
3 residents out there and they gave meaningful
4 testimony on the proposed rules change. So, I
5 like to get that.

6 COMMISSIONER BEEN: Okay, thank you.

7 COUNCIL MEMBER MENDEZ: Okay. On
8 page four of your testimony, you talk about the
9 fact that you decided to--let me just read what
10 it says. "Permit--HUD permits HPD and other
11 housing authorities to set the payment standard
12 between 110 and 90 percent of the fair market
13 value." And you lowered it to 105.

14 COMMISSIONER BEEN: Right.

15 COUNCIL MEMBER MENDEZ: Well, you can
16 go to down to 90. Why didn't you go down to
17 90? Why didn't go down to 100? There's a lot
18 of wiggle room there.

19 COMMISSIONER BEEN: Yeah, no, I
20 agree.

21 COUNCIL MEMBER MENDEZ: You know, but
22 it seems like this is being done at, you know,
23 detriment of the tenant and not of the landlord
24 and the owner who got tax abatements then opted
25 out of the program and now is getting all these

2 subsidies through enhanced section eight
3 vouchers while hardworking New Yorkers have
4 paid their rent and stayed in these buildings
5 and made communities what they are today.

6 COMMISSIONER BEEN: So we did
7 consider going even further down on the payment
8 standard. We did not--we thought that the--that
9 that policy was much too aggressive and would
10 have enormously negative implications for the
11 tenants. Right? So--

12 COUNCIL MEMBER MENDEZ: [interposing]
13 But changing the definition of what I think is
14 appropriately housed, one person in a one
15 bedroom, that's not aggressive to say that now
16 a one person has to be in a studio.

17 COMMISSIONER BEEN: Both are very
18 aggressive and we were trying to figure out the
19 approach that would cause sort of least
20 problems. We thought that going down to 90
21 percent which doesn't affect the landlords at
22 all. That comes out of the tenant's money.
23 That's the problem. So going from a 110 all the
24 way down to 90 for all tenants would be very

2 significant amount of money, right? It would
3 have--

4 COUNCIL MEMBER MENDEZ: [interposing]

5 So, I would like someone to talk me through
6 that process, not today.

7 COMMISSIONER BEEN: Okay.

8 COUNCIL MEMBER MENDEZ: Chris, we got
9 a meeting, right? Going to go through all
10 this. Thank you. On page four toward the
11 bottom of your testimony you say, "To date we
12 have received 551 reasonable accommodations
13 requests and approved 316 of them." You've
14 received 551 out of how many people have been
15 targeted or identified for downsizing under
16 your new definition?

17 COMMISSIONER BEEN: So, I'm sorry let
18 me get back to that number. I'm sorry, just
19 one--too many numbers, sorry. Okay. Of the
20 regular housing choice vouchers there have been
21 2,925 households who are effected by either the
22 payment standard change or the subsidy standard
23 change.

24 COUNCIL MEMBER MENDEZ: I'm sorry,
25 repeat that number?

2 COMMISSIONER BEEN: Two thousand 925,
3 and of the enhanced voucher there have been 88
4 who have been--who are moved or in the process
5 of moving.

6 COUNCIL MEMBER MENDEZ: And so this
7 number may actually be more. This is just as
8 people are recertifying they're being
9 identified. How many enhanced section eight
10 vouchers in New York City? How many
11 individuals are getting enhanced?

12 COMMISSIONER BEEN: Six thousand--
13 roughly 6,000. I can get you exactly the
14 number, but roughly 6,000.

15 COUNCIL MEMBER MENDEZ: Okay. I have
16 one quick little question. Chairs, if you can
17 indulge me. So on page three--

18 COMMISSIONER BEEN: [interposing]
19 Five thousand 986, sorry. To be exact.

20 COUNCIL MEMBER MENDEZ: Five thousand
21 986.

22 COMMISSIONER BEEN: That's HPD only.

23 COUNCIL MEMBER MENDEZ: Okay.

24 COMMISSIONER BEEN: NYCHA also has
25 some--

2 CECIL HOUSE: NYCHA has 2,000.

3 COUNCIL MEMBER MENDEZ: Okay. In your
4 testimony when you say that you cannot use your
5 section eight funds on rental subsidies, but
6 you can use other funds, right, or for moving
7 costs.

8 COMMISSIONER BEEN: Right.

9 COUNCIL MEMBER MENDEZ: Can only be
10 spent on rent. So if there's city tax levy
11 dollars cannot be used to plug your gap?

12 COMMISSIONER BEEN: City tax levy
13 dollars cannot be used for vouchers.

14 COUNCIL MEMBER MENDEZ: It cannot be
15 used to plug HPD's gap in this case?

16 COMMISSIONER BEEN: That's correct.

17 COUNCIL MEMBER MENDEZ: And city tax
18 levy dollars cannot be used to make a
19 reasonable amount of money available to
20 residents to move when they don't really want
21 to move and incur that cost?

22 COMMISSIONER BEEN: Outside of the
23 voucher program, I don't know. I mean, we
24 haven't, you know, we haven't looked at how
25

1
2 such a program could be structured. I'm sure
3 that clever people could come up with a way.

4 COUNCIL MEMBER MENDEZ: We create a
5 new initiative that when those individuals are
6 identified that have to be downsized they could
7 apply for it. How does NYCHA do it? How are
8 you allowed to give money? And I want to thank
9 you and its something we fought for and
10 whatever the problems are they're, you know,
11 we've worked with NYCHA through the years to
12 make what is a very uncomfortable situation a
13 little bit better.

14 CHAIRPERSON WILLIAMS: And Council
15 Member Mendez, we're going to have to ask you--

16 COUNCIL MEMBER MENDEZ: [interposing]
17 So I want to know how they are able to pay and
18 give a little bit of money to individuals to
19 make that--besides the lawsuit that I did when
20 I was at Legal Services, besides that.

21 CECIL HOUSE: In our public housing
22 fund there's no similar prohibition and so the
23 transfer money comes out of our operating
24 budget. In section eight, we have not gotten
25 this far in the process, but our half budget,

2 our housing choice voucher payment budget would
3 not be available for that either.

4 COUNCIL MEMBER MENDEZ: Thank you
5 very much, and thank you Chairs.

6 CHAIRPERSON WILLIAMS: Thank you,
7 Council Member Mendez. Just to follow up on
8 that, I think Council Member Cumbo had a
9 similar question. I definitely had a similar
10 question. One, just going back to my co-chair
11 said, I definitely would like to know if it's a
12 federal rule or policy, like where that
13 germinates from that we cannot help, because
14 that seems ridiculous. And two, I just want to
15 clarify, if you did have city tax levy funds,
16 the city council put some money or something,
17 you could use it to assist tenants in moving?

18 COMMISSIONER BEEN: I don't see any
19 reason why we couldn't. I obviously haven't
20 consulted with my legal counsel to make sure
21 that there's no legal impediments that I'm not
22 aware of, but I don't see why we couldn't use
23 city tax levy dollars, not for vouchers, not
24 for the voucher program, but to--as an

1 assistance to people who were asked to move. I
2 don't see why we couldn't do that.

3
4 CHAIRPERSON WILLIAMS: I mean, I'm
5 personally surprised no one sued HPD yet if
6 they're pushing, forcing people to move and not
7 giving funding to move. So that seems to be a
8 lawsuit waiting to be heard. But just I wanted
9 to clarify that the moves now, they are to
10 rebuild, reserve, or are they to address
11 pending further cuts?

12 COMMISSIONER BEEN: They're to
13 address--they're to be fiscally responsible so
14 that I don't run a deficit that would cause me
15 to have to terminate vouchers.

16 CHAIRPERSON WILLIAMS: Alright. and
17 that--so I have actually several more
18 questions, and then I'm sure my co-chair does
19 and then we'll finish, and then just for the
20 public we're going to have to move into that
21 room, and everybody who was--

22 CHAIRPERSON TORRES: [interposing]
23 We're downsizing?

24 CHAIRPERSON WILLIAMS: We're
25 downsizing. We are downsizing a little bit and

1
2 everybody who has scheduled and written down
3 and signed up to testify will absolutely
4 testify. I think last year the HUD shot for a
5 funding--four PHA's were there. There was
6 additional funding, shortfall funding. Do you
7 anticipate that extra funding will be available
8 in the coming years?

9 COMMISSIONER BEEN: No way to know.

10 CECIL HOUSE: We do expect to receive
11 shortfall funding from HUD this year.

12 COMMISSIONER BEEN: This year.

13 CECIL HOUSE: In the future we won't
14 know.

15 CHAIRPERSON WILLIAMS: Can you--is
16 there for each agency is there a definition of
17 reasonable accommodation?

18 COMMISSIONER BEEN: Well, reasonable
19 accommodation is a question of the Federal Fair
20 Housing Act, and there are city equivalents, so
21 it comes out of that language and
22 interpretation of that language.

23 CECIL HOUSE: And for us, it is
24 dependent upon the particular circumstances of
25 the particular individual, and we need to

2 address what those particular concerns are and
3 reach an accommodation for that individual.

4 CHAIRPERSON WILLIAMS: But there is
5 something written describing why one person
6 received it and one person didn't?

7 CECIL HOUSE: It depends on the
8 circumstances. There may not be--I mean,
9 similar circumstances should get treated
10 similarly.

11 CHAIRPERSON WILLIAMS: My question,
12 is there a written response to someone
13 requesting reasonable accommodations that says,
14 "Yes, you received it here's why; Yes, no you
15 didn't, here's why."

16 COMMISSIONER BEEN: For us, yes.

17 CECIL HOUSE: And our policy will do
18 the same.

19 CHAIRPERSON WILLIAMS: Yes, there is
20 written--

21 CAROLYN JASPER: Yes, at this time we
22 do have a reasonable accommodation. If for some
23 reason a resident request a transfer, I'm
24 sorry, reasonable accommodation at the
25 development and they feel that property

1
2 management, that they cannot honor it, it goes
3 to our reasonable accommodations coordinator,
4 and yes, they will send the resident a written
5 request or a response, yes, as to whether or
6 not it was approved or denied, yes.

7 CHAIRPERSON WILLIAMS: When you
8 talked about the 15 day notice that someone has
9 to respond if it was HPD, who makes that
10 decision? Is this internal decisions of what
11 the time frame will be and how is that
12 information sent? And how is all of this
13 information sent? Is it sent certified mail?
14 How are you sure that it's sent to the
15 apartment or the tenant that's supposed to get
16 it?

17 COMMISSIONER BEEN: I'm sorry. Are we
18 talking about enhanced vouchers or regular
19 vouchers? When an apartment becomes available
20 in the--

21 CHAIRPERSON WILLIAMS: [interposing]
22 I'm saying the--

23 COMMISSIONER BEEN: [interposing]
24 development?
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CHAIRPERSON WILLIAMS: I would say enhanced.

COMMISSIONER BEEN: Okay, so the manager of the property sends a notice to the tenant by certified mail, by certified mail. They're required to send it by certified mail.

CHAIRPERSON WILLIAMS: And the regular?

COMMISSIONER BEEN: And regular vouchers, there's no apartment being offered, so it's not an issue. Right? They're told you know, at their annual certification, "Your housing voucher standard has been changed." And they're given a--and they're, you know, they're given lists of available apartments. So there's nothing to--you mean, when they were originally notified of the policy change?

CHAIRPERSON WILLIAMS: Yes.

COMMISSIONER BEEN: Okay. That was not certified mail. That was regular mail.

CHAIRPERSON WILLIAMS: So we have no proof that the policy change ever got to the tenants who the policy would change?

2 COMMISSIONER BEEN: Well, when they
3 come in for their--they're told of the change
4 and the change is made at their annual
5 certification which is in person. They're told.

6 CHAIRPERSON WILLIAMS: Is there
7 anything in writing?

8 COMMISSIONER BEEN: Oh, I'm sorry.
9 I'm sorry, no. I'm sorry. I'm sorry. I'm
10 confusing two different things. So, I'm sorry.
11 When--[off mic] When they--so, I'm sorry. The
12 annual certification, when they tell us they
13 submit the documentation about their income and
14 they tell us about their household size, right?
15 In response to that we then do a determination
16 what's their voucher size supposed to be, and
17 we send that determination in writing in a
18 letter, certified or not? [off mic] Regular
19 mail.

20 CHAIRPERSON WILLIAMS: So again, we
21 don't have any--

22 [cross-talk]

23 CHAIRPERSON WILLIAMS: proof that a
24 lot of this information is getting to the
25

1 tenants, and a lot of the tenants are saying
2 they're not getting the information.
3

4 COMMISSIONER BEEN: I don't--on the
5 regular choice vouchers, I do not have, you
6 know, like a certified mail signature, no. I do
7 not.

8 CHAIRPERSON WILLIAMS: And the
9 enhanced vouchers, how are they informed of the
10 policy change?

11 COMMISSIONER BEEN: The same, we sent
12 the same letter. They get a certified letter
13 when a specific apartment is made available,
14 but the regular letter saying there is a policy
15 change was by regular mail.

16 CHAIRPERSON WILLIAMS: Alright. I
17 would suggest that these things are sent
18 certified, particularly if it doesn't look
19 like--let me say, I wish that federal housing
20 was--HUD was sitting before us because a lot of
21 it comes from them, but I do know that what we
22 can try to do is set clear policy and get that
23 information to the tenants. And I know it was
24 done very quickly, but even based on the back
25 and forth, and I know you're also new, but even

1
2 on the back and forth we had a difficult time
3 coming with a clear step by step of how things
4 were going. So I know that it's not clear to
5 the tenant, and then when we go forward and see
6 how that information is communicated, it seems
7 that it is being communicated poorly. So the
8 things that we actually have under our control
9 even though it was done in a rushed way, it
10 seems that we're not doing well. So it's just
11 that part frustrates me. If tenants are saying
12 that they're not getting this information, we
13 don't have proof that it's sent in any way that
14 proves that they got it, and then it's
15 confusing once they get it. That can all add to
16 the hardship.

17 COMMISSIONER BEEN: You have my
18 commitment that I will personally look at each
19 one of the notices and make sure that they are
20 as clear as they can possibly be. We changed
21 the notices in response to some of the feedback
22 that we were getting back to try to make them
23 clearer, but we will take another look at it.

24 CHAIRPERSON WILLIAMS: And the Public
25 Advocate wanted to know before she left, has

1
2 HPD done a cost benefit analysis, and I would
3 say, is there something that we could simply
4 look at as a cost benefit analysis that
5 everybody can understand that this is what
6 we're saving, these are the options that we
7 have, and this is why we chose that option, is
8 there a clear something to look at so that
9 everybody can understand why we chose the
10 options that we chose and the money that we're
11 saving?

12 COMMISSIONER BEEN: Well, I've tried
13 to spell that out and show you what the
14 different, how limited our options were, what
15 we expected the savings to be.

16 CHAIRPERSON WILLIAMS: So a slide
17 show? Just a slide?

18 COMMISSIONER BEEN: We can--

19 CHAIRPERSON WILLIAMS: [interposing]
20 I'm going to take another look at that.

21 COMMISSIONER BEEN: We can do that. I
22 mean, we can--

23 CHAIRPERSON WILLIAMS: [interposing]
24 See if there's something.

2 COMMISSIONER BEEN: You know, there's
3 very extensive economic modeling behind it, but
4 I don't think that's going to be accessible to
5 most people other than economists.

6 CHAIRPERSON WILLIAMS: In the hearing
7 that was held in June 27th, while we were
8 passing the budget, was that slideshow
9 explained to the people who appeared?

10 COMMISSIONER BEEN: I don't know. I
11 wasn't--that--no, this slide show is new. So,
12 this one certainly wasn't, and in--you mean, in
13 June of 2013?

14 CHAIRPERSON WILLIAMS: 2013, yes.

15 COMMISSIONER BEEN: I do not--I
16 certainly know that this slide show was no
17 available to them. I don't know that any
18 modeling. We were still trying to figure out
19 what to do in June, basically. We hadn't yet--
20 we hadn't even figured out what all of our
21 policy levers were, so I don't think it was
22 discussed in much detail at that early June
23 meeting.

24 CHAIRPERSON WILLIAMS: So, HPD had
25 one public hearing and models weren't even

1
2 given, and we didn't give any feedback when we
3 decided what we were going to do? That's
4 probably what happened.

5 COMMISSIONER BEEN: Council--right.
6 Chair Williams, you know, I wasn't there.

7 CHAIRPERSON WILLIAMS: I understand.

8 COMMISSIONER BEEN: But my team
9 informs me, right, we were facing a situation
10 where if we didn't move quickly we were going
11 to be pulling people off of vouchers, and so
12 yes, we moved quickly and I'm sure we could
13 have done things better, right?

14 CHAIRPERSON WILLIAMS: Understood.

15 COMMISSIONER BEEN: We were trying to
16 keep from getting in a situation where we had
17 to pull people off vouchers.

18 CHAIRPERSON WILLIAMS: Understood. I
19 just want to make sure going forward that we
20 realize there's things that could have been
21 better.

22 COMMISSIONER BEEN: Absolutely.

23 CHAIRPERSON WILLIAMS: And slow down
24 until we can make things clearer and get the
25 information to the tenants in a way that they

1
2 can understand it. So my ask would be that
3 there be a moratorium on it until we've made it
4 clearer and until we've made sure that they are
5 getting information, because those two things
6 are critical in terms of moving this forward.
7 Is there any way that a moratorium can be put
8 until those changes are made?

9 COMMISSIONER BEEN: I will take that
10 into consideration, but during a moratorium I
11 am running up a deficit, right?

12 CHAIRPERSON WILLIAMS: Thank you.

13 COMMISSIONER BEEN: And that's the
14 issue.

15 CHAIRPERSON WILLIAMS: And I under--
16 trust me, I understand the difficulty of this,
17 and nobody's in a good position here, and when
18 nobody's in a good position, the people who
19 usually suffer are the people who need the help
20 the most and we want to make sure that that
21 doesn't happen. Lastly, I just want to make
22 sure, just again, the confusion we pointed out
23 earlier, but we have the ads here that say one
24 thing and then the policies that actually say
25 another. So we have the ads that say you can

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2 get a one bedroom with one person and then we
3 have the changes in standards that say you have
4 one family--you have the size of a family one
5 you can only get a studio.

6 COMMISSIONER BEEN: So, the one on
7 the left is--

8 CHAIRPERSON WILLIAMS: [interposing]
9 Yeah.

10 COMMISSIONER BEEN: is not an
11 affordable housing project that is being
12 financed through voucher dollars.

13 CHAIRPERSON WILLIAMS: I see.

14 COMMISSIONER BEEN: Right? Now, that
15 said, we are reconsidering the policy across
16 the board because we should be consistent and
17 but they are different situations.

18 CHAIRPERSON WILLIAMS: This one is--I
19 think this one is. This one says Mitchell-Lama
20 low income housing tax credit.

21 COMMISSIONER BEEN: Yeah, but that
22 doesn't meant that it has vouchers.

23 CHAIRPERSON WILLIAMS: Okay.
24
25

2 COMMISSIONER BEEN: There's a
3 distinction between vouchers and all of our
4 other subsidy programs.

5 CHAIRPERSON WILLIAMS: Are any other
6 housing programs effected by the downsizing, or
7 is it just section eight?

8 COMMISSIONER BEEN: At this point,
9 no.

10 CHAIRPERSON WILLIAMS: Okay.

11 COMMISSIONER BEEN: But we will be
12 looking at that.

13 CHAIRPERSON WILLIAMS: I want to say
14 that--

15 COMMISSIONER BEEN: [interposing] Not
16 downsizing but in terms of the eld--the terms
17 of our standards moving forward.

18 CHAIRPERSON WILLIAMS: And my last
19 comment, we do definitely, and I don't know how
20 to do this, but owners cannot keep getting away
21 with getting all the subsidies and when it's
22 time to fix this all the burden lays on the
23 tenants. And I understand if we change the
24 market rate it might affect the tenants because
25 they're going to have to pay, but we just got

1
2 to find a way to fix it. I mean, it just--you
3 can't keep getting subsidies. You can't keep
4 getting the money for years, then as we
5 mentioned, opt out of a program. We lose all
6 those housing, permanent housing. When the
7 enhanced vouchers goes away, the permanent
8 affordable housing is gone, and then on top of
9 that, when we have sequestration the tenants
10 get hit again. So we got to figure out a way to
11 spread the burden a little bit. I wish that
12 there was some more thought given into how we
13 can get some of the burden to be on the owner
14 side as well.

15 COMMISSIONER BEEN: So, one of the
16 very first things that we asked HUD for
17 permission to do to deal with this issue is
18 that we asked them to deny any increase in rent
19 to the landlords, and that was denied by HUD.
20 So we tried that. That was denied. Now, you
21 know, in terms of whether you want to ask
22 somebody who receives a city subsidy to--for
23 whatever period of time in the future to, you
24 know, be subject to issues about the rent,
25 that's a much different question.

2 CHAIRPERSON WILLIAMS: Thank you, and
3 thank you for your testimony, and I know this
4 is a difficult situation, but hopefully we can
5 move forward and really make it a little easier
6 for the tenants as we're going forward.

7 COMMISSIONER BEEN: Absolutely. We
8 appreciate--

9 CHAIRPERSON WILLIAMS: [interposing]
10 I know my co-chair has something to say, and
11 then right after that we're going to move into
12 the other room.

13 CHAIRPERSON TORRES: I'm going to do
14 something unusual and ask a question on behalf
15 of an audience member from Council Member
16 Reynoso's district. I don't want to lose the
17 Council Member a vote, so I will ask the
18 question. If you are a--now, hopefully I'm
19 accurately asking the question. If you are a
20 resident in a private unit and you receive an
21 HPD notice to downsize, but you can't find an
22 apartment, you have trouble finding the right
23 sized apartment, does HPD continue paying the
24 same share of the rent or do you reduce the
25 share of the rent?

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2 COMMISSIONER BEEN: After 30 days
3 after the voucher size is changed, then the
4 rent would change.

5 CHAIRPERSON TORRES: So you have 30
6 days to find a compatible apartment, or else
7 HPD will reduce its share of the rent,
8 therefore the tenant will pay a higher rent?

9 COMMISSIONER BEEN: That is correct.

10 CHAIRPERSON TORRES: I can't--yeah,
11 this is a City Council committee hearing, so.

12 COMMISSIONER BEEN: On the regular
13 housing vouchers, yes.

14 CHAIRPERSON TORRES: Okay. And I
15 guess my final question is subjective. I think
16 everyone recognizes that the worst case
17 scenario is termination. Termination is the
18 worst thing you can do, and I think we all
19 agree that downsizing is a bad option and the
20 payment cuts are a bad option, but I'm curious
21 to know in your opinion, which do you think is
22 worse? Is it worse to downsize or is it worse
23 to cut the payment standards? If you had to
24 choose, I want to know how you're weighing
25 these hard choices. I want to know how you

2 weigh the costs and benefits of each, and that
3 would be my final question.

4 COMMISSIONER BEEN: So I mean, here
5 are the kinds of considerations that we took
6 into account, how many people does it end up
7 affecting, right? So a payment standard change
8 that was deeper or whatever would affect many
9 more people. So that was one consideration. One
10 consideration is fairness between the different
11 voucher types, right? So a payment standard
12 change affects only the regular housing choice
13 vouchers. It does not affect enhanced vouchers.
14 So that's a consideration that has to be taken
15 into account. The, you know, the amount of
16 money that's at stake has to be taken into
17 account, and obviously that's very hard to
18 figure out when you're talking about a move,
19 right? That's very difficult thing to try to
20 get a handle on. You know, so all of those
21 things have to be taken into account. I wish
22 that we didn't have to do either of these.

23 CHAIRPERSON TORRES: So in your
24 estimation, the payment cut is--I'm sorry.

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2 Downsizing is a bad option, but a payment cut
3 is a worse option.

4 COMMISSIONER BEEN: I think having to
5 have cut more in terms of the payment standard
6 would have been a worse option.

7 CHAIRPERSON TORRES: And I'm curious
8 to know NYCHA's position.

9 CECIL HOUSE: Well, I think the
10 circumstance--the answer to that question
11 really depends on who you're talking about. I
12 mean, in some cases for some voucher holders or
13 residents it may be more palatable for them to,
14 and they may be able to better handle a
15 reduction in subsidy than a reduction in unit
16 size. So I think, you know, the best option
17 would be to have the flexibility to be able to
18 manage the issue that you're addressing in a
19 way that best reflects the particular
20 circumstances of the individual that you're
21 dealing with. Unfortunately in our cases and
22 most of the time we actually have to choose or
23 be consistent, and that consistency requirement
24 doesn't always give us the flexibility that we
25 would like to be able to provide the best

1
2 outcome for the citizens of New York, but that
3 would be the optimum solution from my
4 perspective.

5 CHAIRPERSON TORRES: Alright. And
6 just one more comment. You know, the reason I
7 asked whether the restrictions on--because it's
8 odd that you're restricted to using federal
9 funds or the program that the City Council or
10 the state could not provide funds to prevent
11 downsizing or to prevent payment cuts, and if
12 it's an administrative rule rather than a law,
13 I think that's much easier to change. I think
14 we saw--about a month ago I held a hearing on
15 emergency boilers and we saw a change in FEMA's
16 policy and how it would reimburse the city and
17 if it is a rule, I hope that we can change
18 HUD's approach to section eight vouchers. So I
19 would really love an answer to that question.

20 COMMISSIONER BEEN: Well, I actually--
21 -I want to caution on that because I don't--I
22 want to manage expectations on that in the
23 sense that, look, part of the issue for HUD if
24 you know, if I were sitting at HUD and being
25 asked this question, right, the issue would

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2 probably be, look, there are some towns and
3 cities who can fund, can put in private, their
4 own funds or private funds to get passed the
5 kinds of sequester and all of those kinds of
6 things, whereas cities like New York would not
7 be able to, and it may not be the best
8 situation where you don't have a disincentive
9 to things like sequester because richer places
10 can make up the gap, and places like New York
11 can't, right? So it's actually a pretty
12 complicated question about whether you want
13 private--

14 CHAIRPERSON TORRES: [interposing]
15 Yeah, but that could make it--

16 COMMISSIONER BEEN: [interposing]
17 money to be coming int.

18 CHAIRPERSON TORRES: I mean, that
19 could be a case for a more flexible policy.

20 COMMISSIONER BEEN: Could be.

21 CHAIRPERSON TORRES: And I think even
22 if you don't change the general approach, at
23 least give New York City a waiver because we
24 have the largest voucher program in the city,
25 and so a payment standard cut or a downsizing

1
2 is going to have much more destructive effects
3 here than it would have elsewhere.

4 COMMISSIONER BEEN: So--

5 CHAIRPERSON TORRES: [interposing]
6 But I think there's a case to be made for a
7 waiver or an exception to the rules.

8 COMMISSIONER BEEN: So let's make the
9 first case be just don't put us in this
10 situation and then the second case can be, if
11 you're going to put us in this situation, give
12 us a little more flexibility to deal with it,
13 right?

14 CHAIRPERSON TORRES: I look forward
15 to fighting that battle with you.

16 COMMISSIONER BEEN: Great. As do I.

17 CHAIRPERSON WILLIAMS: So again, I
18 just want to say thank you. It's obviously
19 easier to ask the questions. A little harder
20 when you have to make the decisions. I do know
21 that I think it comes to making things clearer
22 and making sure that people get the
23 information. That's something that we can be
24 held responsible and expect that the
25 Administration be held responsible for as well.

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So thank you so much for the testimony. I know we're going to have to move forward as much as possible. We're going to call for a five minute recess. We are going to move over into that room. Everybody who has signed up will be able to testify. Thank you again.

[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 there is no relation to any of the parties to this action by blood or marriage, and that there is no interest in the outcome of this matter.



Date 04/24/2014