

COMMITTEE ON PUBLIC HOUSING

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CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON PUBLIC HOUSING

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TUESDAY, MARCH 12, 2024

START: 1:08 P.M.

RECESS: 3:44 P.M.

HELD AT: COMMITTEE ROOM - CITY HALL

B E F O R E: HON. CHRIS BANKS, CHAIR

COUNCIL MEMBERS:

ALEXA AVILÉS

ERIK D. BOTTCHER

JUSTIN L. BRANNAN

DARLENE MEALY

CHI A. OSSÉ

RAFAEL SALAMANCA, JR.

PIERINA ANA SANCHEZ

JULIE WON

## COMMITTEE ON PUBLIC HOUSING

## A P P E A R A N C E S

Lisa Bova-Hiatt,  
Chief Executive Officer at NYC Housing Authority

Eva Trimble,  
Chief Operating Officer at NYC Housing Authority

Annika Lescott- Martinez,  
Executive Vice president of Finance and Chief  
Financial Officer at NYC Housing Authority

Shaan Mavani,  
Chief Asset and Capital Management Officer at NYC  
Housing Authority

Jonathan Gouveia,  
Executive Vice President for Real Estate  
Development at NYC Housing Authority

Sean Campion,  
Director of Housing and Economic Development  
Studies at Citizens Budget Commission

Ross Joy,  
Center for Justice Innovation

Renee Keitt,  
Advocate, Resident

Celine Miranda,  
Advocate, Resident

Gregory J Morris,  
CEO of the New York City Employment and Training  
Coalition

COMMITTEE ON PUBLIC HOUSING  
A P P E A R A N C E S (CONTINUED)

Betty Bernhart,  
Community Outreach Advocate at Red Hook  
Initiative

Tevina Willis,  
Community Organizing Manager for Red Hook  
Initiative

1  
2 SERGEANT KAYE: (SOUND CHECK)

3 SERGEANT AT ARMS: Good afternoon, and welcome to  
4 the New York City Council Hearing on Public Housing.  
5 At this time, please place all electronic devices to  
6 vibrate or silent mode.

7 At no time is anyone to approach the dais. If you  
8 have any questions during the hearing, please see the  
9 Sergeant At Arms Desk.

10 Chair, we are ready to begin.

11 CHAIRPERSON BANKS: Good afternoon, and thank you  
12 for attending today's New York City Council Budget  
13 and Oversight Hearings on the Preliminary Budget for  
14 Fiscal Year 2025 and the Preliminary Capital Plan for  
15 Fiscal Years 2024-2028.

16 I am Council Member Chris Banks, Chair of the  
17 Public Housing Committee, and I would like to  
18 acknowledge that I'm joined by Council Member Darlene  
19 Mealy.

20 NYCHA has operated the largest public housing  
21 program in the nation for over 75 years, providing  
22 affordable housing for over half a million working  
23 class and low income New Yorkers - through both the  
24 Section 9 public housing and the Section 8 voucher  
25 programs. There is no doubt that NYCHA is a precious

1  
2 and critical resource in an increasingly unaffordable  
3 city. However, longstanding disinvestment from  
4 successors, federal, state, and city administrations,  
5 alongside with deep organizational mismanagement,  
6 and, at times, outright fraud, have resulted in the  
7 ongoing deterioration of public housing.

8       Tenants continue to report health and safety  
9 issues in their homes ranging from lack of heat,  
10 unresolved mold issues, pest infestation, lead-based  
11 paint hazards, elevator outages, leaky roofs, and  
12 more despite the imposition of federal (INAUDIBLE) in  
13 2019, much of this is the reality of NYCHA's capital  
14 need - which was assessed last year at over \$78  
15 billion. These necessary repairs simply do not have  
16 the required funding in NYCHA's \$8.21 billion five-  
17 year Capital Plan.

18       The Committee looks forward to hearing what  
19 capital priorities the Authority has for the near  
20 future, where they are behind schedule, and what  
21 share of funding is targeted towards traditional  
22 Section 9 public housing, and the two Section 8 base  
23 alternatives. These alternatives - Permanent  
24 Affordability Commitment Together or PACT and their  
25 Preservation Trust are critical prongs of NYCHA's

1 long-term strategy to deal with this capital backlog.  
2 The Committee looks forward to hearing about the  
3 progress of these public/private partnerships.  
4

5       Regardless of the program, NYCHA tenants are  
6 served by, they all deserve high-quality and timely  
7 maintenance work and a clean and safe place to live.  
8 NYCHA's 2024 Operating Budget totals at \$5 billion  
9 and runs an anticipated \$35 million deficit. The  
10 deficit is expected to grow to \$64 million in 2026 in  
11 part due to ongoing rental arrears crisis. Despite  
12 the \$163 million in state Emergency Rental Assistance  
13 Program (ERAP) funding added last year, tenant arrears  
14 totaled \$484 million in late 2023, a nearly fourfold  
15 increase since before the pandemic in 2019. NYCHA  
16 suggests it will have to reduce property management  
17 staff to close some of this financial gap. This poses  
18 a real question about ongoing maintenance at the  
19 developments - both PACT, Section 9, and the PMMR  
20 points to a number of repair statistics in need of  
21 improvement.

22       Emergency repair times at 16.2 hours on average  
23 remain above the 14.8 hour target. Meanwhile,  
24 nonemergency repair times worsened by 12% between  
25 July and October of 2023 when compared to the years

1 before. The overall confluence of the budget,  
2 staffing and operational challenges are visible in  
3 NYCHA's vacant unit readiness program. There were  
4 some 4,900 vacant apartments, which are taking 404  
5 days on average to reoccupy. Yet, the past two City  
6 Financial Plans have included important changes in  
7 NYCHA's vacant unit readiness program. Designed to  
8 expedite the process of moving new tenants in faster,  
9 the preliminary plan includes the PEG savings of  
10 \$52.8 million over five years, and in a swap of  
11 expense with capital funding, we look forward to  
12 clarifying how NYCHA will complete this essential  
13 work and understanding how the budget supports these  
14 efforts.  
15

16 In New York, we are proud of our public housing  
17 and it's resilience and dedicated tenants. At today's  
18 hearing, we hope to better understand NYCHA's budget  
19 reductions. Will it avoid worsening conditions for  
20 tenants; continue to improve its capital spending to  
21 meet the federal monitor agreement; reduce its  
22 bureaucracy, and tackle corruption and fraud; and  
23 improve resident services and sustainability?  
24 Problematic PEGS like the vacant unit readiness swap  
25 and ongoing conversations of public housing and

1  
2 Section 8 require closer scrutiny to ensure that the  
3 City is doing all they can for our public housing  
4 residents.

5 I would like to thank the committee staff who  
6 helped prepare this hearing, Daniel Kroop, Jack  
7 Storey, Chima Obichere, Connor Mealey, Jose Conde  
8 (phonetic), and my Chief of Staff Michael Lambert.

9 After NYCHA, we will hear from members of the  
10 public, and I would like to remind everyone who would  
11 like to testify today, to please fill out a witness  
12 slip with the Sergeant at Arms, so we can put you on  
13 the witness list.

14 I will now pass it committee counsel to swear in  
15 the NYCHA leadership before turning it over for  
16 testimony.

17 COMMITTEE COUNSEL: Good afternoon, would you  
18 please raise your right hand?

19 Do you affirm to tell the truth, the whole truth,  
20 and nothing but the truth, before this committee, and  
21 to respond honestly to council member questions?

22 (ADMINISTRATION AFFIRMS)

23 COMMITTEE COUNSEL: And we just ask that you  
24 identify yourself and your title for the record as we  
25 begin.



1  
2 MS. TRIMBLE: Eva Trimble NYCHA, Chief Operating  
3 Officer

4 MS. BOVA-HIATT: Lisa Bova-Hiatt, Chief Executive  
5 Officer

6 MS. LESCOTT-MARTINEZ: Annika Lescott-Martinez,  
7 Executive Vice President and Chief Financial Officer.

8 MR. MAVANI: Shaan Mavani, Chief Asset and Capital  
9 Management Officer.

10 CHAIRPERSON BANKS: Thank you.

11 MS. BOVA-HIATT: Chair Chris Banks, members of the  
12 Committee on Public Housing, other distinguished  
13 members of the City Council, NYCHA residents,  
14 community advocates, and members of the public, good  
15 afternoon, I am Lisa Bova-Hyatt NYCHA's Chief  
16 Executive Officer.

17 I am pleased to be joined by Chief Operating  
18 Officer, Eva Trimble; Executive Vice President Of  
19 Finance and Chief Financial Officer, Annika Lescott-  
20 Martinez; Chief Asset and Capital Management Officer.  
21 Shaan Mavani, and other members of NYCHA's team.

22 Thank you for this opportunity to present the  
23 Authority's adopted budget, which was approved by  
24 NYCHA's board of directors in December.  
25

1  
2 I would also like to discuss our work to  
3 transform NYCHA as an organization to enhance  
4 residents' quality of life.

5 I would first like to commend the hard-working  
6 members of our Finance team, for the 20th year in a  
7 row, NYCHA was recognized for excellence in financial  
8 reporting by the Government Finance Officers  
9 Association of the United States and Canada.

10 My colleagues and I are intensely engaged in the  
11 efforts to improve how NYCHA functions so we can  
12 better deliver services to our residents, and ensure  
13 the Authority remains a vital resource of affordable  
14 housing in our city.

15 We have made progress in key areas that most  
16 impact residents - from lead and mold abatement, to  
17 comprehensive building and apartment renovations  
18 through our housing preservation initiatives.

19 However, we are contending with considerable  
20 financial challenges. In addition to the mounting  
21 impact of decades of federal disinvestment, we are  
22 grappling with significant rent arrears. Rent arrears  
23 now total \$482 million across 70,000 households - a  
24 \$357 million increase from 2019. NYCHA is collecting

1  
2 only 60% of the rent owed, including arrears, over a  
3 12 month period.

4 HUD expects Public Housing Authorities to collect  
5 100% of the rent. Since NYCHA's Mission is to keep  
6 residents housed, we conduct a campaign to inform  
7 residents of the various ways they can get help with  
8 paying their rent, and we work with residents  
9 experiencing economic hardship. We are also proud of  
10 our advocacy in collaboration with many partners,  
11 including residents and elected officials, to ensure  
12 residents receive their fair share of emergency  
13 rental assistance programs, ERAP funding from the  
14 state.

15 To date, NYCHA has received \$136 million of ERAP  
16 funding from the state and applied \$90 million to  
17 residents' accounts. We will continue to credit  
18 residents' account as funds are received. Thanks in  
19 part to the ERAP funding, rent arrears have decreased  
20 since last year and are stabilizing. Rent payments  
21 fund one-third of NYCHA's operating budget, and are  
22 critical to the ability to maintain our developments  
23 and provide residents with the quality of life they  
24 deserve.

1  
2           Compounding these challenges, is the fact that  
3 our rapidly aging developments have nearly \$80  
4 billion in major capital needs. Despite these funding  
5 constraints, we are leveraging creative funding  
6 strategies and using all available resources to make  
7 critical investments that improve residents quality  
8 of life and provide safe and healthy homes.

9           I would now like to take you through a few  
10 details related to NYCHA's budget. Please note that  
11 as a public housing authority, NYCHA's budget runs on  
12 a calendar year rather than the City's fiscal year.

13           For 2024, with expected operating revenues of  
14 about \$4.961 billion, and an expected \$4.996 billion  
15 in operating expenses, we anticipate a yearend  
16 deficit of about \$35 million.

17           We believe we can close this gap. We will  
18 continue to closely monitor our spending and  
19 implement cost savings measures - as we did to close  
20 the budget gap in 2023.

21           However, with the increasing needs and expected  
22 growing losses in rent revenue, the annual deficit is  
23 expected to persist in the coming years.

24           Two-thirds of NYCHA's operating revenue comes  
25 from federal sources. This year, we expect to receive

1 about \$1.3 billion in federal operating subsidy. As  
2 noted, rent revenue accounts for the other third of  
3 our operating revenue, and we expect to collect about  
4 \$959 million in rent this year - about \$117 million  
5 less than we should be collecting.  
6

7 Our 2024 budget assumes a proration factor of  
8 93.5% for the operating subsidy - \$91 million less  
9 than what NYCHA is eligible for. Our 2024 budget  
10 anticipated \$205 million in city operating funds, and  
11 the City has since increased our funding to \$234  
12 million. We expect to receive about \$1.88 billion for  
13 Section 8 vouchers and the associated administrative  
14 fees this year.

15 NYCHA is receiving the previous year's expenses  
16 plus Section 8 administrative fees that is estimated  
17 to be prorated by 90%. Along with program reserves,  
18 NYCHA will be appropriately funded to issue more  
19 Section 8 vouchers for extremely and very low income  
20 New Yorkers.

21 Our projected expenses for 2024 include about  
22 \$1.9 billion in Section 8 payments to landlords; \$1.7  
23 billion in salaries, fringe benefits and overtime;  
24 \$414 million in contracts; \$643 million in utility  
25

1  
2 payments; and \$378 million for expenses such as  
3 leases, supplies, vehicles, and equipment.

4 Chief Financial Officer, Annika Lescott-Martinez,  
5 will now provide some additional information about  
6 NYCHA's 2024 budget and financial outlook.

7 MS. LESCOTT-MARTINEZ: Good afternoon Council  
8 Member Mealy, good afternoon, Chair Banks, and staff.

9 We have submitted two slides with our testimony.  
10 The first slide, as Lisa mentioned, is our 2024  
11 Sources and Uses. It does show that we adopted a very  
12 manageable \$35 million deficit in 2024. As, noted the  
13 cost of the HUD and (INAUDIBLE) Agreement, and the  
14 cost of our aging buildings, continue to rise - while  
15 our tenant revenues have not returned to our pre-  
16 pandemic levels.

17 Like Fiscal Year 2022 and 2023, we anticipate  
18 that we will be to balance the budget at yearend. We  
19 are committed to closing that projected \$35 million  
20 deficit through cost saving measures and additional  
21 revenues as needed.

22 And on the second slide, it does show you our  
23 five year Sources and Uses. So, similarly as Chair  
24 Banks mentioned, we do project some increases to our  
25 outyear deficits as time goes on: \$54 million in

1  
2 2025, \$64 million in 2026, and then it begins to  
3 stabilize after that in 2027.

4 For the benefit of the council members, we do  
5 produce an updated five-year plan each year. So, in  
6 December of this year, we will produce an additional  
7 five-year plan that might start to address those  
8 deficits as we have done in years past, thank you.

9 MS. BOVA-HIATT: Thank you, Anika.

10 I would like to discuss NYCHA's Capital  
11 Investment Program. In 2024, about \$3.13 billion is  
12 available for capital investment in our properties,  
13 including approximately \$752 million is expected in  
14 2024 federal capital funding - \$1.1 billion in city  
15 capital funding available in the 2024 city fiscal  
16 year, and other federal, state, and city funds  
17 allocated from prior year awards.

18 We appreciate the City's support, which is  
19 helping us improve residents' homes. We are also  
20 grateful for the State's commitment of \$485 million,  
21 which we will invest in façade restoration and  
22 heating systems improvements.

23 While the capital funding we receive is a  
24 fraction of the nearly \$80 billion in repairs and  
25 upgrades our buildings need, we are making a

1  
2 difference for residents with the funding we do  
3 receive. Last year, we expended over \$1.1 billion on  
4 capital projects and completed construction for 100  
5 projects - more than 600 Capital projects are  
6 currently underway across the city, and we are  
7 targeting \$1.5 billion in expenditure and completion  
8 of 150 projects this year.

9       As of the end of 2023, we have spent more than \$3  
10 billion on Sandy recovery work, providing thousands  
11 of residents with new roofs, flood-proofed electrical  
12 equipment, boilers, backup power generators, flood  
13 protection, as well as exterior lights, CCTV cameras,  
14 and security systems.

15       In support of our HUD agreement targets, we have  
16 replaced 98 boilers and 84 elevators through capital  
17 investments.

18       In 2024, construction work is underway at scores  
19 of developments to replace an additional 85 boilers  
20 and 80 elevators. At the same time, we have renovated  
21 284 interior trash compactor rooms with new  
22 equipment, and have 110 in construction, as well as  
23 seven waste yards with new exterior compactors. We  
24 replaced 415 roofs through our roof replacement  
25



1  
2 program, and 89 additional roof replacements are in  
3 progress.

4       Additionally, we have completed or advanced a  
5 range of smaller projects such as CCTV, lighting,  
6 playgrounds, and community and senior centers -  
7 funded through mayoral discretionary city councilor  
8 borough president allocations. This includes five of  
9 the city council funded projects that we had to pause  
10 one year ago due to staffing constraints. And we plan  
11 to restart the remainder of the paused projects  
12 beginning in July and over the subsequent 12 months.

13       Overall, our City Capital Funds rate stands at  
14 31% and should exceed last year's capital commitment  
15 rate of 56%, once the submissions already with or  
16 approved by OMB, are approved and/or registered.

17       Over the next five years, we plan to invest \$1.1  
18 billion for comprehensive modernization projects; \$1  
19 billion to upgrade heating systems; \$740 million to  
20 repair rooves; \$698 million for lead, asbestos, and  
21 mold, abatement; \$500 million to replace elevators;  
22 \$333 million to repair façades; \$269 million on waste  
23 management systems; and \$123 million for plumbing  
24 upgrades - among many other important capital  
25 improvements.

1  
2 While we invest strategically in residents' homes  
3 with the limited funding available, we are also  
4 improving our organization so we can better serve  
5 residents.

6 Our transformation plan is a lodestar for this  
7 work, which is evident in areas across the Authority.  
8 For instance, the transformation planned neighborhood  
9 model created smaller property management portfolios  
10 that are easier to manage while bringing more  
11 accountability and resources to developments.

12 We have oriented centralized function, such as  
13 heat and pest management, to the neighborhood model  
14 to increase oversight and foster better coordination  
15 with property management.

16 Thanks to our to work order reform initiative,  
17 borough-based skill trade staff reduced the work  
18 order backlog by over 23,000 work orders, and we have  
19 met and exceeded the annual demand for new work  
20 orders this past year.

21 Property management reduced the time it takes to  
22 conduct initial mold inspections from around 12 days  
23 at the beginning of last year to around four days  
24 currently. And they have completed over 42,000 mold  
25 inspections since the beginning of 2023.

1  
2       Mold Complaints are down, thanks to our work to  
3 replace 8,400 roof fans, clean vents in nearly 74,000  
4 apartments, and installed nearly 10,000 fire dampers.

5       We continue to reduce both the number and  
6 duration of heat and elevator outages tangibly  
7 improving residents' quality of life. And to foster  
8 a safe and healthy living environment, we abated  
9 lead-based paint in more than 6,700 apartments and  
10 tested over 68,000 apartments using the City's  
11 stricter standard for determining the presence of  
12 lead-based paint.

13       Our various sustainability initiatives are  
14 helping to address the climate crisis, while  
15 benefiting residents. This includes the Clean Heat  
16 for All Challenge, to develop a new energy efficient  
17 heating and cooling product for apartments; the  
18 Induction Stove Challenge, to produce energy  
19 efficient electric cooking systems; the graduation of  
20 the first two cohorts of residents from the Clean  
21 Energy Academy which prepares participants for green-  
22 collar careers; installation of 30 megawatts of  
23 rooftop solar at our properties; and obtaining tens  
24 of millions of dollars in grants for decarbonization

1 and resiliency work, as well as the installation of  
2 e-bike storage and charging infrastructure.

3  
4 Notably, we are bringing billions of dollars of  
5 investment to our buildings through creative and  
6 critical housing preservation programs. To date,  
7 20,000 apartments have been converted to PACT, and a  
8 record \$1.8 billion in financing for capital repairs  
9 was closed in 2023 across four PACT deals. And, after  
10 five years of extensive resident engagement and  
11 planning, residents of Fulton and Elliott-Chelsea  
12 Houses expressed their preference to entirely rebuild  
13 their campuses as part of the PACT program. Overall,  
14 138 developments, comprising over 37,000 apartments,  
15 are in either the engagement or predevelopment  
16 process, under construction, or received  
17 comprehensive repairs through PACT. We aim to bring  
18 dramatically improved quality of life to a total of  
19 62,000 families through the PACT program.

20 In December, a third-party election administrator  
21 certified the results of the first ever resident vote  
22 at NYCHA. Nostrand Houses residents selected the  
23 Public Housing Preservation Trust as the path forward  
24 for their homes. I am pleased that the trust will  
25 renovate Nostrand's residents' homes and buildings

1 from top to bottom. The resident voting process has  
2 also commenced at Bronx River Addition.

3 Developed in collaboration with residents, both  
4 the trust and PACT bring developments the more stable  
5 Section 8 federal funding, which is worth nearly  
6 double what Section 9 apartments receive. These  
7 initiatives also ensure that NYCHA developments  
8 remain public and that residents maintain their  
9 rights and protections, including permanently  
10 affordable rent.

11 Our comprehensive modernization program will also  
12 complete holistic capital improvements instead of  
13 simply repairing individual building components.  
14 Launched at four developments so far, the program is  
15 supported by \$678 million in our City Capital Action  
16 Plan and \$200 million from the Gowanus Neighborhood  
17 Rezoning. Design-build teams have been selected to  
18 carry out the renovations at Saint Nicholas and Todt  
19 Hill Houses.

20 The challenges are indeed significant. The  
21 majority of NYCHA buildings are more than a half  
22 century old, and the historic lack of investment is  
23 driving up the costs to simply maintain them. But,  
24 NYCHA is home to hundreds of thousands of New Yorkers  
25

1 making our mission to preserve and strengthen this  
2 vital resource of affordable housing so critical. And  
3 so we must continue to work together with all of our  
4 partners to advance creative solutions, like PACT and  
5 the Trust, which generate billions of dollars to  
6 revitalize and transform residents' homes. True  
7 change takes time, but with our shared vision and  
8 commitment, we will ensure that NYCHA can continue to  
9 serve our city for decades to come.  
10

11 Thank you, and we are happy to answer any  
12 questions you may have.

13 CHAIRPERSON BANKS: Thank you, Commissioner.

14 We have been joined by Council Member Ossé and  
15 Council Member Sanchez, who has joined us via Zoom.

16 We are now going to proceed to some questions.  
17 And I guess I will start with the overtime.

18 Growing overtime expenses are a challenge, and  
19 the Authority is forecast to spend \$2.6 million on  
20 overtime in 2023 - a \$41 million increase compared to  
21 the \$175 million in 2022.

22 How will NYCHA meaningfully contain the overtime  
23 budget, and what are the practical actions that will  
24 be taken by the Authority?  
25

1  
2 MS. TRIMBLE: Thank you, Council Member. Overtime  
3 is something we are actively looking at to reduce...  
4 So, we are looking to actively reduce our overtime  
5 spending in a couple of different ways - the first is  
6 through scheduled overtime. Right now we get certain  
7 shifts for employes, like on weekends, which is an  
8 overtime expense. So, we have reduced our caretakes  
9 on the weekends from ending at 4:30 to ending at 1:00  
10 instead to reduce overtime there. We have also  
11 restricted overtime expenses for certain work order  
12 functions. So, anything that is not a critical  
13 life/health safety issues on a weekend or evening, we  
14 are deferring to daytime, which does mean that we are  
15 going to see increases in our workorder backlog as we  
16 reduce our overtime flexibility for our staff.

17 CHAIRPERSON BANKS: Thank you. What is the  
18 greatest share of overtime that goes into, like,  
19 caretakers, maintenance workers? Will the limits on  
20 that overtime mean longer tenant wait times for  
21 repairs?

22 MS. TRIMBLE: Most of... The largest portion of  
23 our overtime is spent for responding to emergency  
24 conditions after hours. And so we will continue to  
25 respond... (CROSS-TALK)

1  
2 CHAIRPERSON BANKS: (INAUDIBLE)

3 MS. TRIMBLE: to all conditions after hours, but  
4 we do have to be careful about any planned use for  
5 overtime. So, planned blitzes for work orders and  
6 things like that are things that we are looking at  
7 reducing right now.

8 CHAIRPERSON BANKS: Okay. What alternative  
9 strategies is NYCHA going to employ to ensure that  
10 the maintenance isn't worsened throughout the OT  
11 reductions?

12 MS. TRIMBLE: I'm sorry, can you repeat that  
13 maintain...

14 CHAIRPERSON BANKS: What alternative strategies is  
15 NYCHA going to employ to ensure that the maintenance  
16 isn't worsened throughout the OT reductions?

17 MS. TRIMBLE: We are looking... We are continuing  
18 to analyze the impacts of the overtime restrictions.  
19 So, maintenance work is mostly done during the day.  
20 The overtime is sometimes deferred for skilled trades  
21 to come in and complete a repair - something that is  
22 more specialized. And so we are looking at how we can  
23 improve scheduling to get more of that done during  
24 straight hours instead of overtime hours.



1  
2 CHAIRPERSON BANKS: Could you share the breakdown  
3 of personnel services costs, for example salaries  
4 versus overtime by three major categories, of like  
5 staff, central staff, operations staff, and property  
6 staff?

7 MS. LESCOTT-MARTINEZ: We do not have that number  
8 in front of us, but I will say that most of the  
9 overtime is actually done properties and the  
10 operation central staff. The overtime in the COCC,  
11 the central office, is very minor.

12 CHAIRPERSON BANKS: Okay.

13 MS. LESCOTT-MARTINEZ: But, we can provide that  
14 after the meeting.

15 CHAIRPERSON BANKS: When it comes to the staffing  
16 and the attrition, part of NYCHA's deficit closing  
17 strategy is to decrease property staff through  
18 attrition. The budget reflects 12,109 positions in  
19 2024; decreasing to about 11,292 positions in 2027  
20 and 2028, which is a 6.7% decrease.

21 Can you describe which property staff will be  
22 lost - All the staff confined to developments that  
23 were converted through PACT, the City's Section 8  
24 public-private partnership, and the Preservation  
25 Trust?

1  
2 MS. LESCOTT-MARTINEZ: Sure, so thank you for that  
3 question, Chair.

4 Essentially what is happening is as properties  
5 exit the public housing portfolio and move over to  
6 PACT or the Trust, we reduce all of the expenses  
7 associated with that property from the NYCHA budget.

8 So, for example, in the case of Nostrand Houses,  
9 when Nostrand exits the NYCHA public housing  
10 portfolio, you lose all of the expenses related to  
11 that property, because NYCHA no longer pays for it.  
12 So, that is essentially what you are seeing happening  
13 in the headcount. So, we adjustments to headcount to  
14 reflect the RAD/PACT pipeline.

15 CHAIRPERSON BANKS: Will there be any impact to  
16 the property development headcount for developments  
17 that stay, uh, on the Section 9?

18 MS. LESCOTT-MARTINEZ: Not, not planned, no.

19 CHAIRPERSON BANKS: Not planned? Okay. And when  
20 positions are lost due to a PACT development  
21 transition, is the position lost or reassigned to  
22 another development?

23 MS. LESCOTT-MARTINEZ: So, there are two things  
24 that happen. So, the first is, the actual position.  
25 So, if there was a caretaker at Nostrand Houses,

1  
2 there is no longer a need for a caretaker at Nostrand  
3 Houses. But, the person gets reassigned. So, the  
4 employee might get reassigned to another budgeted  
5 line at another development. So, the employee is not  
6 getting laid off or lost, but the position is being  
7 removed.

8 CHAIRPERSON BANKS: In 2025, the plan removed 632  
9 positions a 5.2% decrease from the 2024 budget.

10 What amount of savings is generated from these  
11 headcount reductions?

12 MS. LESCOTT-MARTINEZ: So, there is a net effect.  
13 There are two things that have to happen. So, as ,you  
14 know, the City does collective bargaining increases  
15 with the unions, the actual costs of staff increase.  
16 And fringe benefits associated with staff increase.  
17 So, there is both the cost of staff rising over time,  
18 and also the actual number of staff decreasing over  
19 time.

20 CHAIRPERSON BANKS: So, is NYCHA... Is the savings  
21 lost or is NYCHA able to repurpose it?

22 MS. LESCOTT-MARTINEZ: You will be able to get  
23 some of the savings, but I do want to be clear that  
24 you have to pay more for the people that you do have.  
25

1  
2 So, some of the savings from actually decreasing the  
3 staff get eaten up by the cost of staff going up.

4 CHAIRPERSON BANKS: Could you share some budget  
5 data from the recent PACT transition illustrating  
6 what happens to the headcount?

7 MS. LESCOTT-MARTINEZ: Happy to...

8 CHAIRPERSON BANKS: And the budget during a PACT  
9 transition? Thank you.

10 Does the mayor's house blueprint include any  
11 additional staff for NYCHA, and if so, where?

12 MS. LESCOTT-MARTINEZ: It does include additional  
13 staff for NYCHA.

14 CHAIRPERSON BANKS: Okay, are there any new needs  
15 associated with the housing blueprint being  
16 considered for future plans?

17 MS. LESCOTT-MARTINEZ: So, we work really closely  
18 with all of our city partners to continue to advocate  
19 for additional funding. The City has been really  
20 generous to NYCHA over the last five years. And this  
21 new administration with Mayor Adams has certainly  
22 continued to be generous to NYCHA. So, there is over  
23 \$1.5 billion in just 2024 alone in both capital and  
24 expense dollars available for the Housing Authority.  
25

1  
2 We are very grateful and we will continue to advocate  
3 as new needs arise.

4 CHAIRPERSON BANKS: Okay.

5 Now, dealing with the unfunded needs, NYCHA  
6 denied \$94 million in pillars area funding requests  
7 in 2024 and approved \$176 million, all of these  
8 requests were made to address the environmental  
9 hazards, heating, elevators, pests, and waste  
10 management, et cetera. These are nonnegotiable to a  
11 safe and habitable apartment. Can you describe a  
12 little more about how NYCHA goes through a process of  
13 receiving and deciding all of these pillars area  
14 requests?

15 MS. LESCOTT-MARTINEZ: Sure, so we have a very  
16 detailed budget process that starts every year in the  
17 fall. We take requests not just from the central  
18 office departments like the pillars, but also from  
19 property management, central office staff, in  
20 addition to the pillar areas. We combine all of  
21 those, and that is... You know, based on the numbers  
22 that you read from our 2024 budget presentation back  
23 in December.

24 Unfortunately, we had over \$550 million of new  
25 needs across the entire portfolio. And we don't have

1  
2 \$550 million of additional revenue. So, we had to  
3 make do with the revenue that we did have, and that  
4 is sort of how those discussions were made. We do  
5 meet with every area, including the pillar areas, to  
6 make sure that we understand some of the tradeoffs.  
7 We would love to approve all of the new needs, but  
8 that's just not possible given the revenue. If we  
9 were to approve that, you would see a deficit above  
10 \$200 million.

11 CHAIRPERSON BANKS: Thank you.

12 Did NYCHA ever go to the City or OMB to request  
13 support for these pillar areas? How does NYCHA submit  
14 these needs to the City?

15 MS. LESCOTT-MARTINEZ: Sure, so we have funding  
16 from the City for the pillar areas. That funding came  
17 through the (INAUDIBLE) Agreement. So, initially the  
18 City provided \$2.2 billion, and each year that they  
19 reduced... include a new plan, we get an additional  
20 \$200 million added. We work through that funding with  
21 through the City Capital Action Plan, and we purpose  
22 that funding to key pillar areas, heating, lead,  
23 pest, waste, et cetera. And that is on the City  
24 capital side. So, we do find that the city has been  
25 tremendously generous in terms of the support that we

1  
2 get each year, and we will continue to work with all  
3 of our partners to advocate for additional funding.

4 CHAIRPERSON BANKS: Thank you. The Department of  
5 Investigation recommended that NYCHA institute a  
6 Centralized Contract Oversight Unit to correct its  
7 micro purchasing procurement process. NYCHA has  
8 accepted this recommendation, can you confirm that  
9 this unit costs as potentially \$1.6 million is not  
10 yet funded by the 2024 Operating Budget?

11 ADMINISTRATION: (NO RESPONSE)

12 CHAIRPERSON BANKS: Sorry, \$6.1... thanks for the  
13 correction.

14 MS. TRIMBLE: Yes, we are discussing the funding  
15 for that. It was not anticipated at the time the  
16 board approved the budget, but we do accept... we  
17 accepting of the recommendation and working out a  
18 funding strategy right now, as we continue to refine  
19 the proposal for that new structure.

20 CHAIRPERSON BANKS: Who will fund it... this unit  
21 ultimately, and when is it estimated to start?

22 MS. TRIMBLE: It will be funded by NYCHA through  
23 our federal funding that we receive. We are still  
24 working through all of the details, but our goal is  
25 to have the staff begin around June 1st. It will not

1  
2 be... It will be a set of staff located in each  
3 neighborhood. As the CEO testified, we have a  
4 neighborhood model, and our goal is to put this  
5 resource in the neighborhood to support the  
6 properties. So, we're working through all the  
7 structure right now we're looking through the  
8 appropriate civil service title to use for that  
9 staff, and that may change the final cost estimate  
10 depending on the title we choose. But, we are looking  
11 to start hiring and hope that we have everyone on  
12 board approximately June 1st.

13 CHAIRPERSON BANKS: So, as of now, nothing is in  
14 place?

15 MS. TRIMBLE: Not yet, but we are actively working  
16 on the plan for... (CROSS-TALK)

17 CHAIRPERSON BANKS: So, we possibly have the same  
18 repeat of corruption that took place?

19 MS. TRIMBLE: So, just to clarify we are working  
20 on that first recommendation of the 14. However, we  
21 have already achieved some of the other  
22 recommendations that DOI has made out of the 14. We  
23 are working closely with DOI on each of them,  
24 including, we have issued our compliance advisory  
25 alert; we're working on our fraud and compliance



1 training, and other pieces of it are already  
2 underway.

3  
4 CHAIRPERSON BANKS: Is there a specific timeframe  
5 you could give us? Uh, when the... (CROSS-TALK)

6 MS. TRIMBLE: We hope to have all of the  
7 recommendations completed and in place within the  
8 next year.

9 CHAIRPERSON BANKS: Do you think that's an urgent  
10 response to what has taken place or has been exposed  
11 by DOI? You know, I would think you move a little  
12 quicker knowing that there is nothing in place right  
13 now to deal with this type of corruption that we've  
14 seen.

15 MS. TRIMBLE: I absolutely agree, and we are  
16 acting expeditiously on this. We agree it is an  
17 absolutely critical issue. Out of the 14  
18 recommendations, some are low hanging fruit that we  
19 have been able to implement fairly quickly, but some  
20 require additional work such as hiring and staffing,  
21 IT changes, rolling out trainings - so, those we want  
22 to make sure are done right, that the staff  
23 understands the implications of all of this so, some  
24 of that will take a little extra time. But, we are

1 continuing to focus on it and agree that it is the  
2 number one priority for us... (CROSS-TALK)

3  
4 CHAIRPERSON BANKS: Well, the implications are  
5 very severe. They... Based off of the report, it  
6 boiled down to \$2 million that were stolen from the  
7 residents of NYCHA. So, there should be much more  
8 urgency, because we are talking about NYCHA residents  
9 who I believe are one of the most abused residents in  
10 the entire country, and this was obviously a major,  
11 major scandal that rocked... And, again, it continued  
12 to pull the confidence that the tenants... That they  
13 didn't have of NYCHA, and it just further deepened  
14 it. I would hope that the Authority would act more  
15 quickly so that there is not a repeat again.

16 MS. TRIMBLE: So, I can tell you that we do take  
17 this absolutely seriously. We have no tolerance for  
18 this type of malfeasance, and in fact, at our  
19 previous hearing where we discussed this in detail,  
20 we expressed that even before the arrest took place,  
21 we had identified issues around the micro purchasing  
22 process, and we had made steps to change the process,  
23 and we actually did see a decrease in the spend on  
24 services for micro purchases.

1  
2 Out of the 14 recommendations that DOI made on  
3 February 6th, we have already implemented six of  
4 them, and we are working collaboratively with DOI on  
5 a weekly basis to make sure that the rest get done as  
6 soon as possible.

7 CHAIRPERSON BANKS: Well, the ball is in your  
8 court to act to and to get something done to give  
9 some degree confidence back to the residents of  
10 NYCHA. So, I would urge you to move more quickly.

11 Moving onto the vacant unit readiness program,  
12 the preliminary plan includes PEG savings of \$52.8  
13 million over five years from an expense funding swap  
14 with capital funding for the vacant unit readiness  
15 VUR program. The VUR helps repairs prepare and  
16 rehabilitate NYCHA units for new tenants.

17 We heard in February that they were 4,919 vacant  
18 apartments and 3,526 non dwelling units, which are  
19 either under renovation or not in residential use. It  
20 took NYCHA an average of 404 days to reoccupy a  
21 vacant apartment.

22 Could you please provide updated numbers to the  
23 Committee on the number of vacant apartments and the  
24 average time to prepare these units for the new  
25 tenants?

1 MS. TRIMBLE: Yes, thank you, Council Member.

2 Right now, NYCHA has approximately 5,100 vacant units  
3 available, and we are still analyzing the rate of our  
4 turnover. Obviously, we have units that are still  
5 waiting for work to begin, and that time... that  
6 waiting time drags down our average turnaround time.  
7 So, we are reviewing our data to better understand  
8 the timing of our turnover and what an appropriate  
9 time should be for that turnover work to happen.

10 CHAIRPERSON BANKS: Where are the sticking points  
11 that generate a lag time with renovating these  
12 apartments? What's the disconnect?

13 MS. TRIMBLE: There is just only so much capacity  
14 we have to do the work. We have worked closely with  
15 OMB. The vacant unit readiness funding has been a  
16 critical support for us, both the capital and the  
17 expense have allowed us to structure all of our  
18 vacant turnover work more holistically, so that we're  
19 taking advantage of both of those resources and  
20 maximizing each of them - so that we are working to  
21 improve our efficiency. We've already seen a 40%  
22 increase in move-ins from 2023 to 2022. And so we  
23 think we're working in the right direction. But, we  
24 do have a backlog of units that we have to get to,  
25

1  
2 and that turnaround time will continue to be longer  
3 than we'd like until we are able to work through that  
4 backlog.

5 CHAIRPERSON BANKS: Thank you.

6 The PMMR reflected the slow apartment turnaround  
7 times as NYCHA's occupancy rate dipped from 97.1%,  
8 in the first four months of 2023, to 96.5% in the  
9 same period in fiscal year 2024. How many unoccupied  
10 units does the 0.6 decrease represent?

11 MS. TRIMBLE: I don't have that exact delta, but,  
12 again, we have just over 5,100 vacant units available  
13 right now.

14 CHAIRPERSON BANKS: Has NYCHA noticed squatters  
15 coming to occupy these vacant units? Has that been a  
16 major issue with squatters occupying the units?

17 MS. TRIMBLE: We do have some squatters that we  
18 are aware of and we work closely with the NYPD and  
19 our law department to take action on.

20 CHAIRPERSON BANKS: How many have been identified?

21 MS. TRIMBLE: I don't have that exact number  
22 available today.

23 CHAIRPERSON BANKS: If you can get that number I  
24 would appreciate it.

1  
2 What was NYCHA's policy on evicting squatters and  
3 ensuring building safety is maintained?

4 MS. BOVA-HIATT: I can talk about evictions just  
5 generally. NYCHA's goal is to keep residents housed  
6 and to resolve tenant issues - not to evict.

7 We are focused right now on residents with the  
8 highest amount of arrears for the longest amount of  
9 time. In 2023, we had 1,835 nonpayment cases and 472  
10 holdover cases, which would include the subset of  
11 squatters across the five boroughs.

12 And just by way of comparison, in March 2020 we  
13 had 34,000 cases pending in housing court. But during  
14 the moratorium, we discontinued 31,000 of them. Since  
15 the moratorium lifted, we've had a total of 110  
16 evictions - two in 2022, 58 in 2023, and 50 in 2024  
17 as of March 7th.

18 CHAIRPERSON BANKS: Okay. NYCHA shared that it  
19 wants to target 3,000 units for renovation annually.  
20 Are you confident you can hit that number fiscal year  
21 2024?

22 MS. TRIMBLE: Yes, we are confident in that 3,000  
23 projection. We have, as I mentioned, worked closely  
24 with OMB to restructure our vacant turnover program,  
25

1  
2 maximizing both the capital and the expense. So, we  
3 feel that 3,000 is achievable.

4 CHAIRPERSON BANKS: How much more funding would it  
5 take to turn these apartments around. For example,  
6 half the time it would still take, which will still  
7 be done around 200 days.

8 MS TRIMBLE: So, I don't have an additional  
9 funding number right now. We are working as  
10 expeditiously as possible within our funding sources.  
11 OMB has been very generous and is reimbursing us in  
12 real time, but we have other constraints besides  
13 funding in addition ,you know, staffing, and supplies  
14 and materials. So, we can certainly have a further  
15 conversation with the Council about all of the vacant  
16 unit constraints.

17 CHAIRPERSON BANKS: We have heard from many  
18 tenants with concerns about the quality of the work  
19 when it is eventually performed. Does NYCHA inspect  
20 and sign off every unit before new tenants occupy it?

21 MS. TRIMBLE: Yes, we have a quality assurance  
22 process that reviews vacant units prior to new  
23 prospective tenants moving in.

24 CHAIRPERSON BANKS: And that's internally done?  
25

1  
2 MS. TRIMBLE: Yes, so we have our superintendents  
3 who look at apartments, and then quality assurance  
4 reviews a sample of apartments as well.

5 CHAIRPERSON BANKS: Okay.

6 I'll be honest with you, from the experience with  
7 a lot of NYCHA residents, especially folks moving  
8 into new apartments or are being relocated to a  
9 different apartment, I've seen shabby jobs done where  
10 we've had situations where they are moving into the  
11 "new apartment", it is supposed to have been  
12 rehabbed, and there's holes behind the kitchen sink  
13 when you open the cabinet - when you open up the  
14 cabinet doors, there's holes behind the cabinets,  
15 behind the stove. There's holes behind... there's  
16 roaches all throughout the apartments.

17 So, I need to get a better understanding. Is a  
18 real inspection being done, or are we just dealing  
19 with a level of incompetence that has continued  
20 throughout NYCHA?

21 MS. TRIMBLE: A real inspections is being done,  
22 but I'm happy to work with you on those examples that  
23 you're pointing out, so we can track down exactly who  
24 did the inspection and enforce that quality of work.  
25 Because it... (CROSS-TALK)



1  
2 CHAIRPERSON BANKS: Well, maybe you all may need  
3 to hire an independent inspector, because it's not  
4 working.

5 Can you share how this process looks in the PACT  
6 developments? Does private management deal with this  
7 problem directly or does any VRU money go to the PACT  
8 developments?

9 MS. LESCOTT-MARTINEZ: So, no vacant unit  
10 readiness program funding goes to the PACT  
11 developments. That funding is only for public housing  
12 units in NYCHA's portfolio currently. And as Eva  
13 mentioned, the City has been very generous. We have  
14 \$226 million to spend over the next five years. And  
15 so, we are working expeditiously to spend that  
16 funding down and hit our 3,000 unit target.

17 If you want to talk more about PACT we have  
18 additional staff that can speak to it.

19 CHAIRPERSON BANKS: I guess the PACT, do they set  
20 their own? They set up their own form of program?

21 MS. LESCOTT-MARTINEZ: Correct, so the renovations  
22 are done... (CROSS-TALK)

23 CHAIRPERSON BANKS: (INAUDIBLE) doing the rehab,  
24 so...

1  
2 MS. LESCOTT-MARTINEZ: Correct, the renovations  
3 are done through the rehabilitation program.

4 CHAIRPERSON BANKS: And, then, you said \$26  
5 million is (INAUDIBLE)... (CROSS-TALK)

6 MS. LESCOTT-MARTINEZ: \$226 million...

7 CHAIRPERSON BANKS: \$226 million...

8 MS. LESCOTT-MARTINEZ: Over five years.

9 CHAIRPERSON BANKS: Okay. All right, well I think  
10 quality is important. And that's a large amount of  
11 money. I would encourage the Commissioner and CEO to  
12 come out and walk the grounds with me with some of  
13 the developments that we have... where we have had  
14 new tenants move into the apartment, and the picture  
15 of you are painting, or the amount of money that's  
16 being spent, is... you're not seeing it in the  
17 apartment on rehab or the work that's being done in  
18 the new apartments that folks are moving in to. So,  
19 I would encourage you...(CROSS-TALK)

20 MS. BOVA-HIATT:: Well, I...

21 CHAIRPERSON BANKS: to come out... (CROSS-TALK)

22 MS. BOVA-HIATT: I'd be happy to go to whatever  
23 apartments that you're talking to, and I would bring  
24 along obviously our quality assurance... The head of  
25

1  
2 our Quality Assurance Department, and also our  
3 Compliance Department.

4 CHAIRPERSON BANKS: Okay.

5 MS. BOVA-HIATT: And those... Just so you know,  
6 those two units were created as a result of the HUD  
7 agreement. So (INAUDIBLE)... (CROSS-TALK)

8 CHAIRPERSON BANKS: Thank you.

9 I will now move to Council Member Mealy.

10 COUNCIL MEMBER MEALY: Thank you, I just have a  
11 few questions.

12 My first question, in fiscal 2023, NYCHA  
13 committed \$416.6 million or 29% of its \$1.43 billion  
14 plan - city capital commitments. NYCHA has  
15 consistently committed much less than its planned  
16 commitments. And it is reasonable to assume that the  
17 substantial proportion of the Authority's fiscal 2024  
18 Capital Plan will be rolled into the fiscal 2025,  
19 thus increasing the size of the fiscal budget from  
20 2025 to the 2029 Capital Plan. Is that true?

21 MR. MAVANI: Thank you, Council Member Mealy, uh,  
22 so just to address your question - yes, in 2023, we  
23 committed \$416 million of city capital funding, which  
24 was a 56% commitment rate. And that is a significant  
25 increase over 2022, and we hope to do that again this

1  
2 year. So, year to date, we have already committed  
3 \$343 million compared to that number last year. And  
4 as per the CEO's testimony, we hope to significantly  
5 outpace the 56% that we achieved last year in the  
6 next remaining months of fiscal year 2024. So, in  
7 terms of your question, we don't anticipate a large  
8 portion of this year's funding available from the  
9 City to rollover.

10 COUNCIL MEMBER MEALY: So, it won't rollover to  
11 2025?

12 MR. MAVANI: That's right. Our target is to  
13 utilize the funds as effectively as we can.

14 COUNCIL MEMBER MEALY: One other question I have  
15 to ask, with you saying that the... The rollout, I'm  
16 sorry, the vacancies, if you have these funds, why is  
17 the turnover in all of the empty units not occupied  
18 as of yet?

19 MS. TRIMBLE: Thank you, Council Member. It is  
20 because funding is not our only limitation. In order  
21 to increase turnovers, we need to have... we need to  
22 also talk about staffing, vendor capacity, and  
23 materials. (INAUDIBLE)... (CROSS-TALK)

24 COUNCIL MEMBER MEALY: But, didn't you say in your  
25 (INAUDIBLE)... (CROSS-TALK)

1  
2 MS. TRIMBLE: (INAUDIBLE) things like cabinets and  
3 sinks...

4 COUNCIL MEMBER MEALY: your turnover is quicker  
5 now?

6 MS. TRIMBLE: We have increased our turnover time,  
7 and we are seeing already a 40% increase in the  
8 number of move-ins from 2022 to 2023.

9 COUNCIL MEMBER MEALY: Okay... (CROSS-TALK)

10 MS. TRIMBLE: So, we are working to improve that.  
11 But, it requires multiple resources.

12 COUNCIL MEMBER MEALY: Do NYCHA operations staff  
13 serve PACT developments? Is it true as well for the  
14 7,044 active positions within the properties and  
15 borough offices?

16 MS. LESCOTT-MARTINEZ: No, NYCHA staff generally  
17 do not serve PACT developments, uh, they are paid for  
18 out of public housing funds, and we have to use them  
19 in public housing developments. However, there have  
20 been cases in emergencies where we have gone to staff  
21 of PACT development to produce a certain type of  
22 repair. And in those cases, we do invoice the PACT  
23 developer.

24 COUNCIL MEMBER MEALY: You had said that after a  
25 development goes out of PACT, what significant

1  
2 increase does NYCHA receive after... First of all,  
3 how many (INAUDIBLE) PACT is out of NYCHA's portfolio  
4 now?

5 MS. LESCOTT-MARTINEZ: Sure, so we are just going  
6 to welcome our EVP of Real Estate, Jonathan Gouveia,  
7 who can speak to that... (CROSS-TALK)

8 COUNCIL MEMBER MEALY: (INAUDIBLE) sorry...

9 MS. LESCOTT-MARTINEZ: No, that's fine. But, I  
10 will say, just in terms of the funding, just for your  
11 awareness, we receive funding for those units as  
12 public housing. So, when you see a unit or a  
13 development exit the public housing portfolio, the  
14 federal operating subsidy goes along with it. So, you  
15 see over time our operating subsidy has to decrease,  
16 and that is also part of the reason why have to stop  
17 funding that development. It is no longer eligible  
18 for funds, and we have to sort of reassign the staff  
19 in other places, et cetera.

20 And Jonathan can speak to sort of the mechanics  
21 around the PACT more greatly.

22 COUNCIL MEMBER MEALY: Because I need to know if  
23 there's an increase, uh, since you are selling...  
24 Well, practically... not selling off the buildings,  
25 and I will get to the selling of the parking lots in

1  
2 a minute... But, there's no increase to NYCHA for  
3 funding?

4 COMMITTEE COUNSEL: Just before you get started,  
5 if you can raise your right hand?

6 Do you affirm to tell the truth, the whole truth,  
7 and nothing but the truth, before this committee, and  
8 to respond honestly to council member questions?

9 MR. GOUVEIA: Yes, I do.

10 COMMITTEE COUNSEL: And if you could just identify  
11 yourself and your title for the record that's be  
12 great. (TIMER CHIMES)

13 MR. GOUVEIA: Jonathan Gouveia Executive Vice  
14 President of Real Estate Development.

15 CHAIRPERSON BANKS: You can continue, Council  
16 Member.

17 COUNCIL MEMBER MEALY: Thank you.

18 MR. GOUVEIA: So, you had asked how many units we  
19 have converted through PACT?

20 COUNCIL MEMBER MEALY: Mm-hmm

21 MR. GOUVEIA: So, right now we have about 21,000  
22 units that have converted, about 7,100 of those,  
23 construction is complete, renovations are complete.  
24 And the balance, uh, about 13,000 in change, uh,  
25

1  
2 renovations are underway. We another 17,000 that are  
3 in predevelopment.

4 COUNCIL MEMBER MEALY: So, 17,000 in  
5 predevelopment... (CROSS-TALK)

6 MR. GOUVEIA: So, that means that we have  
7 designated a developer with the help of our residents  
8 as part of our new engagement process, and the  
9 development teams are on site doing investigations  
10 and coming up with their scope of work.

11 So, in your context, Ocean Hill + Stuyvesant  
12 Gardens, is a number of sites where the development  
13 teams are looking at those properties to access the  
14 scope... to assess the properties and develop a scope  
15 of work.

16 COUNCIL MEMBER MEALY: Is one of those development  
17 project management offices LiRo?

18 UNKNOWN: (INAUDIBLE)

19 COUNCIL MEMBER MEALY: No?

20 MR. GOUVEIA: No, not for the rehab. They are  
21 specialized as our CFO just said on lead.

22 COUNCIL MEMBER MEALY: Excuse me? I didn't hear  
23 you...

24 MR. GOUVEIA: For lead abatement.  
25



1  
2 COUNCIL MEMBER MEALY: Just lead abatement?  
3 They're not developers?

4 MR. GOUVEIA: That's right.

5 COUNCIL MEMBER MEALY: Okay, then. Okay, so, could  
6 you explain to me how much revenue you all received  
7 in 2022 for the selling of NYCHA parking lots?

8 MR. GOUVEIA: Well, we haven't sold parking lots.  
9 Uhm, when we do these... (CROSS-TALK)

10 COUNCIL MEMBER MEALY: Oh, wait a minute, you  
11 can't just say that. Because in district, I believe  
12 Marcus Garvey... No, The Van Dyke, there was a  
13 parking lot... There's a big house on there now,  
14 development of 215 units.

15 MR. GOUVEIA: Yes.

16 COUNCIL MEMBER MEALY: So, that's revenue. You  
17 sold... NYCHA sold the development to CAMB, and now  
18 they have housing there. So, I know you did that in  
19 my district, we don't know how many you did in the  
20 whole (INAUDIBLE)... (CROSS-TALK)

21 MR. GOUVEIA: It is true that there have been a  
22 few infill projects (INAUDIBLE) Van Dyke... (CROSS-  
23 TALK)

24 COUNCIL MEMBER MEALY: So, that's why I'm asking  
25 on the (INAUDIBLE)... (CROSS-TALK)

1 MR. GOUVEIA: Uh, but that... (CROSS-TALK)

2 COUNCIL MEMBER MEALY: How many?

3 MR. GOUVEIA: The Van Dyke project was from a few  
4 years ago. I will have to confirm the date... (CROSS-  
5 TALK)

6 COUNCIL MEMBER MEALY: That's... (CROSS-TALK)

7 MR. GOUVEIA: I think it was like 2018. We did not  
8 sell anything in 2022 or 2023... (CROSS-TALK)

9 COUNCIL MEMBER MEALY: So, NYCHA still owns that  
10 development? Not CAMBA?

11 MR. GOUVEIA We still own Van Dyke, yes.

12 COUNCIL MEMBER MEALY: Not Van Dyke, it's a brand-  
13 new building.

14 MR. GOUVEIA: I mean we own the campus that  
15 surrounds the infill building.

16 COUNCIL MEMBER MEALY: Oh, so, it's NYCHA now is  
17 developing housing on your own land?

18 MR. GOUVEIA: We have done that at times, yes.  
19 But, the PACT Program... (CROSS-TALK)

20 COUNCIL MEMBER MEALY: So, what revenue did you  
21 receive from that?

22 MR. GOUVEIA: I would have to confirm that amount  
23 that we... It was not a significant amount of money.  
24 It was a couple of million dollars, and the  
25

1  
2 commitment was to use the proceeds from the infill  
3 building to make certain renovations at the rest of  
4 Van Dyke Houses.

5 COUNCIL MEMBER MEALY: And I'm not just talking  
6 about that one. NYCHA has done this (INAUDIBLE) the  
7 City. There has to be some kind revenue stream in  
8 which you're making some kind of money if you're  
9 taking away parking... Even though I think it is  
10 discriminatory, because some people are using... Or  
11 some people are still driving, and NYCHA came up with  
12 saying that people don't need cars, especially in  
13 Brooklyn... that you could build on the parking lots.  
14 So...

15 MR. GOUVEIA: We have not done very many infill  
16 projects.

17 COUNCIL MEMBER MEALY: How many?

18 MR. GOUVEIA: Uh, about ten, and we can provide a  
19 list of all of the infill projects that we've done  
20 and the revenue over the years. But, again, we have  
21 not done one of those deals in a few years. PACT is  
22 about comprehensive rehabilitations, not infill.

23 COUNCIL MEMBER MEALY: So, what do you... How much  
24 are you making with PACT?

1  
2 MR. GOUVEIA: Uh ,you know, some of the deals we  
3 have gotten some acquisition fees, and, again, we can  
4 provide a summary of that infrastructure to the  
5 Committee. But, for the most part, we do not get  
6 upfront payments at this point, because the  
7 requirements of the scope of the work that we have to  
8 do is very significant. So, all of the money that is  
9 part of the deal goes in to the properties to ensure  
10 that the renovations are as complete as possible.

11 COUNCIL MEMBER MEALY: Chair, could I have just  
12 two more questions?

13 CHAIRPERSON BANKS: Yes, you may, Council Member.

14 COUNCIL MEMBER MEALY: Uh, all right, would  
15 restoring funding loss in the PEG help expedite  
16 repairing units for re-occupancy?

17 MS. LESCOTT-MARTINEZ: Thank you for that  
18 question.

19 So, in the PEG that was done by the City, in the  
20 January 2024 plan, what you actually see is funding  
21 moving from... There is no funding that was cut from  
22 the vacant unit program. What they actually did was  
23 put capital funds in the vacant unit readiness  
24 program. So, they reduced the expense, and they put  
25 the funding on the capital line.

1  
2 COUNCIL MEMBER MEALY: I don't know (INAUDIBLE)  
3 All right, what is the average cost to turnaround  
4 each unit?

5 MS. LESCOTT-MARTINEZ: The average cost for a  
6 vacant unit turnaround is approximately \$43,000.

7 COUNCIL MEMBER MEALY: Forty-three?

8 MS. LESCOTT-MARTINEZ: Mm-hmm

9 COUNCIL MEMBER MEALY: Could you tell us more  
10 about how NYCHA would use the \$54 million certified  
11 to proceed CP from OMB, which we understand will  
12 enable spending capital funds on asbestos testing and  
13 abatement. And, you know, my development was the  
14 first one in Brooklyn ever to have Legionnaires'  
15 disease. So, abatement and asbestos testing...

16 MS. TRIMBLE: Yes, so that CP, which we just got  
17 approved by OMB recently...

18 COUNCIL MEMBER MEALY: I can't hear you, I'm  
19 sorry...

20 MS. TRIMBLE: Sorry. So, we did have a CP approved  
21 recently from OMB that authorized our use of the City  
22 capital funds for asbestos testing and abatement as  
23 part of the vacant unit readiness program. So, all  
24 vacant units are tested for both lead and asbestos,  
25 and they are made lead-free and asbestos safe as part

1  
2 of the turnover process. We are utilizing the entire  
3 CP for asbestos work for our vacant unit readiness  
4 program.

5 COUNCIL MEMBER MEALY: Are you putting  
6 Legionnaires' disease in there now? Because a lot of  
7 your apartments are vacant.

8 MS. TRIMBLE: We follow Department of Health and  
9 Mental Hygiene guidelines for testing for  
10 Legionnaires', and so that is not part of our vacant  
11 unit protocol.

12 COUNCIL MEMBER MEALY: Do you think you should  
13 since we have so many vacant apartments now?

14 MS. TRIMBLE: That is a question for DOHMH. We  
15 have to follow their guidelines for any type of  
16 legionella at work.

17 COUNCIL MEMBER MEALY: Okay, one last question.  
18 What resources in NYCHA's budget help ensure that  
19 formally homeless households placed in NYCHA are  
20 supported to stay housed there?

21 MS. TRIMBLE: We don't receive any funding  
22 specifically for social service support for formally  
23 homeless families that are placed into NYCHA.

24 COUNCIL MEMBER MEALY: So, NYCHA doesn't have  
25 any...

1  
2 MS. TRIMBLE: We have our Family Partnerships team  
3 and our Resident Services team that will support  
4 residents, uh, any residents, uh, whether they have  
5 been formally homeless or not, can receive services  
6 through Our Family Partnerships Division. We make  
7 connections with mental health groups, any other  
8 resources that residents may need, uh, Adult Family  
9 Protective Services, other types of services ,you  
10 know, we work with residents and affording conditions  
11 and so forth. So, we can accept referrals for  
12 residents in need, but that is funded just as part of  
13 NYCHA's Resident Services Programs.

14 COUNCIL MEMBER MEALY: Okay. I just have to give  
15 you kudos when kudos are due. So, far domestic  
16 violence emergency transfers, I normally call NYCHA,  
17 and it has been very well. Except, coming here today  
18 I had an incident that I was just on a Zoom... I  
19 couldn't get on the Zoom... What do you contribute  
20 that for... Is it a new department or a new staff  
21 person that is expediting emergency domestic  
22 transfers?

23 MS. TRIMBLE: As part of all of the vacant unit  
24 work that we have been discussing over the past  
25 year, we have been looking at all aspects of our

1  
2 operation including the actual construction turnover  
3 work, but also just internally about dealing with  
4 residents in need, transfers, and so forth. We try  
5 to... You know, we understand that residents are  
6 living in difficult conditions, and the wait times  
7 are long, so we do try to provide as much support as  
8 possible. So, thank you for recognizing that, and we  
9 are always happy to work with any council member that  
10 may have a resident in need.

11 COUNCIL MEMBER MEALY: And thank you, Brian  
12 (INAUDIBLE) he answers my calls. Thank you so much,  
13 Chair, for giving me leverage...

14 CHAIRPERSON BANKS: Thank you, Council Member  
15 Mealy.

16 We have been joined Council Member Bottcher, and  
17 I will allow Council Member Bottcher to ask some  
18 questions.

19 COUNCIL MEMBER BOTTCHEER: Good afternoon.

20 I would love to get an update on your efforts to  
21 improve the way that you are utilizing City Council  
22 discretionary capital dollars. It's a point of  
23 frustration by many of my colleagues, that City  
24 Council discretionary money, capital money is  
25



1  
2 allocated to NYCHA, and it often takes many years for  
3 it to get spent.

4 My predecessor, Corey Johnson, allocated millions  
5 of dollars to NYCHA for improvements at Elliott-  
6 Chelsea and Fulton Houses, and very little of that  
7 money was ever spent. And we're actually... we  
8 actually have \$3.5 million unspent capital dollars  
9 left over from what Speaker Johnson allocated. We're  
10 pursuing a different plan to totally fix Fulton and  
11 Elliott-Chelsea Houses, so that money is not needed.  
12 But, that money was allocated many years ago, and it  
13 really should've been pushed out the door and spent  
14 right away.

15 Can you update us on what efforts you have made  
16 to improve the timeline, so that money that is  
17 allocated from the Council really goes into the  
18 development that year instead of years later?

19 MR. MAVANI: Thank you, Council Member Bottcher,  
20 it is a very important area. I appreciate you asking  
21 the question.

22 So, two years ago, at this hearing, we talked  
23 about a plan to look at discretionary allocations and  
24 how to accelerate progress on those projects - given  
25 the backlog that you alluded to.

1  
2       So, it might be helpful just to get a broader  
3 context of our capital portfolio and where this fits  
4 in, and then come back to some of the specific things  
5 we've done to try to ensure that we utilize  
6 discretionary allocations effectively and  
7 efficiently.

8       So, our overall portfolio today is 600 active  
9 projects. The total budget that is about \$6 billion.  
10 And within that, discretionary Council funded  
11 projects make up about \$80 million.

12       When we made that effort two years ago, we  
13 revisited all discretionary allocations, in  
14 particular funding that might've been provided in  
15 2018-2019, several years back, and we made a very  
16 concerted effort to prioritize and move those  
17 projects forward.

18       In 2022, we were able to complete 18 of those  
19 projects; in 2023 we complete construction on another  
20 30. And we continue to progress the discretionary  
21 funded projects within our broader portfolio as  
22 quickly as we can. We expect to complete construction  
23 on a significant number again this year.

24       Uh, more broadly, we have made a significant  
25 amount of process, people, and technology

1  
2 improvements over the last two years as part of  
3 NYCHA's transformation effort. So, we are able to  
4 take in funding and utilize it more effectively.

5 In 2023, we spent more on our capital work than  
6 we ever have - as was mentioned in the testimony.  
7 \$1.1 billion - and we're targeting a significant  
8 increase to about \$1.5 billion this year. And so  
9 we've scaled up effectively now to be able to utilize  
10 the funding and resources that the City, the City  
11 Council, and others have provided. And will continue  
12 to do that effectively.

13 The only caveat I would add is that while  
14 discretionary funded projects quite small often, they  
15 have a significant amount or an equivalent amount of  
16 overhead to structure and the project - as a lot of  
17 larger projects that we may be delivering under our  
18 HUD agreement commitments, whether that is very large  
19 heating or elevator, or other types of projects.

20 So, that's the challenge we face in terms of  
21 being able to resource these smaller allocations  
22 effectively. Obviously, the impact of those projects  
23 is critical for residents.

24 What we're trying to do moving forward, is to  
25 find ways to combine the scope of work that may be

1  
2 funded through discretionary allocation along with  
3 other work that's happening at the site through some  
4 of these other funding sources, so that we're more  
5 efficient at using our resources to deliver those  
6 scopes together. And that's kind of how we're trying  
7 to approach that even more strategically moving  
8 forward.

9       So, instances like those you highlighted where we  
10 were not able to complete projects at a site, uh,  
11 before a PACT conversion ,you know, do not repeat  
12 themselves moving forward.

13       COUNCIL MEMBER BOTTCHEER: What is the timeline on  
14 the reforms to the capital project that will allow  
15 you to combine smaller projects so they move along  
16 quicker, rather than having the installation of  
17 cameras at a development be a multi-year project?

18 (TIMER CHIMES)

19       MR. MAVANI: Yeah, so, by their nature capital  
20 projects typically takes several years. Right? And I  
21 think that's an important point to make. There is  
22 typically resident engagement phase right up front to  
23 ensure that the scope of work is best aligned - like  
24 in the case of cameras, the placement of the cameras  
25 and things like that, there is typically an architect

1 to engineering design phase, there's a procurement  
2 phase, and then there's a construction phase. And,  
3 so, it is very unusual to utilize an allocation in  
4 its first year, whether it's a discretionary  
5 allocation or a state allocation. The majority of  
6 that money gets committed and utilized when you move  
7 to construction, typically ,you know, in year two-  
8 year three or so on.

10 For certain types of projects, uh, where we have  
11 had discretionary allocations, like CCTV, we have,  
12 over the years, built out tools and resources that  
13 allow us to accelerate the initially design process  
14 and procurement process, so we can kind move much  
15 more quickly straight to construction, where there is  
16 limited architectural work or engineering work.

17 So, there is definitely projects that are  
18 critical around safety and security, for example,  
19 lighting projects where we have a much more  
20 streamlined flow and the ability to move quickly. We  
21 have specialized teams who do those type of projects  
22 at all the different sites across the city. It can  
23 move them quicker.

24 So, in terms of your question on the timeline to  
25 do those reforms, I think we have significantly

1  
2 implemented a larger portion of the reforms we're  
3 doing. Uh, the challenge sometimes in combining a  
4 smaller project with other projects, has to do with  
5 different funding timelines, different approval  
6 timelines, and a different types of procurement and  
7 other requirements that attach to the specific  
8 funding source. Right? But, overall, I think that we  
9 have been able to close off many of the discretionary  
10 projects that had kind of pre-2020 funding, and we're  
11 catching up to the project load based on additional  
12 funding that has been provided since then.

13 CHAIRPERSON BANKS: Thank you, Council Member  
14 Bottcher.

15 The RAD/PACT program has actually been around for  
16 the, I believe, the last 10 years or so. When NYCHA  
17 prepare its budget, how does it quantify the  
18 reductions, and its expenses, and revenues that  
19 result from a PACT transition?

20 MS. LESCOTT-MARTINEZ: Yes, so, when we prepare  
21 our budget, we take in to consideration the RAD/PACT  
22 pipeline for the next five years. And we make sure  
23 that we make reductions for those developments. So,  
24 as I mentioned, as a development leaves the public  
25 housing portfolio, so too goes with it its federal

1 operating subsidy, which is its source of revenues,  
2 so too goes the rent. And, so, as a result  
3 (BACKGROUND NOISE) that's (INAUDIBLE) on the sources  
4 side. On the usage side, you have to take down the  
5 expenses associated with portfolio. Uh, while we do  
6 lose the revenue, we no longer have the expense, so  
7 that's a boon. That means if you no longer have  
8 development, you're no longer paying for the staff  
9 for that development, you're no longer paying for the  
10 upkeep of development. And, so, the budget does  
11 reflect that overtime, and we make that adjustment  
12 each and every year. And in each five-year plan, we  
13 take into account our PACT timeline and portfolio and  
14 make adjustments.

16 CHAIRPERSON BANKS: Okay. As far as the, uhm, the  
17 exit of units from Section 9, how much does the exit  
18 of those units from Section 9, how much does it  
19 account for the declining rent revenue?

20 MS. LESCOTT-MARTINEZ: That's a very good  
21 question, Chair.

22 I think, from my perspective, the majority of the  
23 declining rent revenue that you see is not from PACT.  
24 It's actually been built up over the course of the  
25 pandemic. So, as we mentioned before, in many

1  
2 testimonies prior, since 2019 our rent arrears, for  
3 example, went from \$125 million in 2019 to where they  
4 stand now, which is around \$482 million as of the end  
5 of 2023.

6 CHAIRPERSON BANKS: (INAUDIBLE)...

7 MS. LESCOTT-MARTINEZ: So, that decrease is not  
8 PACT. That increase is sort of folks perhaps not  
9 paying their rent and being struggling with the  
10 impacts of the pandemic.

11 CHAIRPERSON BANKS: So, say for instance when a  
12 development is transitioned over to RAD/PACT, there  
13 is are obviously rent arrears from it that's being  
14 passed over? (CROSS-TALK)

15 MS. LESCOTT-MARTINEZ: Correct

16 CHAIRPERSON BANKS: Am I correct, too? To the  
17 developer... To the... (CROSS-TALK)

18 MS. LESCOTT-MARTINEZ: Yes, so actually, uhm...  
19 (CROSS-TALK)

20 CHAIRPERSON BANKS: (INAUDIBLE)

21 MS. LESCOTT-MARTINEZ: We receive money for those  
22 arrears. So, the developer takes on the arrears, and  
23 they pay us... (CROSS-TALK)

24 CHAIRPERSON BANKS: And they pass it over to  
25 NYCHA?



1  
2 MS. LESCOTT-MARTINEZ: Correct. So, they pay me  
3 back.... (CROSS-TALK)

4 CHAIRPERSON BANKS: So, that goes towards the rent  
5 deficit.

6 MS. LESCOTT-MARTINEZ: Correct.

7 CHAIRPERSON BANKS: Okay. So... (CROSS-TALK)

8 MS. LESCOTT-MARTINEZ: And it is not necessarily a  
9 one for one. And most times we get as close to one  
10 for one as we can. So, for example, if there's a \$100  
11 million of arrears, we may get \$90 million for those  
12 arrears. They're no longer on our books, the  
13 developer takes over, they might negotiate certain  
14 agreements with various tenants. In some cases we  
15 have actually seen them wipe arrears. In some cases  
16 they have reduced arrears... (CROSS-TALK)

17 CHAIRPERSON BANKS: Right.

18 MS. LESCOTT-MARTINEZ: So, it depends on the deal,  
19 but from a NYCHA perspective, I give you the arrears,  
20 and you give me funding in exchange for those  
21 arrears.

22 CHAIRPERSON BANKS: So, say for instance if the  
23 developer takes over a particular development, and  
24 there is a rent arrear, it seems like... Is there an  
25 agreement, uh...

1 MS. LESCOTT-MARTINEZ: Correct...

2 CHAIRPERSON BANKS: between NYCHA? The... I have  
3 heard of situations where rent has been forgiven...

4 MS. LESCOTT-MARTINEZ: Correct...

5 CHAIRPERSON BANKS: Uh, is NYCHA okay with that,  
6 if rent is forgiven?

7 MS. LESCOTT-MARTINEZ: So, I would say that it's  
8 not NYCHA's decision.

9 CHAIRPERSON BANKS: How do you account for that? I  
10 mean, like, uh, as far as ,you know, accounting  
11 purposes, because the... obviously that... that  
12 deficit still exists. So, how do you... How do you  
13 fill hole (INAUDIBLE)... (CROSS-TALK)

14 MS. LESCOTT-MARTINEZ: Right, so just to clarify a  
15 couple of your comments - I think you are certainly  
16 along the right track. However, there... From the  
17 NYCHA perspective, we do not arrears, nor are we  
18 allowed to forgive arrears per the HUD (INAUDIBLE)  
19 ... (CROSS-TALK)

20 CHAIRPERSON BANKS: (INAUDIBLE) yes...

21 MS. LESCOTT-MARTINEZ: Some the developers, during  
22 the deal, there is an agreement. Each deal is  
23 different. They may, again, decide to pay us some  
24 portion of the arrears, we do get as close to dollar  
25

1  
2 for dollar as we can. The developer provides NYCHA  
3 the funding for those arrears that they are taking  
4 over. One that development goes over to the PACT  
5 partner, it is no longer a part of the public housing  
6 portfolio. So, I have no say over how they treat  
7 those arrears moving forward. They may decide to  
8 forgive, they may decide to discount - I am not  
9 allowed to do that. As it stands in public housing,  
10 when it goes over to the developer, they might  
11 negotiate those things, but I have no say in that

12 CHAIRPERSON BANKS: Okay. So, a developer can wipe  
13 out the rent or any arrears that may exist?

14 MS. LESCOTT-MARTINEZ: They have in the past. Uhm,  
15 they can, but it is really deal specific. As you  
16 know... And the economics of that particular deal,  
17 they do need that funding to maintain and operate the  
18 developments the same way that we do. So, I could not  
19 say in every instance that is economically feasible  
20 for the portfolio.

21 CHAIRPERSON BANKS: Well, everyone is being  
22 transferred over to a Section 8 lease, so obviously  
23 the subsidy is being increased. Am I correct?

24 MS. LESCOTT-MARTINEZ: Correct.  
25

1  
2 CHAIRPERSON BANKS: Okay. Do you have a total  
3 sense of the savings generated by a unit when it is  
4 transitioned to PACT and a breakdown by the  
5 development?

6 MS. LESCOTT-MARTINEZ: Uh, I do not have a savings  
7 number, because as we mentioned, you lose both the  
8 revenue and the expense... (CROSS-TALK)

9 CHAIRPERSON BANKS: Right...

10 MS. LESCOTT-MARTINEZ: and it is... So,  
11 essentially we could provide that if you are  
12 interested in knowing ,you know, per unit how much  
13 subsidy we get, we could provide that... (CROSS-TALK)

14 CHAIRPERSON BANKS: Yes, I would be interested to  
15 get per unit how much subsidy...

16 MS. LESCOTT-MARTINEZ: Happy to...

17 CHAIRPERSON BANKS: And I... From clarification  
18 that you are giving us, the, uh, it seems like the  
19 staff... the staffing is what you're able to then,  
20 uh... (CROSS-TALK)

21 MS. LESCOTT-MARTINEZ: Reassign... (CROSS-TALK)

22 CHAIRPERSON BANKS: Reassign to... (CROSS-TALK)

23 MS. LESCOTT-MARTINEZ: To other developments.  
24 That's correct.  
25

1  
2 CHAIRPERSON BANKS: So, it means that, uh, in a  
3 particular development that has less ground keepers  
4 or maintenance, what is that... How does that process  
5 look? Is it obviously based off a need? And if that  
6 is the case, then we should see better grounds in  
7 NYCHA. Because, I ,you know, we have had a  
8 considerable amount of developments that have been  
9 transferred over to RAD/PACT, but I have not seen  
10 with this, uh, I guess migration of staff over to  
11 those other developments, I still don't see the  
12 difference as far as the maintenance of the buildings  
13 and the grounds. So, what is the disconnect there?

14 MS. LESCOTT-MARTINEZ: Sure, I'm happy to start,  
15 and then I will pass it over to Eva Trimble to talk  
16 more.

17 But, essentially, when a development exits the  
18 portfolio, we reassign those staff to other  
19 developments that might have vacancies...

20 CHAIRPERSON BANKS: I understand that.

21 MS. LESCOTT-MARTINEZ: So, it's not as though you  
22 are increasing the number of staff overall at NYCHA,  
23 you are moving that person into a vacant  
24 (INAUDIBLE)... (CROSS-TALK)

25 CHAIRPERSON BANKS: So, you're filling a vacancy?

1  
2 MS. LESCOTT-MARTINEZ: Correct, so there might be  
3 a development that is supposed to have 10, they are  
4 down ,you know, to nine, and you put that person from  
5 the PACT development that is exiting to that  
6 (INAUDIBLE)... (CROSS-TALK)

7 CHAIRPERSON BANKS: Well, I'm talking about the  
8 work getting done. If you're filling a vacancy, uh,  
9 then the work that was being requested or that was  
10 needed for that development should be getting done,  
11 right?

12 MS. LESCOTT-MARTINEZ: Sure...

13 CHAIRPERSON BANKS: So, that means that we  
14 shouldn't have... We should have clean... clean  
15 elevators, we should have... the hallways should be  
16 clean. You name it. The gambit of inefficiencies that  
17 have been pointed out by tenants that are still  
18 plaguing NYCHA developments, even with the filling of  
19 these vacancies... So, how are you all monitoring  
20 that? Because, if I see that there is a, uh ,you  
21 know, in my particular building, if we finally get a  
22 grounds keeper that wasn't there before, you know,  
23 but nothing has changed, what sense does that make?  
24 Are you just filling a vacancy just for filling a  
25 vacancy, or are we really monitoring the quality of

1  
2 work that is being done to satisfy the tenants and in  
3 a sense upkeep and maintain the property- that should  
4 have been being done for years?

5 MS. TRIMBLE. Thank you, Council Member.

6 Absolutely, the caretakers that take care of both the  
7 buildings and the grounds are a critical point for  
8 us. And they ,you know, we have actually rolled out a  
9 new program that is starting this year to improve the  
10 caretaker performance by improving training and  
11 education. So, we call that our Caretaker Muster  
12 Program, and the Muster is the caretakers meeting  
13 twice a day with their supervisors to brief on what  
14 needs to be done every day - make sure they have  
15 their assignments, and also review training and  
16 policies and procedures of how to handle certain  
17 things. So, we have been piloting that since the  
18 beginning of this calendar year. And we are in the  
19 process of now of rolling that out citywide. We have  
20 already seen improvements at the properties that have  
21 gone through the caretaker muster pilot, and we are  
22 looking forward to continuing to see improvements in  
23 performance that - again, cleanings of buildings and  
24 grounds as we continue to focus on our caretaker

1  
2 staff to make sure that they are doing the job they  
3 are supposed to do.

4 CHAIRPERSON BANKS: Thank you. Back specifically  
5 to RAD/PACT, oversight by NYCHA has been an abysmal  
6 failure, uh, particularly in the... Obviously in the  
7 RAD/PACT conversion developments, does NYCHA monitor  
8 the evictions from PACTs?

9 MR. GOUVEIA: Hi, yes, we do. On a monthly basis,  
10 we get legal proceedings from every PACT partner for  
11 every PACT project. And we track all of the  
12 proceedings through the entire process. So, when they  
13 initiate a process, when they start doing initial  
14 outreach to residents for either financial issues,  
15 nonpayment, or holdover issues - we are tracking -  
16 and then when they start the actual process, if that  
17 is necessary, we also track that, and then we track  
18 all the way to the end in the event that there might  
19 be an actual eviction. All of this data by the way,  
20 is now on our website, we have a dashboard that we  
21 have just released. So, you can look at specific  
22 projects and the whole portfolio.

23 CHAIRPERSON BANKS: Well, when it comes to  
24 composition of household, and or just documents being  
25 transferred over to the RAD/PACT that has been a



1  
2 major issue where you have tenants who are being  
3 dragged into court, because of documents that were  
4 not ,you know, were not given over or handed over  
5 from the old management to the new management. And,  
6 that is concerning to me. So, that's why I asked,  
7 what type of monitoring were you doing as far as the  
8 evictions? Uh, because are constant... I am  
9 constantly hearing about folks being dragged into  
10 court, and there is just a back-and-forth between  
11 management and the new management that is coming in.  
12 And then the old management that just ran out and  
13 left, and they're just saying they're going back-and-  
14 forth, and no one knows where the documents are at.  
15 And, thus, it is putting the onus obviously on the  
16 new management company, which is then, uh, resulting  
17 in having to drag that tenant into court.

18 So, what is the real monitoring that is being  
19 done with this, because I am not seeing it.

20 MR. GOUVEIA: Yeah, I am not aware of any  
21 evictions due to missing paperwork, so I would be  
22 happy to hear...

23 CHAIRPERSON BANKS: I will give you quite a couple  
24 a list of...

25 MR. GOUVEIA: Sure...

1  
2 CHAIRPERSON BANKS: A list of tenants...

3 MR. GOUVEIA: and we will certainly look into  
4 that.

5 What I would say is, we, in 2020, established  
6 housing retention guidelines, and ,you know, our CEO  
7 mentioned in her testimony, our goal is to keep  
8 everyone housed. There is no incentive to evicting  
9 people, because if someone is evicted from a PACT  
10 project, we have to go and pull new residents from  
11 the Section 8 waitlist. So, there is no reason to try  
12 to get other folks into the buildings, and we want to  
13 maintain the housing for the people that are there.

14 So, the purpose of the housing retention  
15 guidelines is to make sure that our PACT partners are  
16 going through a rigorous process to make sure that  
17 they understand what is going on with every single  
18 household that is in some form of distress - whether  
19 that is financial or due to holdover issues or what  
20 have you, and work through the issues with our  
21 residents and point them in the right direction  
22 for... in terms of resources that they may need to  
23 remedy their situation. And, so, we track these  
24 processes and we try to make sure that our PACT

1  
2 partners are being rigorous with every step of the  
3 process before there is an eviction.

4 So, again, if there are people who are going to  
5 court because of missing documents, I would like to  
6 hear the specific cases, and we can talk to the PACT  
7 partners about that.

8 CHAIRPERSON BANKS: Are the staff being reassigned  
9 within existing NYCHA neighborhoods? Like, when  
10 you... Are they able to pick a neighboring  
11 development that is still NYCHA?

12 MS. TRIMBLE: Our HR department works closely with  
13 each of the employees to find a new assignment that  
14 is close to them. So, we try to reduce what we call  
15 travel hardships for the staff - so, either close to  
16 the existing neighborhood or closer to where they  
17 live.

18 CHAIRPERSON BANKS: And back to the, uh, when it  
19 comes to evictions and the monitoring of the  
20 evictions, the paper trail or any documents that the  
21 old management has, how... what is that process when  
22 it comes to turning over those documents to the new  
23 development? How does that go?

24 MR. GOUVEIA: So, there's a few things, there are  
25 a number of resident files that do get copied over in

1 terms of the rent role, household composition and the  
2 like, and those documents are carried over to the new  
3 management. But, what is worth noting is that in  
4 order for Section 8 to work, part of the federal  
5 requirements are that there... A new lease has to be  
6 signed. So, the actual lease that a NYCHA has under  
7 Section 9 does not carry over - the actual document -  
8 the content and the spirit behind Section 9 leases  
9 are copied over into Section 8. So, they are  
10 effectively signing a new lease, uh, it is completely  
11 mirrored for the most part on the Section 9 lease.  
12 But, they are starting with a new lease. So, there  
13 shouldn't be anybody in a PACT development without an  
14 actual lease. They're going to get a brand-new lease.

16 CHAIRPERSON BANKS: They're going (INAUDIBLE)  
17 because they have sign over to Section 8?

18 MR. GOUVEIA: That's correct.

19 CHAIRPERSON BANKS: Correct? The... So, if they  
20 sign over to Section 8, that we understand, say for  
21 instance, if there is a request put in by the tenant  
22 to add someone to their household, is that also  
23 transferred over, too?

24 MR. GOUVEIA: Yes, before we do a conversion, we  
25 do a lot of communications to our residents, and we

1  
2 encourage residents to add household members to the  
3 leases. So, of course, as you know, under Section 9,  
4 there's a lot of different reasons why there might be  
5 household members who are not on the lease, we  
6 encourage everybody to get onto the new lease before  
7 we do the conversions to Section 8.

8 CHAIRPERSON BANKS: How many of the 111 evictions  
9 since 2022 were in PACT developments?

10 MS. BOVA-HIATT: The 110 since... (CROSS-TALK)

11 CHAIRPERSON BANKS: All right 110, I do  
12 apologize... (CROSS-TALK)

13 MS. BOVA-HIATT: That's okay... is only for NYCHA.  
14 Jonathan can either tell you what the evictions are  
15 for that time for the PACT program, or we can get  
16 that information to you.

17 MR. GOUVEIA: So, for the entirety of PACT, the  
18 first deal for PACT was Ocean Bay, which was done in  
19 2016 to the present. There are about 120 evictions  
20 total for the entire almost 10 years.

21 CHAIRPERSON BANKS: All right.

22 The... And the reason I guess that would kind of  
23 lead into my next question, when we are talking about  
24 the composition of the household, the oversight,  
25 overall, when it comes to right sizing, has

1  
2 management... Has NYCHA... What is NYCHA's process  
3 been with mediating some of the issues that have come  
4 up with right sizing with the PACT developments?

5 MR. GOUVEIA: So, right sizing is a federal  
6 requirement in Section 9 and Section 8. This is not  
7 specifically part of PACT or RAD, this is something  
8 that NYCHA and all public housing authorities should  
9 be doing at all times. As it relates to the  
10 conversions, what we do is, at present, everyone gets  
11 to remain in their existing apartments as we are in  
12 predevelopment and up to the conversion. And we even  
13 let folks stay in their apartments during  
14 construction. We start the process with our PACT  
15 partners post construction completion to right size  
16 people. It is worth noting though, they can only be  
17 right sized if there is an available apartment that  
18 is of the appropriate size for their household. So,  
19 it is quite possible, that folks, ,you know, one of  
20 the things that we hear a lot about, is ,you know,  
21 seniors who have larger apartments and whether or not  
22 they should give up those apartments, there is a good  
23 chance that they are not going to be moved for some  
24 time, because there has to be a studio apartment or a  
25

1  
2 one bedroom available. And just given our vacancy  
3 rate, that is always the case... (CROSS-TALK)

4 CHAIRPERSON BANKS: Oh, and then it goes back to  
5 oversight, particularly what has been the oversight  
6 experience of NYCHA? Because, I think what is lacking  
7 is oversight, and I think across the board when it  
8 comes to the RAD/PACT conversions, NYCHA... I know in  
9 my particular district has not been actively in the  
10 ground in mediating some the issues that arise when  
11 it has come to ,you know, some of the issues that the  
12 tenants are facing with the construction. And we know  
13 some of the developments, they will be moving into a  
14 phase where they will be doing the right sizing. I  
15 would just like NYCHA to be more proactive when it  
16 comes to oversight, and not just be a fly on the  
17 wall. I think the tenants demand it, and it is  
18 something that is needed - and in particularly,  
19 obviously, this is something that obviously is  
20 being... having to be dealt with right sizing, and  
21 obviously that is because of NYCHA's inability to do  
22 right sizing over the ,you know, since the... when  
23 they were managing the properties. And it has now  
24 become a major issue for the RAD/PACT.

1                                    COMMITTEE ON PUBLIC HOUSING                                    80  
2                    How many apartments will remain Section 9 if all  
3 NYCHA transformation plans, including PACT and the  
4 Trust comes to fruition on the anticipated timeline?

5            MS. BOVA-HIATT: Currently our goal is to transfer  
6 62,000 apartments through the PACT program, and  
7 25,000 apartments through the Trust. So, the balance  
8 would remain Section 9 unless we went back to the  
9 state legislature to increase the cap for the Trust  
10 or decided to increase the amount of properties that  
11 were transferred through the PACT program.

12            CHAIRPERSON BANKS: And where are you at with that  
13 number now? What conversions?

14            MS. BOVA-HIATT: So, we have no converted anything  
15 through the Trust, uh, Nostrand Houses had their  
16 (INAUDIBLE)... (CROSS-TALK)

17            CHAIRPERSON BANKS: Well, with RAD, with  
18 RAD/PACT...

19            MS. BOVA-HIATT: and... Oh, with RAD/PACT?

20            MR. GOUVEIA: So, for PACT, we have converted  
21 about 21,000 units. We have enough 17,000 and change  
22 in predevelopment. So, again, this is where we have  
23 development teams that have been selected in  
24 partnership with the resident leadership at each of  
25 these developments, and each of those 17,000 will be



1  
2 converting through 2024 and 2025. And we've got about  
3 another 10,000 units where we are in active  
4 conversations with residents to see if they are  
5 interested in PACT or other solutions. So, in total  
6 right now, in the actual program, in just under  
7 38,000.

8 CHAIRPERSON BANKS: And per development, which  
9 developments are in the pipeline to be converted?

10 MR. GOUVEIA: We have a summary on our website, we  
11 can send that to you.

12 CHAIRPERSON BANKS: Okay, well, I would appreciate  
13 those numbers. I know everybody now will obviously  
14 get a chance to vote for the what program they would  
15 want to go into.

16 I guess now I am going to ask some questions...  
17 we'll leave RAD/PACT... We will go into the rental  
18 arrears and evictions.

19 Tenant rent arrears totaled at \$480 million  
20 across the 71,000 households as of November 30, 2023  
21 - up from \$125 million in 2019. That represents  
22 almost four-fold increase from 2019 sum of \$359  
23 million. In light of the awarding of \$163 million in  
24 state ERAP funding last year to help close the  
25

1 deficit, how much does NYCHA expect to still be owed  
2 in rental arrears by the end of 2024?

3  
4 MS. LESCOTT-MARTINEZ: Thank you, Chair that is a  
5 great question.

6 I'm really pleased to report that as of February  
7 2024, our rental arrears is \$482 million, that  
8 represents around \$136 million in ERAP funding which  
9 we received so far, \$90 million of which has been  
10 credited to tenant accounts. So, I will say that  
11 last year we came here informing the Council of our  
12 problem with tenant rent arrears, and we laid out a  
13 very careful plan, which we executed on. So, we  
14 successfully lobbied with the state to get the ERAP  
15 funding, and we are actually working through the ERAP  
16 backlog for NYCHA residents.

17 We have also worked with our city partners to get  
18 \$150 million of HUD Home ARP Funding, which can also  
19 be used for tenant rent arrears.

20 The current plan is to use that for the residents  
21 with the lowest AMI, those among the NYCHA tenants  
22 that are vulnerable.

23 So, there's still a lot of work to be done on  
24 rent arrears, but we do see a light at the end of the  
25

1 tunnel. And at the end of the year, we do anticipate  
2 coming back to you and the Council with better news.

3 CHAIRPERSON BANKS: When will the last of the  
4 state funding be applied to NYCHA's accounts?

5 MS. LESCOTT-MARTINEZ: So, we are doing it on a  
6 rolling basis. There is a process by which we ,you  
7 know, recertify applications to the state. They then  
8 send us the money, and they also have to send us, by  
9 exact months per tenant, how much has to be applied,  
10 and then we run a pretty extensive process on our  
11 side to credit the tenant accounts.

12 So, we just do it on a rolling basis. So far \$90  
13 million, about \$45 million to go, and we will  
14 continue do that each and every month.

15 If you are a tenant, you will start to see those  
16 credits on your rent arrears. And that has been  
17 happening since November of last year.

18 So, if you are a tenant, you actually see ERAP  
19 credit and a dollar amount, and you see directly your  
20 rent balance coming down by that amount.

21 We've also started to notify tenants, both NYCHA  
22 and the state, so we would just say to tenants ,you  
23 know, keep a lookout, we are going through those as  
24 quickly as we receive them from the state.  
25

1  
2 CHAIRPERSON BANKS: Can you give me a breakdown, I  
3 guess, for my district or per council district, how  
4 that... who it is actually affecting...

5 MS. LESCOTT-MARTINEZ: Sure, we can provide that.

6 CHAIRPERSON BANKS: Thank you.

7 And obviously you are actively seeking ERAP, and  
8 capital, and other funding from the state? From the  
9 state budget...

10 MS. LESCOTT-MARTINEZ: That's correct. We continue  
11 to advocate for additional funding.

12 CHAIRPERSON BANKS: Thank you.

13 I am going to turn it over to Council Member  
14 Mealy. You have a couple questions?

15 Thank you.

16 COUNCIL MEMBER MEALY: Your testimony says that  
17 you are getting funding from state... Superstorm  
18 Sandy, when will that money run out?

19 MS. BOVA-HIATT: Thank you for that question. I am  
20 going to have Shaan Mavani, who, uh, his unit spends  
21 the funds, and he can explain how much we have spent  
22 and how much is left.

23 MR. MAVANI: Sure, we can go funding source by  
24 funding source to make it clearer.

1  
2           So, the Sandy program that is funded by FEMA  
3 primarily, the majority of that \$3.3 billion has been  
4 spent. We're spending down the last \$150 million or  
5 so in 2024 and closing off those projects. Some of  
6 that invoicing may happen in 2025, t basically the  
7 physical work we e to complete this year.

8           From the state, uh, we received a total over ,you  
9 know, since 2017 or 18, we received over a billion  
10 dollars, just under \$500 million that just came in  
11 before Christmas - so in December of last year - but,  
12 we are expending that. I think we in the first few  
13 months of this year, we've spent just close to \$50  
14 million of state funding. So, we are spending that a  
15 high pace. You know, we anticipate that the earlier  
16 tranches funding that the state provided will be  
17 spent down by the end of 2026. They mainly support  
18 our elevator and our heating programs that have HUD  
19 agreement targets in in 2024 and 2026. The more  
20 recent allocation, we have gotten, we expect to also  
21 spend down quickly. As was mentioned in testimony, a  
22 significant portion of that is for facade restoration  
23 work that we expect to spend down by the end of 2026  
24 as well - and some heating work. So, that's state  
25 funding.

1                   The city funding, as our CFO mentioned, we had a  
2 \$2.2 billion commitment that we are spending down.  
3 And after that, period there is an additional \$200  
4 million a year that are committed by the city. And,  
5 so that goes into... those additional allocations go  
6 into 2033-2034. Therefore, kind of from your  
7 question, we're not going to be running out of that  
8 money as new funding is allocated... (CROSS-TALK)

9                   COUNCIL MEMBER MEALY: I am glad you said that you  
10 won't be running out of that money...

11                   MR. MAVANI: Yes...

12                   COUNCIL MEMBER MEALY: So, uh...

13                   MR. MAVANI: And just to close that off, on the  
14 federal side, we obviously get an allocation each  
15 year as well of a capital grant that continues to  
16 support a lot of our capital projects.

17                   COUNCIL MEMBER MEALY: So, you say last year we  
18 expected over \$1.1 billion on capital projects,  
19 completed construction for a 100 projects? More than  
20 600 capital projects are currently underway across  
21 the city, and we are targeting \$1.5 billion in  
22 expenditure, and completion of 150 projects this  
23 year. AS of the end of 2023, we spent more than \$3  
24 billion with Sandy. But, whenever I ask to do  
25

1 something capital in my district, I was told that  
2 you don't have enough staff, we can't start a new  
3 project. What is going on with that? Because,  
4 Kingsborough needed a new park - the kids are getting  
5 splinters. And I said, even though it's NYCHA, I  
6 don't mind putting my capital money in as long as you  
7 all put up some just as well. And you are telling me  
8 now that you still have money. So, why is that being  
9 said?  
10

11 And, then, before my time runs out, I have one  
12 more question, because my colleagues Council Member  
13 Bottcher has questions... Okay could you answer that?

14 MR. MAVANI: Sure, thank you, Council Member.

15 So, in our prioritization process, we have to  
16 prioritize the type of projects that meet the HUD  
17 agreement requirements, which relate obviously to  
18 resident health and safety. So, we prioritize  
19 heating, elevators, pest and waste management, lead-  
20 based paint (INAUDIBLE)... (CROSS-TALK)

21 COUNCIL MEMBER MEALY: But, you have money for  
22 that already...

23 MR. MAVANI: We additionally prioritize and  
24 safety and security projects, given their direct  
25 impacts.

1  
2           So, in the last ,you know, in 2023, we did  
3 initiate over 100 projects as well as new projects  
4 that started. So, it's not that... as we complete  
5 projects, we're not initiating kind of an equivalent  
6 amount of new work. Overall, we don't have the  
7 resource level to continue to add to those, uh, the  
8 portfolio ,you know, as additional projects may be  
9 added. Like any organization, we are trying to plan  
10 for multiple years, and having the right level of  
11 staff... (CROSS-TALK)

12           COUNCIL MEMBER MEALY: So, no one can ask for CCTV  
13 in a development right now?

14           MR. MAVANI: So, CCTV, we consider safety and  
15 security (TIMER CHIMES) and we continue to initiate  
16 those projects once we receive funding. But, some of  
17 the other project that are critical for residents  
18 around community centers or playground are the types  
19 of projects that we're not able to prioritize.

20           COUNCIL MEMBER MEALY: Staff?

21           MR. MAVANI: Because of staff and the way our  
22 portfolio has grown significantly in the last five  
23 years with new city and state funding - but we are  
24 getting to point where ,you know, that is  
25 rebalancing itself as we have completed a lot of



1  
2 work. And we are able to... We hope by ,you know, the  
3 time we get to 2025, we don't have kind of a mismatch  
4 between our staffing levels and the amount of demand  
5 there is for us to implement capital work.

6 COUNCIL MEMBER MEALY: We have to talk about that.

7 You have 50 employees and 300... But, I don't see  
8 why have to... we can't do any new capital because of  
9 staff. If you have so much money, it should be a  
10 problem. CCTV is about safety. Kingsborough has  
11 seniors there. And one thing I wanted to say,  
12 Kingsborough, Hugh Gilroy is a senior center, and  
13 their backyard, you are building housing on it now.  
14 Is that still your land?

15 MR. MAVANI: Yes, uh, NYCHA has... (CROSS-TALK)

16 COUNCIL MEMBER MEALY: You're going to get funding  
17 for that sooner or later, that revenue is going to  
18 into NYCHA's pot.

19 MR. MAVANI: So, I'm not sure which project you're  
20 referring to, but maybe to clarify a few points - we  
21 have not... Sorry...

22 PANEL: (INAUDIBLE)

23 MR. MAVANI: So, as Jonathan mentioned, there is a  
24 very small number of infill projects that we have  
25 done over the last 10 years... (CROSS-TALK)

1  
2 COUNCIL MEMBER MEALY: You're saying infill is  
3 small? So, it does not give you any revenue? Because,  
4 at one time you said it was just going to be all  
5 senior housing, and now my seniors are saying that it  
6 is going to be mixed-use. So, that means you're going  
7 to have market rate... And I don't know how you're  
8 interviewing seniors already for apartments that have  
9 not been even come into fruition yet. So, I would  
10 love to know how you are making... You have to be  
11 making money off of land that was yours that was  
12 vacant. And now you're building almost 300 units of  
13 not just senior housing but mixed-use. And that's my  
14 last question.

15 MR. GOUVEIA: So, the infill building at  
16 Kingsborough is absolute... (CROSS-TALK)

17 COUNCIL MEMBER MEALY: Making no money at all  
18 (INAUDIBLE)... (CROSS-TALK)

19 MR. GOUVEIA: it is absolutely going to be a  
20 senior development. There is no... (CROSS-TALK)

21 COUNCIL MEMBER MEALY: Say that again, please?

22 MR. GOUVEIA: It's going to be for seniors.

23 COUNCIL MEMBER MEALY: Okay...

24 MR. GOUVEIA: It's not mixed use, it's not mixed  
25 income.

1  
2 COUNCIL MEMBER MEALY: Okay, but it's an infill?  
3 You're not making any money off of that project?

4 MR. GOUVEIA: No, the point is to provide deeply  
5 affordable housing. And there is just not enough land  
6 value to... for us to make a significant amount of  
7 money there.

8 COUNCIL MEMBER MEALY: So, where will the rent go?  
9 To NYCHA, right?

10 MR. GOUVEIA: No.

11 COUNCIL MEMBER MEALY: Where? Who?

12 MR. GOUVEIA: The development team that is  
13 building... who is building the project will collect  
14 the rent... (CROSS-TALK)

15 COUNCIL MEMBER MEALY: And you gave the City  
16 property to a developer for free?

17 MR. GOUVEIA: No, I mean... Well, yes, the land is  
18 essentially free, but that is because the high cost  
19 of construction and the like, and, so, we needed to  
20 be able to provide affordable housing for residents  
21 of the community.

22 COUNCIL MEMBER MEALY: So, they're not going to  
23 have to pay rent, then?

24 MR. GOUVEIA: No, they will have to pay rent...  
25 (CROSS-TALK)

1  
2 COUNCIL MEMBER MEALY: So, where is the rent money  
3 going to go?

4 MR. GOUVEIA: Well, you have to pay for the  
5 financing of the building, right? And the maintenance  
6 and the operations...

7 COUNCIL MEMBER MEALY: That is going to be there  
8 for centuries to come, you probably will pay back...  
9 or the developer will pay back that loan.

10 What projection of how much money are you going  
11 to make off of this project - City land?

12 MR. GOUVEIA: These are very expensive projects  
13 that... very expensive to build...

14 COUNCIL MEMBER MEALY: I yield, because this  
15 makes... No way on God's green earth, are you going  
16 to tell me that vacant land, you didn't sell it to  
17 them, you just gave it to them, and no one... NYCHA  
18 is not making anything off of this project?

19 MR. GOUVEIA: We are not... (CROSS-TALK)

20 COUNCIL MEMBER MEALY: You all are just doing it  
21 of the goodness of your heart? In that case you might  
22 as well have everyone paying \$500 for these  
23 apartments.

24 MR. GOUVEIA: So, that specific project was a City  
25 priority from the de Blasio Administration. That was

1  
2 a joint project between HPD and NYCHA. Right? We have  
3 provided our land for this HPD program, and, again,  
4 the goal is not to make money for NYCHA, the goal is  
5 to provide deeply affordable housing for seniors.

6 COUNCIL MEMBER MEALY: So, NYCHA is fiscally  
7 sound, that they don't need money?

8 MR. GOUVEIA: I mean, again, the point of this  
9 project.... (CROSS-TALK)

10 COUNCIL MEMBER MEALY: (INAUDIBLE)

11 MR. GOUVEIA: Was to provide the deeply affordable  
12 housing for this community.

13 COUNCIL MEMBER MEALY: (LAUGHS) Thank you.

14 CHAIRPERSON BANKS: Thank you, Council Member  
15 Mealy.

16 Council Member Bottcher?

17 COUNCIL MEMBER BOTTCHEER: Circling back on a topic  
18 we were discussing before, one of the early  
19 criticisms is that it would lead to a spike in  
20 evictions once units change from Section 9 to Section  
21 8, once they transferred from NYCHA management to  
22 private management, there are a lot of fears that  
23 there would be a huge increase in evictions.

24 Can you tell us again, since 2016, since the  
25 first RAD/PACT conversion at Ocean Bay, how many

1 evictions have there been in the portfolio of  
2 apartments that have transitioned under RAD/PACT?

3 MR. GOUVEIA: In the whole portfolio, since 2016,  
4 there have been about 120 evictions. The bulk of  
5 those about 50 or so were at Ocean Bay, and that is  
6 the result of a number of things - one of the big  
7 issues after Hurricane Sandy was that there were a  
8 lot of people who had just simply moved away and not  
9 officially terminated their leases and the like. So,  
10 there were a lot of issues that had to be dealt with  
11 in order to release those apartments. Legal aid  
12 reviewed all 55 of those evictions and found that  
13 they were done properly.  
14

15 So, when you take out the unique conditions at  
16 Ocean Bay, the roughly 55, it leaves you with 70 over  
17 almost 10 years of the program, which is a very low  
18 eviction rate.

19 COUNCIL MEMBER BOTTCHE: Out of how many  
20 apartments that have... how many apartments in total  
21 have transitioned under RAD/PACT during that period  
22 of time?

23 MR. GOUVEIA: Just under 21,000.

24 COUNCIL MEMBER BOTTCHE: So, 21,000 apartments  
25 transitioned to RAD/PACT, and only 120...

1  
2 MR. GOUVEIA: 120 in total...

3 COUNCIL MEMBER BOTTCHER: A 120 in total? What is  
4 the source of data? Where is that data from?

5 MR. GOUVEIA: We track this on a monthly basis.

6 So, every time a PACT partner begins the outreach to  
7 a resident - so, whether, again, they've stopped

8 paying rent, so there's a potential for a financial

9 issue and potentially an eviction based on ,you know,

10 nonpayment, we have our PACT partners go out and make

11 sure that they understand the source of the problem.

12 Did they lose their job? Did they have hours reduced?

13 And they would encourage them to do the

14 recertification, so that the income can adjusted or

15 look at other potential resources. The same thing for

16 holdover type issues, we really want our PACT

17 partners to look into the underlying cause of what's

18 going on and then take the steps to try to prevent

19 the eviction. And we track that every single month,

20 and we expect our partners to adhere to these rules,

21 which are embodied in housing retention guidelines

22 that we developed 2020, and we've updated

23 successively through the last four years.

24

25

1  
2 COUNCIL MEMBER BOTTCHER: You had given a figure  
3 earlier about how many NYCHA tenants were evicted  
4 over the past year or so. What was that figure again?

5 MS. BOVA-HIATT: Since the moratorium lifted in  
6 2022, we have evicted 110 households - two in 2022;  
7 58 in 2023; and 50 in 2024 as of March 7th.

8 COUNCIL MEMBER BOTTCHER: So, since the RAD/PACT  
9 program went in to effect in New York and buildings  
10 started transitioning to that, there were a 120  
11 evictions in all that time for over 20,000 units, but  
12 NYCHA, since 2022, has effective 110 - it seems  
13 counterintuitive that the evictions would be lower in  
14 a sense in the RAD/PACT portfolio.

15 MR. GOUVEIA: Well, the remaining NYCHA portfolio  
16 is significantly bigger, right? Because we have 1,750  
17 apartments, and about 20,000 - 21,000 have converted  
18 - so they've still got 150,000 or so. So...

19 COUNCIL MEMBER BOTTCHER: Right.

20 MR. GOUVEIA: Right.

21 COUNCIL MEMBER BOTTCHER: How do you explain that  
22 low number of... relatively low number evictions in  
23 RAD/PACT. It seems like it would be in the interest a  
24 developer to transient out nonpaying...  
25



1  
2 MR. GOUVEIA: Well, it's not in their interest,  
3 because anybody who leaves a PACT site, whether it's  
4 on their own volition, due to eviction, or what have  
5 you, a PACT developer has to pull new tenants who  
6 would then take that space of the Section 8 waitlist.  
7 So, they're actually isn't an incentive to evict  
8 anybody.

9 And, as I said, we are very much focused on  
10 keeping our existing (TIMER CHIMES) residents in the  
11 apartments and minimizing evictions - which is why we  
12 developed the housing retention guidelines, and we  
13 rigorously oversee this process every month.

14 COUNCIL MEMBER BOTTCHEER: To give residents who  
15 are potentially going to be part of RAD/PACT  
16 conversion a level of comfort about the prospects for  
17 eviction, are these statistics that you share with  
18 residents?

19 MR. GOUVEIA: We do. Whenever we're doing  
20 engagement, uh, in townhall-style meetings, or one on  
21 one type meetings, we share these statistics. But we  
22 recently put up a dashboard on our website that  
23 tracks workorder performance at all our PACT sites,  
24 as well as legal issues around tenancy - so,  
25 evictions for, again, nonpayment or holdover type

1  
2 issues, so residents can see the actual data on our  
3 website for every single PACT project.

4 COUNCIL MEMBER BOTTCHEER: Thank you.

5 CHAIRPERSON BANKS: Quick question. So, most  
6 evictions are solely because of not paying rent?

7 MS. BOVA-HIATT: No, we have nonpayment cases...

8 (CROSS-TALK)

9 CHAIRPERSON BANKS: Nonpayment cases...

10 MS. BOVA-HIATT: We currently have... Or in 2023,  
11 excuse me, we had 1,835 and 472 holdover cases.

12 CHAIRPERSON BANKS: When it comes to displacement,  
13 because I believe eviction in some of these cases can  
14 be... (INAUDIBLE) a form of displacement, is there an  
15 anti-displacement language that exists within the  
16 RAD/PACT Agreement that is signed with NYCHA?

17 MR. GOUVEIA: I mean, we have to adhere, and our  
18 PACT partners certainly have to adhere, to fair  
19 housing laws. So, all of, you know, we make reference  
20 to all relevant laws and policies at every level of  
21 government - that must be followed.

22 And, again as I said, we have put a huge focus on  
23 minimizing evictions, which is why we always refer  
24 our PACT partners back to the housing and retention  
25

1  
2 guidelines, and we insist that they minimize this  
3 (INAUDIBLE)...

4 CHAIRPERSON BANKS: So, yes, or no, is there anti-  
5 displacement language within the RAD/PACT agreement?

6 MR. GOUVEIA: I would have to look at exact  
7 language. I don't think is specially says that...  
8 (CROSS-TALK)

9 CHAIRPERSON BANKS: And we can get that  
10 information (INAUDIBLE)...

11 MR. GOUVEIA: Yes, but I would say... (CROSS-  
12 TALK)

13 CHAIRPERSON BANKS: I would appreciate it...  
14 (CROSS-TALK)

15 MR. GOUVEIA: the framework that we have laid out,  
16 is effectively anti-displacement... (CROSS-TALK)

17 CHAIRPERSON BANKS: So, there is a, uhm, x amount  
18 of units, say if you have a senior who is in a three  
19 bedroom and she's right sized? Most likely she'll  
20 probably be placed in either a one bedroom, because  
21 of developments don't have many studios. She'll be  
22 placed in an one bedroom. If there's not enough one  
23 bedrooms in that particular development, would that  
24 not be displacement?

25 MR. GOUVEIA: No she would remain...

1  
2 CHAIRPERSON BANKS: (INAUDIBLE)... (CROSS-TALK)

3 MR. GOUVEIA: She would remain in her... (CROSS-  
4 TALK)

5 CHAIRPERSON BANKS: (INAUDIBLE) at... (CROSS-TALK)

6 MR. GOUVEIA: She would remain in her existing  
7 apartment until an appropriately sized apartment, for  
8 household size, became available at the development.

9 CHAIRPERSON BANKS: I want NYCHA to monitor the  
10 situation, because the right sizing is going to be a  
11 major issue. And I know some of my developments,  
12 they're going through the rehabs, the apartments look  
13 nice, but the reality is that a lot of them will not  
14 be in those apartments that they're in... That  
15 they're moving back into get fixed... that are fixed.  
16 They won't be living in those apartments. And a lot  
17 of NYCHA residents, I believe, will be displaced,  
18 particularly under the RAD/PACT or even Trust  
19 Reservation, because right sizing is something that  
20 has to take place according to the...

21 MR. GOUVEIA: But...

22 CHAIRPERSON BANKS: HUD regs. Am I correct?

23 MR. GOUVEIA: Yes, right sizing is a federal  
24 requirement. But, no one will be displaced, if by  
25 displaced you mean evicted based on right sizing...

1  
2 CHAIRPERSON BANKS: But, there will be a  
3 reasonable accommodations given to seniors? (CROSS-  
4 TALK)

5 MR. GOUVEIA: No, nobody... Nobody has to give ,up  
6 their existing apartment until an available apartment  
7 of an appropriate size for the household becomes  
8 available at development.

9 CHAIRPERSON BANKS: So, if there are not enough  
10 one bedrooms in that particular development, that  
11 particular senior will stay at their three bedroom  
12 apartment... (CROSS-TALK)

13 MR. GOUVEIA: Yes. Yes.

14 CHAIRPERSON BANKS: Okay. And I guess that's  
15 across the board, whether it is a senior or family...  
16 (CROSS-TALK)

17 MR. GOUVEIA: Yes. Regardless of age or any other  
18 issue, they will stay in their apartment until an  
19 appropriately sized department comes available in  
20 that development... (CROSS-TALK)

21 CHAIRPERSON BANKS: And they will not be pressure  
22 placed on them by the existing management company to  
23 move them out of that apartment?  
24  
25

1  
2 MR. GOUVEIA: No. Again, the apartment has to be  
3 available it has to exist. So, if there's no vacant  
4 apartment they can't pressure them.

5 CHAIRPERSON BANKS: Well, because I know in  
6 particular developments, like Fiorentino Houses,  
7 where there's been issues with... they're going  
8 through a gut rehab, and there's been obviously  
9 issues with trying to get certain tenants out of the  
10 apartment. And there's been a very... How can I say?  
11 Aggressive tactics used to get them out of that  
12 apartment. So, if we are seeing that when it comes to  
13 the construction phase, I'm hoping that the new  
14 management doesn't it perpetrate those acts when it  
15 comes to rightsizing. Because, I know the reality is  
16 that they losing profit by not filling those  
17 apartments or rightsizing them.

18 MR. GOUVEIA: So, Fiorentino Plaza is not about  
19 rightsizing. The issue at Fiorentino Plaza is that...  
20 (CROSS-TALK)

21 CHAIRPERSON BANKS: No, it will... It will be,  
22 because the tenants who have actually been moved out  
23 of particular... out of Fiorentino Plaza have to  
24 return...

25 MR. GOUVEIA: Yes, they will...

1  
2 CHAIRPERSON BANKS: and there is a current issue,  
3 because what management is now trying to do, is  
4 they're trying to right size them on their return.  
5 And that... I've asked that... I have expressed to  
6 management was a bad idea, that is something that  
7 should've been discussed prior to moving the tenants  
8 out. Because, now tenants.. They are going to be  
9 rightsizing and we are getting complaints already  
10 that there are particular tenants who they are trying  
11 to ,you know, they're putting a mother and a daughter  
12 in a one bedroom apartment.

13 So, these are things that we need NYCHA to pay  
14 attention to. And it hits back on the fact that a  
15 lack of oversight, that I've been saying, to mediate  
16 these situations that, to me, will lead to  
17 displacement under the RAD/PACT program - or any  
18 program you put in place, unless it stays Section 9.

19 MR. GOUVEIA: So, we are happy work with your  
20 office on some of these specific issues at  
21 Fiorentino. But, again, the Fiorentino Plaza issue is  
22 different. As you mentioned, that building - and set  
23 of buildings, was severely deteriorated and needs, as  
24 you said, a gut rehabilitation. So, we need to move  
25 the residents out in order to do the gut rehab. But,

1  
2 we will work with you on any specific issues or any  
3 concerns that residents may have.

4 CHAIRPERSON BANKS: Please, I am looking forward  
5 to it oversight.

6 To get back to the rental arrears and evictions,  
7 I had a couple of more rounds of questioning on that.

8 NYCHA is seeing a rise in the number of evictions  
9 filed. How many more filed in 2023-2024 year to  
10 date?

11 MS. BOVA-HIATT: So we have today had 110  
12 evictions since 2022 - two in 2022; 58 in 2023; and  
13 50 and 2024, as of as of March 7th.

14 CHAIRPERSON BANKS: I know it was mentioned  
15 earlier about the lack of recourses or social  
16 services that are being provided... or I think when  
17 Council Member Mealy had mentioned something about  
18 social services, there was kind of... there was a  
19 look on your faces... or it was said that NYCHA  
20 doesn't provide social services. When it comes to  
21 NYCHA's relationship with HRA and one shot deals to  
22 clear up arrears, what's the relationship like, or  
23 what is going on with that particular process?

24 MS. BOVA-HIATT: We've been working very closely  
25 with HRA around one shot deals. And we are actually



1  
2 very, very thankful to them. They created a dedicated  
3 NYCHA team to handle expedited one shot deals for our  
4 residents, uh, ensuring low income houses receive the  
5 support services to which they are entitled.

6 And I can tell you in fiscal year 23 that 7,116  
7 household received one shot deals.

8 CHAIRPERSON BANKS: How is NYCHA's legal  
9 department working with those who are working through  
10 the eviction process?

11 MS. BOVA-HIATT: So, our goal, and the law  
12 department's goal, is to keep people housed. So, we  
13 try to work with tenants - as do our operations staff  
14 or our housing assistance - to either connect them  
15 with one shot deals, other entities that provide  
16 rental assistance. You know, as a public housing  
17 authority, we have said repeatedly, and it evidenced  
18 by the fact that during the pandemic, I mentioned...  
19 Or prior to the pandemic, we had 3,400 cases pending,  
20 and we discontinued 31,000 of them.

21 CHAIRPERSON BANKS: What percentage of tenants are  
22 on some sort of payment plan?

23 MS. BOVA-HIATT: We have tenants 520 active  
24 payment plans currently. But, we are working with  
25 individuals, and maybe Annika or Eva can speak to

1  
2 this. Right now we are assigning ERAP payments to  
3 individuals. They're finding out what the balance is  
4 that they owe, because, as we know, ERAP did not  
5 cover all of the arrears, and then we're working with  
6 them with the balance that they do have to enter into  
7 a payment plan.

8 CHAIRPERSON BANKS: So, is ERAP being used across  
9 the board or are you choosing particular tenants, or  
10 are you paying off a percentage of the arrears?

11 MS. BOVA-HIATT: So, we were only able to apply  
12 ERAP... the ERAP money we received to families and  
13 households that applied for ERAP through the state's  
14 portal. We also worked with tenants to try to  
15 actively get them to apply for ERAP, but the eligible  
16 households are the ones that did apply.

17 CHAIRPERSON BANKS: Okay.

18 I am going to move on to now capital projects and  
19 the monitor agreement.

20 The monitor agreement binds NYCHA to strict  
21 performance metrics that concern lead paint, mold,  
22 pest, waste, elevators, heat, and inspections. Is  
23 there a single place where the public can view  
24 progress against progress these metrics?  
25

1  
2 MS. BOVA-HIATT: So, I first want to start off by  
3 saying that we have a new Monitor - Jenner and Block,  
4 was chosen by HUD in the Southern District and the  
5 City to be NYCHA's monitor for the next five years.  
6 The names of the attorneys at Jenner and Block who  
7 are the new monitors are Neil Barofsky and Matt  
8 Cipolla. They started, uh, or their term started in  
9 February 28, 2024.

10 With this new monitorship, uh, the metrics that  
11 we worked very closely with HUD and the Southern  
12 District, and the monitor, will be included in their  
13 quarterly reports.

14 CHAIRPERSON BANKS: What is the contract value of  
15 the new agreement with Jenner and Block? Who took  
16 over the monitors responsibility on March 1st?

17 MS. ANNIKA LESCOTT-MARTINEZ: So, NYCHA does not  
18 pay the monitorship. Uh, so, we do not review their  
19 invoices nor do we know their contract value.

20 CHAIRPERSON BANKS: So, you... Okay, so, yeah...  
21 And NYCHA has shared that its relying on external  
22 vendors as well as in-house capacity to meet the key  
23 pillar compliance areas such as mold, heating, and  
24 elevators what's the split between contracted and in-  
25 house spending on pilar areas?

1  
2 MS. ANNIKA LESCOTT-MARTINEZ: So, that is a really  
3 good question. I can say that the operating contract  
4 budget across pillar areas is currently \$42 million.  
5 And just to give you a sense of the total operating  
6 funding across the pillar areas, it's \$370 million.  
7 So a portion of that \$42 million on the operating  
8 side is for contractors.

9 CHAIRPERSON BANKS: All right, back to capital  
10 projects. NYCHA has a shared and only \$29 million of  
11 the \$147 million extraordinary maintenance for the  
12 properties was approved in to 2024 funding request.  
13 Why was this was this amount so low?

14 MS. ANNIKA LESCOTT-MARTINEZ: So, as we mentioned  
15 we received ,you know, over \$550 million worth of  
16 funding request. We, unfortunately, are not able to  
17 provide funding ,you know, enough to support all of  
18 those requests. So, what we try to do best as we  
19 could, was of course prioritize funding for the  
20 pillar areas. The properties already make up a  
21 significant portion of our funding. They are about \$3  
22 billion of the \$4.5 or so billion budget.

23 So, as, we mentioned, where possible, we do add  
24 additional funding, but it is just not feasible for  
25 us to meet every single need across the Authority.

1  
2 CHAIRPERSON BANKS: And what types of emergency  
3 maintenance requests were rejected?

4 MS. ANNIKA LESCOTT-MARTINEZ: We do not have a  
5 specific list. We do not determine in that way. If  
6 something is truly an emergency, we fund that item as  
7 it arises.

8 CHAIRPERSON BANKS: Is NYCHA in conversation with  
9 the City, uh, about increasing this level of capital  
10 commitment to public housing?

11 MS. ANNIKA LESCOTT-MARTINEZ: Yes, uh, we continue  
12 to work with our city partners on additional funding.  
13 As we mentioned previously, in 2024, as of the  
14 January plan, there is \$1.5 billion in capital  
15 funding, uh, which we are working through in addition  
16 to the \$304 million in expense funding. So, we  
17 continue to advocate for our funding, but again, the  
18 city has been very generous (TIMER CHIMES) In the  
19 five-year plan, we have \$3.2 billion in capital  
20 funding if you include RAD/PACT, it is \$4.6 billion.  
21 So, it is pretty significant, and we are making end  
22 roads, as we mentioned, to increase our capital  
23 commitment rate.

24 CHAIRPERSON BANKS: All right, thank you so much.  
25 Thank you.

1  
2 COMMITTEE COUNSEL: Thank you to the folks from  
3 NYCHA. We will now move on to the public testimony.

4 For those wishing to testify in person, please  
5 see the Sergeant at Arms' desk at the back of the  
6 room, and fill out a testimony slip. Even if you have  
7 registered online, please still fill out a testimony  
8 slip with the sergeants.

9 For those wishing to testify on Zoom, after the  
10 in-person testimony, we will move to virtual  
11 testimony.

12 As a reminder, all testimony must be on topic.  
13 This hearing is being livestreamed and recorded.  
14 Witnesses may not use a recording device to film  
15 themselves or the proceedings while they are  
16 testifying.

17 All those either testifying either in person or  
18 virtually are encouraged to submit testimony at  
19 [testimony@council.nyc.gov](mailto:testimony@council.nyc.gov).

20 For those testifying in person, I will call your  
21 names, and if you can come up to the table: Ross Joy,  
22 Sean Champion, Renee Keitt, and Celines Miranda. If  
23 you can come up to the table? We can start on the...  
24 The timer will be set for two minutes.

1  
2 MR. CAMPION: Thank you for the opportunity to  
3 testify, I am Sean Campion, Director of Housing and  
4 Economic Development Studies at Citizens Budget  
5 Commission. I have submitted our longer testimony, I  
6 just wanted to give a few highlights.

7 As we have heard today, NYCHA is the largest,  
8 most important source of deeply affordable housing  
9 for New York City. And while the ATS made some  
10 progress over the past year, it does face some  
11 persistent challenges, namely widening gap between  
12 its core operating revenue and expenses caused both  
13 by rising expenses and weakened rent collection,  
14 deteriorating physical conditions, and a clear and  
15 pressing need to execute on its plans to improve its  
16 management and operations... (CROSS-TALK)

17 COMMITTEE COUNSEL: Just if you could move a  
18 little closer to the mic that'd be great.

19 MR. CAMPION: Sure, sorry.

20 Over the past year, NYCHA has made some progress,  
21 but lots of critical steps remain and should be taken  
22 to stabilize NYCHA's budget and improve physical  
23 conditions.

24 So, first on the Operating Budget outlook, the  
25 shortfall in NYCHA's public housing operations, the

1  
2 gap between its expenses, and rent, and federal  
3 operating subsidy, it was about the same year over  
4 year. But, NYCHA remains reliant on subsidies and  
5 non-recurring revenue to fill about the \$790 million  
6 gap between expenses and core operating income - that  
7 is about 27% of its operating budget.

8 On the revenue side, obviously, rent revenue is  
9 more or less flat including back rent and one shots;  
10 federal operating subsidy is up by a \$1 million, and  
11 ERAP filled the gap, eventually allowing NYCHA to  
12 avoid drawing down on reserves.

13 But, on the expense side, expenses rose 3% per  
14 unit, to almost \$1,500 per unit per month, driven  
15 mostly labor - labor is up 7% year over year, and  
16 NYCHA failed to secure any savings or reforms to  
17 improve accountability of work rules, or reduce costs  
18 in its new collective bargaining agreements as well -  
19 that were negotiated by the City. And, as we heard  
20 today, it missed its OT goals as well.

21 Of course, NYCHA residents continue to live with  
22 some of the worst housing conditions in the city as  
23 evidenced by the HPS and the PNA ,you know, we have  
24 detail in our testimony, but close to a third of  
25



1 units now are at the (TIMER CHIMES) point where it is  
2 just no longer cost effective to repairing.

3 We have recommendations that are listed in the  
4 written testimony as well.

5 I just want to highlight that the best way to  
6 address that need is through PACT and the  
7 Preservation Trust, which is the only way to deliver  
8 the recourses necessary to deliver the kind of  
9 comprehensive renovations that NYCHA tenants deserve  
10 to improve their quality of life and to preserve  
11 these units for future generations, thank you.

12 CHAIRPERSON BANKS: Thank you for your testimony.

13 MR. JOY: Good afternoon, Chair Banks, Council  
14 Member Bottcher, and other esteemed members of the  
15 Public Housing Committee. My name is Ross Joy, and I  
16 am the Director of Housing and Civil Justice for the  
17 Center of Court Innovation. I work from the Red Hook  
18 Community Justice Center in Brooklyn and the Harlem  
19 Community Justice Center on East 121st Street, thank  
20 you for the opportunity to testify.

21 At the Center for Justice Innovation, we work to  
22 prevent evictions, respond to hazardous repairs, and  
23 increase tenant financial and legal empowerment.  
24

1  
2 Today I would highlight two particular issues  
3 that we have discussed before, that are currently  
4 facing NYCHA residents - the rising number of  
5 eviction threats and a deepening repair crisis.

6 During the pandemic, too many public housing  
7 tenants experiencing hardships could not obtain rent  
8 adjustments from their NYCHA property management  
9 office, and were otherwise discouraged from applying  
10 for New York State administered ERAP rental  
11 assistance.

12 Now, eviction filings are on the rise for rent  
13 dept accrued during the pandemic, with almost half of  
14 NYCHA households in arrears.

15 The Center for Justice Innovation is taking  
16 action with residents in arrears by completing past  
17 due annual lease recertification, filing rent  
18 grievances, applying for emergency cash assistance  
19 through HRA, the one shot deals, coaching on rent  
20 payments, and working with our right to counsel legal  
21 service partners to defend against eviction  
22 proceedings. Council funding supporting these  
23 initiatives are working. Since courts reopened in  
24 2022, only two evictions out of a 140 court cases for  
25

1  
2 unpaid rent have occurred at the Red Hook Houses,  
3 served by the Red Hook Community Justice Center.

4 We must acknowledge progress and further support  
5 NYCHA's law department as well as local property  
6 managers who problem solve with tenants, even those  
7 who have fallen behind, to remain housed. Many  
8 tenants; however, are rightfully protesting with  
9 their pocketbooks, withholding rent for uninhabitable  
10 conditions and utility outages. Despite federal  
11 efforts to bring about accountability, workorder  
12 reform is not working. Furthermore, this council has  
13 delegated housing maintenance code enforcement, the  
14 delegated agency (TIMER CHIMES) is HPD, and HPD  
15 continues to largely turn a blind eye to its  
16 enforcement duties of local laws on minimum repair  
17 standards that indeed do extend into public housing.  
18 Everyone in this room today knows of resilient  
19 residents and neighbors in NYCHA who fight for  
20 livability in their homes. Just last year alone,  
21 NYCHA residents, citywide, filed a total of 771 HP  
22 actions in the city's housing court seeking HPD  
23 inspections and a court order for repairs in their  
24 homes - of which, 218 of those cases were filed with

1 assistance through the Red Hook and the Harlem  
2 Community Justice Centers.

3  
4 This council must instruct HPD to comply with the  
5 2022 New York State law requiring, for the first  
6 time, open data publishing of tenant HP actions  
7 against NYCHA where housing maintenance code  
8 violations have been cited. Concerningly, HPD  
9 leadership has said they do not have the budget to  
10 implement this open data law.

11 The Center for Justice Innovation is increasing  
12 our support for tenant actions on these rent and  
13 repair issues in NYCHA. We urge the Council to ensure  
14 that the Center and the city agencies doing this  
15 essential work have the adequate funds in this year's  
16 budget. Thank you for the opportunity to speak today.

17 CHAIRPERSON BANKS: Thank you for your testimony.

18 MS. KEITT: My name is Renee Keitt. The allocation  
19 of funding for NYCHA is indeed a critical issue and  
20 ensuring the recourses are directed towards Section 9  
21 rather than PACT/RAD private developers is of  
22 significant importance.

23 Section 9 funding is essential for maintaining  
24 and improving public housing developments while  
25 preserving the land, thus safeguarding the interests

1 of residents and communities. PACT/RAD initiatives,  
2 on the other hand, involve the transfer of public  
3 housing properties to private entities through long-  
4 term leases, resulting in the loss of direct NYCHA  
5 and HUD oversight and control. While these  
6 initiatives may offer short-term financial incentives  
7 and tax breaks to developers, they can also raise  
8 concerns about long term affordability, resident  
9 displacement, and accountability. Moreover, public  
10 land is a valuable asset that should be managed  
11 reasonably to serve the needs of the community.  
12 Directing funds towards Section 9 ensures that they  
13 are used to benefit current and future generations of  
14 public housing residents.  
15

16 Stakeholders and decision makers need to  
17 prioritize funding mechanisms that support the  
18 preservation and improvement of public housing under  
19 Section 9, while also exploring alternative  
20 strategies for addressing funding gaps and  
21 revitalizing NYCHA developments. By investing in  
22 Section 9 and maintaining public control over land  
23 assets, we can work towards ensuring the long term  
24 viability and sustainability of housing of all  
25 residents.

1  
2 The lack of investment in NYCHA should considered  
3 an attempt at demolition by neglect, which refers to  
4 the practice of allowing a building to deteriorate.  
5 Whenever the Chair speaks about the improvement, she  
6 speaks about the outside of the buildings - and not  
7 the inside where people live. Property owners  
8 sometimes intentionally neglect their buildings  
9 hoping it will lead to permission for demolition.  
10 They may argue that the cost of repairing the  
11 deteriorated building is prohibitive and expensive,  
12 creating an economic hardship. Maintaining the  
13 character of an (TIMER CHIMES) neighborhood is  
14 essential, it adds to community cohesion. I also  
15 disagree... (CROSS-TALK)

16 CHAIRPERSON BANKS: You may continue.

17 MS. KEITT: Mm-hmm? Continue? Okay.

18 The neglect of maintenance and repair not only  
19 compromises the quality of life for residents, but  
20 also undermines the long-term viability of public  
21 housing developments - as I said before.

22 Lastly, Council Member Bottcher just said \$3.5  
23 million discretionary funding money is not needed -  
24 it is. We are worth it. We've earned it. Thank you.

25 CHAIRPERSON BANKS: Thank you for your testimony.

1 Council Member Bottcher?

2 COUNCIL MEMBER BOTTCHER: Question for the Center  
3 for Justice Innovation. In your document, you said  
4 that courts are often hesitant to sanction NYCHA for  
5 failure to respond to court ordered inspections and  
6 complete repairs, because they are a government  
7 agency.

8 Could you elaborate on that?

9 MR. JOY: Yes, when a tenant who is living in  
10 uninhabitable conditions, and those conditions, what  
11 is unlawful is set by the City Council and codified  
12 under the Administrative Housing Maintenance Code,  
13 when those conditions are that bad, a tenant can go  
14 to court and file and make HPD a party to those  
15 cases, so the tenant isn't left alone to fight for  
16 the habitability of their apartment. HPD refuses to  
17 do any level of enforcement or even communicate with  
18 the Housing Authority, because they say they have a  
19 conflict of interest. Judges should be able, if a  
20 landlord does not do a repair, apply the first step  
21 of accountability, beyond a court order, is civil  
22 penalties. No judge in this city is issuing civil  
23 penalties against NYCHA under this belief that they  
24 are a city agency and cannot be held accountable.  
25

1  
2 There are certain judges that take an additional step  
3 into a contempt of court proceeding, but that is  
4 significant legal step in order to... And it is very  
5 rare, I can only count a handful of times that that  
6 has happened against the Housing Authority. So, what  
7 happens is, we just cycle - we cycle through  
8 disrepairs.

9 CHAIRPERSON BANKS: Just a quick question to the  
10 Center for Justice Innovation, how many evictions  
11 have you dealt with when it comes to RAD/PACT the  
12 conversions?

13 MR. JOY: We are fortunate to, at least at the Red  
14 Hook Community Justice Center, to not have RAD/PACT  
15 close to our neighborhood. There was one development  
16 close to The Wyckoff (sp?) Houses that we monitored  
17 very closely and did hear a lot about the right  
18 sizing. In East Harlem, there is one building that  
19 did go RAD/PACT, uh, East River Houses is going  
20 RAD/PACT, it sounds like in the near future. So, we  
21 are monitoring those cases. We do hear from tenants  
22 who want to file HP actions against the new RAD/PACT  
23 property owner, due to repairs, even after the  
24 conversion. We are in communication with NYCHA's law  
25 department when there are eviction concerns at



1  
2 RAD/PACT. I don't have a concrete number of how many  
3 we have... (CROSS-TALK)

4 CHAIRPERSON BANKS: Thank you.

5 MR. JOY: Thank you

6 CHAIRPERSON BANKS: Thank you, so much, guys, for  
7 your testimony. We will now go to the next panel.

8 COMMITTEE COUNSEL: So, I will call up Celina  
9 Miranda and Gregory J. Morris.

10 CELINE MIRANDA: Chris Banks, take a look at the  
11 survey that the Fulton-Elliott and Chelsea Houses took  
12 regarding the destruction of our homes. Only 30% of  
13 the Fulton and Elliott-Chelsea Houses eligible voters  
14 participated. You can call CHPC and request the  
15 results yourself. They will provide it for you. The  
16 title of this sheet says *Fulton and Elliott-Chelsea*  
17 *PACT Survey Audit Results*. This means that if only  
18 30% participated in this... it's out of order. I'm so  
19 sorry...

20 CHAIRPERSON BANKS: It's okay, take your time.

21 CELINE MIRANDA: Can you come back to me?

22 CHAIRPERSON BANKS: Okay, you yield your time to  
23 the gentleman... You can take... Thank you.

24 MR. MORRIS: Good afternoon, my name is Greg  
25 Morris, I am the CEO of New York City Employment and

1 Training Consolation. That coalition is made up 220  
2 organizations in New York City that focused on job  
3 training opportunities. So, in other words, these are  
4 the organizations in New York City that work in  
5 partnership alignment with government entities, like,  
6 the Workforce One Centers or the NYCHA REES projects  
7 and others, to think about how it is that New Yorkers  
8 find access to jobs - so everything from Brooklyn  
9 Workforce Innovations, as an example, to Solar One,  
10 which is focused on green tech. This organization  
11 that I operate, New York City Employment Training  
12 Coalition, focused on three things: Tracking the  
13 value and investment of the Administration's  
14 commitment to job readiness and training; it is  
15 focused on being a resource to employer and employer  
16 intermediaries; and it serves as an advocate for the  
17 budgetary, legislative, and regulatory action items  
18 that workforce development providers need in order to  
19 ensure that more New Yorkers have access to job  
20 readiness and training, career advancement skills,  
21 and other pathways to success. I am here to say this,  
22 of the half of million New Yorkers that our providers  
23 work with every year, the top three categories of  
24  
25

1  
2 service we provide, the populations we work with are  
3 women, young adults, and public housing residents.

4 I wanted to let you know, as I have been going  
5 from sort of committee to committee to say, this city  
6 does not track its outcomes related to the success of  
7 its job readiness commitments. And, so, I would ask  
8 this council to consider developing a task force or  
9 some other subcommittee that could focus on how it is  
10 that when the City makes an investment it ensures  
11 that it is reaching the equity and inclusivity that  
12 it talks about, so that more New Yorkers have  
13 pathways to economic security in a city that we both  
14 know is increasingly unaffordable.

15 Shoutout, by the way, to Council Member Bottcher,  
16 who supports the West Side Work Coalition, which is  
17 specifically (TIMER CHIMES) focused on residents of  
18 public housing.

19 CHAIRPERSON BANKS: Do you have any data when it  
20 comes to the hiring of folks within the RAD/PACT  
21 conversions? Uhm, because I know that it has been  
22 said that the management companies or the new  
23 developers that have taken over, they do not hire  
24 residents from those particular complexes. And I want  
25 to know if there is any data that... I guess it's

1  
2 antidotal in a sense, but do you have any data that  
3 will match that or confirm that?

4 MR. MORRIS: It is a great question that you are  
5 asking. By virtue of anecdotal evidence, by virtue of  
6 the providers that we work with, I have not heard of  
7 those particular data resources. I have not heard of  
8 that tracking. That is indicative of workforce  
9 development echo system in New York City that does  
10 not think about outcomes, doesn't hold itself  
11 accountable for outcomes. And, by the way, just one  
12 additional note, talking to the folks at NYCHA REES,  
13 public housing residents, when asked what they were  
14 most interested in terms of services and supports  
15 they were looking for, besides a safe and comfortable  
16 housing environment, it was about job access, access  
17 to good, good paying jobs. That is what we should be  
18 tracking. And you have already highlighted one of the  
19 places where we need to track those results.

20 CHAIRPERSON BANKS: Thank you

21 MR. MORRIS: Thank you.

22 MS. MIRANDA: I will be starting over.

23 CHAIRPERSON BANKS: Yes.

24 MS. MIRANDA: Chris Banks, take a look at the  
25 survey that the Fulton-Elliott and Chelsea Houses took

1  
2 regarding the destruction of our homes. Only 30% of  
3 the Fulton and Elliott-Chelsea Houses eligible voters  
4 participated. You can call CHPC and request the  
5 results yourself. They will provide it for you. The  
6 title of this sheet says *Fulton and Elliott-Chelsea*  
7 *PACT Survey Audit Results*.

8 This means that only 30% participated in this  
9 survey, regardless of their preference over  
10 demolition versus rehabilitation, basic simple math  
11 tells me that 70% of the FEC tenants do not want to  
12 be privatized. So, what Lisa Bova-Hiatt just said,  
13 that the majority of the FEC tenants want RAD/PACT,  
14 is a lie, or miss Chief Executive Officer of NYCHA  
15 does not know what she's talking about.

16 Lisa has spoken so much on our behalf, but I have  
17 never seen her on our campus having a conversation  
18 with the tenants. As a matter of fact, at the Eric  
19 Adams' breakfast event at the New York Law School,  
20 when I, a NYCHA tenant, spoke up to correct Eric  
21 Adams' misinformation and corrected him, that  
22 majority do not want demolition, in the room full of  
23 about 100 people, the only person that shouted to  
24 have me removed from the room was Lisa Bova-Hiatt -  
25 the one who cares so much of the well-being of NYCHA

1 tenants. Please, stop demolition - 70% of the FEC  
2 tenants do not want to be privatized. Demolishing our  
3 homes goes against the survey results. We are  
4 insisting, I'm begging you, please do not allow for  
5 this injustice to happen. We spoke - 70% is the  
6 majority, we do not want privatization, we surely do  
7 not want them (TIMER CHIMES) demolition. Thank you.

9 CHAIRPERSON BANKS: Thank you for your testimony.

10 COMMITTEE COUNSEL: We will now move to virtual  
11 testimony. If there is anyone else in the room who  
12 wants to testify in person, please see the sergeants  
13 in the back of the room and fill out a testimony  
14 slip.

15 For those on Zoom, I will call our name and you  
16 will get a prompt to be unmuted. The first person to  
17 testify will be Betty Bernhart.

18 SERGEANT AT ARMS: You may begin.

19 MS. BERNHART: Good afternoon, Chair Banks and  
20 city council members, thank you for allowing me to  
21 provide this testimony.

22 My name is Betty, I am a community outreach  
23 worker Red Hook Initiative and a resident of Red Hook  
24 Housing for 20 years.

1  
2 My job at Red Hook Initiative is to support the  
3 resident with and any needs or concerns - I am an  
4 advocate for them.

5 Every day, I talk to residents and witness  
6 apartments - such as in the photos, which we have  
7 submitted as documentation, which would be crumbling  
8 ceilings, which causes severe flooding for weeks and  
9 months, electrical outages, dark hallways, widespread  
10 garbage issue, and much more - it harms the  
11 residents' health.

12 Red Hook Housing was constructed using federal  
13 funds during the Roosevelt Administration. We know  
14 that many of these funds are now dried up. If anyone  
15 can Red Hook, it is you. Red Hook requires funds to  
16 fix the interior gas line and risers, which  
17 frequently malfunction and caused several units to  
18 lose abilities to cook for many months.

19 Right now in Red Hook, there's 120 families  
20 without cooking gas, and it may not be restored until  
21 May. And in addition to gas line improvement, Red  
22 Housing also needs full upgrades of electrical wires.  
23 Red Hook is receiving upgrades for external buildings  
24 due to Sandy funds, but now needs upgrades inside the  
25

1 building as well. Many of the residents have exposed  
2 wires, rusted boxes - the boxes are very old.

3  
4 The improvement of Red Hook must include more  
5 work inside the apartments to address these issues.

6 NYCHA is at a critical moment, and we need funds  
7 now. We are calling all elected officials in  
8 demanding additional funds for NYCHA's capital and  
9 operating needs to address issues like this - that we  
10 are seeing at Red Hook.

11 Since it has been recently confirmed that NYCHA's  
12 grossly overspending... (CROSS-TALK)

13 SERGEANT AT ARMS: Your time has expired...

14 MS. BERNHART: And contracts at NYCHA... Huh?

15 CHAIRPERSON BANKS: You may continue, just wrap it  
16 up, we'll give you another minute, Ma'am.

17 MS. BERNHART: Yeah, I am almost done, thank you.

18 CHAIRPERSON BANKS: Another minute.

19 MS. BERNHART: Okay... over spending on  
20 construction - NYCHA employees are stealing. We need  
21 to hold NYCHA accountable for how the money is spent.  
22 We urge that you act for NYCHA's residents to ensure  
23 that budget allocations match the urgent needs at  
24 public housing.

25 Thank you for letting me speak.



1  
2 CHAIRPERSON BANKS: Thank you for your testimony,  
3 Ma'am.

4 Next?

5 COMMITTEE COUNSEL: The next witness will be  
6 Tevina Willis.

7 SERGEANT AT ARMS: You may begin.

8 MS. WILLIS: Hello, I am Tevina Willis, I am also  
9 a Red Hook resident, and I am a Community Organizing  
10 Manager at Red Hook Initiative.

11 What I would like to say is that NYCHA really  
12 needs a lot of oversight on its spending if they are  
13 going to be allocated any more funds. I am going to  
14 implore higherups at NYCHA to work close (BACKGROUND  
15 NOISE) with folks on the ground - the property  
16 managers, superintendents - and lean on the resident  
17 associations. We are a double development, so we have  
18 two management (INAUDIBLE) and we have two tier  
19 presidents. Lean on them so that we can really  
20 scrutinize and make sure that the work is being done.  
21 When repairs are done, the work is sloppy. The paint  
22 jobs... The paint that is being used is of poor  
23 quality and the walls start bubbling immediately  
24 after the work is done (INAUDIBLE) paint (INAUDIBLE)  
25 on the walls, the plastering is sloppy.

1  
2 So, I understand that there is chain of command  
3 at NYCHA, but it's not working. And if they are to  
4 receive any more funding, there has be closer  
5 oversight. NYCHA will grossly overspend on equipment  
6 and supplies that are not being used properly, and  
7 then pick the low ball or the vendors that are  
8 giving... And pick the venders that have the lowest  
9 bids. The reason why someone is bidding low is  
10 because they are doing poor quality work. This is  
11 something that needs to change. Why there are so many  
12 long term issues and why NYCHA is in the state it is  
13 in, is because we have been getting what we have been  
14 paying for, and the wrong money is being spent  
15 elsewhere. So, if this does (BACKGROUND NOISE)  
16 (INAUDIBLE) go through and these funds do pass, there  
17 needs to be an over... a committee works closely on  
18 the ground at each development. Sometimes I know we  
19 like to rely on our colleagues and our subordinates,  
20 but the line of communication is breaking down from  
21 the development all the way up at the top, and we  
22 need to fix that. (TIMER CHIMES) And that is all I  
23 have to say today, thank you.

24 CHAIRPERSON BANKS: Thank you, Ma'am, for your  
25 testimony.

1  
2 COMMITTEE COUNSEL: Seeing no other witnesses on  
3 Zoom, (BACKGROUND NOISE) and no other witnesses in  
4 person, I will turn it back to the chair for closing  
5 statements.

6 CHAIRPERSON BANKS: Thank you to everyone who came  
7 out to today's hearing. The role and the  
8 responsibilities of this committee is to continue to  
9 keep NYCHA accountable and demand transparency, and  
10 that is what we will continue to do.

11 This committee is adjourned, thank you so much.

12 (GAVEL SOUND) (GAVELING OUT)  
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C E R T I F I C A T E

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



Date March 30, 2024