

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE JOINTLY WITH THE COMMITTEE
ON SMALL BUSINESS, COMMITTEE ON ECONOMIC
DEVELOPMENT AND COMMITTEE ON AGING

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May 7, 2018
Start: 10:02 a.m.
Recess: 4:45 p.m.

HELD AT: Council Chambers - City Hall

B E F O R E: DANIEL DROMM
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Co-Chair

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

Melanie Hartzog
Director of the Mayor's Office of Management and
Budget, OMB

Ken Godiner
Associate Director of the Mayor's Office of
Management and Budget, OMB

Gregg Bishop
Commissioner of the New York City Department of
Small Business Services, SBS

James Patchett
President and CEO of the New York City Economic
Development Corporation, EDC

Donna Corrado
Commissioner of the New York City Department for
The Aging, DFTA

Jackie Mallon
First Deputy Commissioner of the New York City
Department of Small Business Services, SBS

Sasha Fishman
Associate Commissioner for Budget and Fiscal
Operations of the New York City Department for
The Aging, DFTA

[gavel]

CHAIRPERSON DROMM: Good morning and welcome to the first day of the City Council's hearing on the Mayor's executive budget for fiscal 2019. My name is Daniel Dromm and I'm the Chair of the Finance Committee. Today we are joined by my colleagues Speaker Corey Johnson, Council Member Steve Matteo, Council Member Jimmy Van Bramer, Council Member and Chair of the Subcommittee on Finance Vanessa Gibson, Council Member Powers, Council Member Koslowitz, Council Member Treyger, Council Member Grodenchik, Council Member Richards, Council Member Chin, Council Member Adams, Council Member Lancman, Council Member Rose and Council Member Cohen as well has joined us. Now today marks the first day of the council's charter mandated responsibility to review the Mayor's executive budget. The council will begin its executive budget hearing with testimony from the Office of Management and Budget. Today's hearing will focus on the expense and revenue budgets including overall budget structure, significant new spending added since the preliminary budget, the citywide savings plan and the state and federal budget risks facing this city in

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2 the coming year. Following today's hearing OMB will
3 return tomorrow to discuss the capital budget and
4 then throughout the month the council will conduct
5 agency specific hearings to delve into the details of
6 the individual agency budgets. So, I ask my
7 colleagues to please save questions about the capital
8 budget and specific agency questions for their
9 appropriate day. Before I turn the mic over to the
10 Speaker to say a few words I will give a brief
11 timeline of the budget process so far this year. On
12 February 1st Mayor De Blasio released his preliminary
13 budget for fiscal 2019 totaling 88.7 billion dollars.
14 Throughout March 32 different council committees
15 heard testimony from over 50 agencies and the public
16 about the preliminary budget and potential changes
17 that should be incorporated into the executive
18 budget. And for the first time the council held a
19 hearing dedicated solely to the capital budget and
20 the capital commitment plan to demonstrate our
21 renewed focus on the capital project... process. During
22 the course of the preliminary budget hearings Council
23 Members noted that the preliminary budget included
24 spending that reflected both the values and
25 priorities of the administration, the council and the

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1 public however many Council Members also voiced
2 concerns about the need for other priorities to be
3 recognized. After careful consideration of the
4 testimony that was presented by the administration
5 and the public at each of the preliminary budget
6 hearings the council developed its budget response
7 which contained a clear statement of the council's
8 priorities. The response reiterated the council's
9 focus on accountability and fiscal prudence,
10 protecting the social safety net and providing much
11 needed resources to as many New Yorkers as possible.
12 To that end the council set forth many significant
13 proposals such as increasing the city's revenues by
14 500 million... reserves, excuse me, by 500 million
15 dollars; investing in Fair Fares so low income New
16 Yorkers can make it to job interviews, school, and
17 appointments, providing temporary property tax relief
18 in the form of a 400 dollar rebate to homeowners
19 earning under 150,000 dollars a year and while
20 putting forth a road map to reform in the long time
21 and prioritizing the identification and creation of
22 permanent housing over homeless shelter spending. On
23 April 26th the Mayor released his fiscal 2019
24 executive budget which totals 89.1 billion dollars,
25

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2 this is the plan that we will examine today and
3 throughout the budget hearings over the course of
4 this month. So, with that said I'd like to welcome
5 Speaker Corey Johnson to today's hearing and give him
6 the opportunity to say a few words.

7 SPEAKER JOHNSON: Thank you Chair Dromm,
8 good morning. I am Corey Johnson; Speaker of the New
9 York City Council and I'd like to begin by welcoming
10 everyone to the City Council's first hearing on the
11 fiscal '19 executive budget. We'll hear testimony
12 today from the city's budget Director Melanie Hartzog
13 who is joined by her team at the Office of Management
14 and Budget and I want to thank you for being with us
15 this morning. I'd like to begin by thanking Latonia
16 McKinney, the Council's Finance Director and her
17 incredible team for their work in preparing for
18 today's hearings. The executive budget was released
19 just slightly over a week ago and they have been
20 working long hours to delve into the budget, prepare
21 briefing documents and ensure that Council Members
22 are informed so I want to thank Latonia and the
23 Finance Division. I'll keep my remarks brief since we
24 have a lot of ground to cover this morning, but I'd
25 like to highlight the council's deep disappointment

1 and frustration with what is contained in this
2 executive budget or more accurately what is excluded
3 from this executive budget. Throughout March 32
4 Council Members held hundreds of hours of hearings to
5 consider the preliminary budget including hearing
6 public testimony at the conclusion of every single
7 hearing. After this in depth review critical analysis
8 and consideration of public input the council
9 submitted a deliberative budget response to the
10 administration for consideration. The response
11 presented our vision for increased accountability in
12 the budget process while at the same time shoring up
13 the city's social safety net to protect our fellow
14 New Yorkers in their times of need and providing
15 resources that access opportunities for upward
16 economic mobility. The spending measures we proposed
17 were focused and offset by identified revenue
18 sources, savings and agency reductions. Upon
19 submission of the response the council expected that
20 the Mayor would respect our opinion as a body and our
21 voice as representative of the constituents that we
22 serve however with the release of the executive
23 budget it is not clear that this administration wants
24 to work with us to collaborate on a budget that
25

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2 embodies the priorities of both the administration
3 and the city council. In total the council's budget
4 response presented 67 proposals totaling 1.6 billion
5 dollars in additional expense spending and 4.2
6 billion dollars in capital spending, of the 50
7 expense or revenue related proposals not including
8 the three state mandates that the council asked the
9 administration to accurately account for in the plan
10 the fiscal 2019 executive budget reflects full or
11 partial support for only 11 of these proposals.

12 Despite what the Mayor has said this failure to
13 address the council's priorities is not for lack of
14 funding, if that were true then the Mayor wouldn't be
15 proposing 965 million dollars in brand new spending
16 since February, let me repeat that, 965 million
17 dollars in new spending is proposed in this executive
18 budget since the month of February. This
19 administration has found nearly one billion dollars
20 from new spending on their priorities in just the
21 past three months but now claims that there's no
22 money for the investments that are so important to
23 this council and moreover if there was a lack of
24 funding then the administration would not have
25 presented an anemic citywide savings program light on

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2 significant reoccurring efficiencies, instead you
3 would have directed these agencies to dig deep and
4 identified more actual savings resulting from
5 programmatic changes. Therefor it is clear that the
6 money is there, there is money for reserves, there is
7 money for Fair Fares, and there is money for a
8 property tax rebate. The council will continue to
9 fight for these vital budget items on behalf of all
10 New Yorkers through the remainder of this year's
11 budget process. While I'm confident that over the
12 next few weeks more items from our response will end
13 up in the budget this is not how the process should
14 unfold. I hope to learn more today about how the
15 administration decided which budget actions would be
16 in or out of the executive plan and how we move
17 forward from this point to guarantee that the
18 council's proposals will be included in the adopted
19 budget. Before I turn it back to Chair Dromm I just
20 want to reiterate that the total budget for the city
21 of New York as projected in this executive budget is
22 89.1 billion dollars, that's up 397 million dollars
23 from prelim, total spending is up to 92.7 billion
24 dollars, spending is up 1.5 billion dollars from
25 prelim, new needs identified in that time 965 million

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2 dollars, savings which is a bit of a slide of hand
3 because a lot of it is re-estimating debt service so
4 it's not actual savings or it's a partial head freeze
5 is about 386 million dollars and there was a state
6 impact of over a half a billion dollars in unfunded
7 mandates. So, I really hope that we do not have a
8 conversation this morning where we're told there is
9 no money for reserves, there is no money for a
10 property tax rebate and there is no money for Fair
11 Fares when from this own executive budget and the
12 numbers that we have presented to us it's clear there
13 is many... there is money for everything that you want
14 and not a whole lot of money for the things that we
15 have prioritized. I think you will hear that from the
16 Council Members here today who are deeply
17 disappointed by what wasn't included, who are
18 disappointed that we have to dance around COMPASS
19 slots or SONYC slots or SYEP slots, human services
20 slots that the Mayor and the council fund every year
21 but somehow become part of this negotiation by not
22 including it in the executive budget, the total
23 amount for all those things is 81 million dollars and
24 it wasn't included so now we have to negotiate around
25 this when there's 965 million dollars in new spending

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2 since the month of February, I really do not want to
3 hear this morning that there is no new money. You all
4 found plenty of money for what was important to you,
5 so I hope that the 51 members of this body and the
6 people who we represent will be listened to and
7 respected throughout the rest of this budget process
8 because I don't feel like we have been respected and
9 listened upon release and up to the release of the
10 executive plan. With that I will turn it back over to
11 Chair Dromm. Thank you.

12 CHAIRPERSON DROMM: Thank you Speaker

13 Johnson. As the Speaker just mentioned the executive
14 budget introduced a package of new needs totaling 965
15 million for fiscal 2019. The lion share of these new
16 needs are comprised of a 256.2 million dollar shelter
17 re-estimate on top of the additional shelter funding
18 the council recently approved for fiscal 2018 in the
19 budget modification and more fiscal 2018 funding
20 presented in the executive budget, 41.8 million
21 dollars to continue supplementing school bus staff
22 wages for employees of Reliant Transportation, 125
23 million dollars for Fair Student funding which is a
24 percentage of what the council requested in the
25 budget response which is... which we're pleased to see

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2 is a good start to getting all the schools at 100

3 percent fair student funding, 35 million dollars for

4 de-commissioning of the New York City wireless

5 network and 55 million dollars for cyber security to

6 protect the city's computers and servers. In order to

7 support these new needs, the budget adds 1,170

8 bringing the total budget head count to three..

9 331,210 in fiscal 2019. However, as the Speaker

10 referenced aside from the Fair Student funding which

11 was partially addressed none of the city council's

12 signature proposals were included in these new needs

13 by bolstering the city's reserves, Fair Fares, the

14 property tax rebate, prioritizing permanent housing,

15 increasing capital investments to NYCHA, improving

16 accessibility and security in schools and the list

17 goes on. Therefore, from the council's perspective

18 much remains to be done and the executive budget

19 represents a continuation of the negotiation that

20 will go on until adoption. As part of that

21 negotiation the council will continue to emphasize

22 its concern with several areas within the budget such

23 as the lack of real reoccurring savings in the

24 citywide savings program. Like the savings included

25 in the fiscal 2018 budget and the fiscal 2017 and '16

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1 budgets before that the savings in the fiscal 2019
2 executive plan seem to stem largely from accruals,
3 delays in spending, re-estimates and other non-
4 reoccurring savings rather than programmatic savings.
5 As in prior years the debt service re-estimate still
6 makes up the greatest share of savings coming in at
7 39.6 percent of the total. While it is important for
8 the financial plan to indicate more accurate spending
9 projections the council still maintains that re-
10 estimates should not be labeled as savings but rather
11 as more accurate spending projections. When these
12 types of quote, unquote "non-saving" spending
13 reductions and revenue increases are removed from the
14 plan we are left with only 247 million in true
15 efficiencies for fiscal 2019 out of an 89-billion-
16 dollar budget. We need to do better, year after year
17 the Mayor marvels at the length of the economic
18 recovery at... which is now in its 106th month well
19 over the 60-month average expansion period and year
20 after year he warns that it is bound to end, and the
21 city needs to be prepared. Now is the time to dig
22 deep and do the hard work to take an agency by agency
23 look at the budget to determine where cuts can be
24 made, and long-lasting savings achieved. And along
25

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1 those same lines it's imperative that the city
2 bolster its reserves, in the budget response we
3 called for a 500-million-dollar investment, yet this
4 financial plan adds zero. Along with the failure to
5 fund Fair Fares this omission is particularly glaring
6 given the Mayor's rhetoric about the need to be
7 cautious that I just described. The council urges the
8 administration to reconsider so that the city can be
9 prepared for the next financial downturn that will
10 inevitably come. Last, one other item that the
11 council called for in the response that was not
12 included in the executive budget even though it's
13 free was additional units of appropriation. The
14 council recommended 123 new units of appropriation
15 and zero have been included. The administration must
16 discontinue the long-standing practice of using vague
17 and over broad units of appropriation in favor of the
18 smaller programmatic units of appropriation
19 envisioned in the law. While such a shift is
20 understandably resisted by the Mayor because it would
21 restrict his ability to transfer funds between
22 programs without oversight and to avoid seeking
23 budget modification approval from the council it is
24 necessary to facilitate the council's and the
25

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2 public's understanding of agency spending and
3 performance and to more transparently track the
4 administration's priorities. Now before we get
5 started I'd like to thank the entire staff of the
6 council's Finance Division for their work and support
7 in preparing for this hearing. The Finance Division
8 is led by Latonia McKinney and includes Deputy
9 Directors Regina Poreda Ryan, Nathan Toth, and Paul
10 Scimone; Deputy Director and Chief Economist Dr. Ray
11 Majewski; Assistant Director Emre Edey; Supervising
12 Economist, Paul Sturm; Unit Heads Dohini Sompura,
13 Eisha Wright, John Russell, Chima Obichere, and
14 Crilhien Francisco; Counsel Rebecca Chasen and all of
15 the finance analysts, economists and administrative
16 support staff who have helped put the budget reports
17 and hearings together. Last, I'd like... lastly, a
18 quick reminder, reminder to my colleagues that the
19 first round of questions for OMB will be limited to
20 three minutes per council member and if council
21 members have additional questions we will have a
22 second round of questions at two minutes per council
23 member. We will now hear from OMB after they are
24 sworn in by my counsel. And we... before we do the
25

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2 swearing in let me just say we've also been joined by
3 Council Member Mark Gjonaj.

4 COMMITTEE CLERK: Do you affirm that your
5 testimony will be truthful to the best of your
6 knowledge, information, and belief?

7 MELANIE HARTZOG: I do. Good morning.
8 Thank you, Speaker Johnson, Finance Chair Dromm,
9 members of the Finance Committee and city council for
10 the opportunity to testify today concerning the
11 fiscal year 2019 executive expense budget. I also
12 want to thank Latonia McKinney and the council
13 finance staff for their positive and collaborative
14 approach to the budget. I am joined by OMB First
15 Deputy Director Ken Godiner and our dedicated and
16 hard-working OMB staff is here to assist me in
17 answering questions. As requested by the council, I
18 will focus today on the fiscal year 2019 executive
19 expense budget, specifically changes made since
20 presentation of the preliminary budget. Changes to
21 the capital budget since February will be discussed
22 at the hearing scheduled for tomorrow, May 8th. The
23 fiscal year 2019 executive budget is 89.06 billion.
24 It's important to highlight that we have a new
25 revenue projection. New York City tax revenue is

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3 expected to grow by 6.6 percent in fiscal year 2018
4 to 58 billion and by 3.1 percent in fiscal year '19
5 to just over 60 billion. As a result of this growth
6 our fiscal year 2018 revenue projection increased by
7 973 million and our fiscal year 2019 projection
8 increased by 77 million. The notable increase in
9 fiscal year 2018 is driven primarily by a 14.4
10 percent growth in the personal income tax,
11 representing a revision of 800 million over the
12 preliminary budget projection. The majority of this
13 increase was a one-time gain caused by several
14 unrelated events. First, a 2008 federal tax law
15 required hedge fund managers to repatriate over
16 shore... offshore funds before December 31st, 2017.
17 Second, the Trump tax act set the same deadline for
18 repatriation of other earnings. Finally, strong
19 stock, stock market gains in 2017 increased incomes
20 and led to substantial Wall Street bonuses. This
21 positive news is tempered by the impact of the
22 state's fiscal year 2019 enacted budget and threats
23 from Washington. Our partners in Albany pushed back
24 more than 340 million dollars in proposed cuts and
25 cast shifts. We avoided funding cuts of 129 million
to Child Welfare Services and 65 million to Special

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1 Education. An attempt to shift 144 million in charter
2 school costs to the city also was avoided. The states
3 MTA value capture plan was rejected, as was an
4 attempt to force the city to fund the entire New York
5 City Transit capital budget. However, the state
6 budget imposed more than 530 million dollars in cuts,
7 cost shifts, and unfunded mandates on the city. This
8 included a 254-million-dollar payment towards the
9 MTA's subway action plan. Including this payment, New
10 York City will dedicate 2.1 billion of our annual
11 operating funds to the MTA. The city's state school
12 aid increase was 140 million below projected levels,
13 and the state funding of 31 million for Close to Home
14 program was cut. The state also shifted 108 million
15 in Raise the Age costs to the city. While we
16 supported the legislation, it should not be an
17 unfunded mandate. Cuts and unfunded mandates of this
18 magnitude jeopardize the city's financial position.
19 Because of the windfall tax revenue, we were able to
20 backfill them in the executive budget without
21 significant reductions to programs or services. This
22 half a billion dollars represents 25 percent of the
23 new city dollars spent in fiscal years 2108 and 2019
24 in this plan. Washington is also taken action that
25

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1
2 may impact the city budget. The recent federal
3 omnibus spending bill was less harmful than we
4 anticipated. However, the Trump tax law spikes the
5 federal budget deficit by more than one trillion over
6 ten years. House and Senate leaders have threatened
7 to close these large budget gaps by cutting social
8 safety net programs that help the most vulnerable New
9 Yorkers. The Mayor has responded clearly to these
10 actions. We will work closely with you, and our
11 allies in the Assembly, State Senate, U.S. House and
12 U.S. Senate to stop cuts or shifts that put New
13 Yorkers at risk. We will also continue to act as good
14 stewards of the city's finances. This means that in
15 the executive budget we make cautious revenue and
16 debt service estimates, maintain record levels of
17 reserves, continue the savings plan and make
18 strategic investments. In light of the ongoing
19 uncertainty, we set aside one billion in general
20 reserves, 250 million in the capital stabilization
21 reserve for each of the financial plan years. The
22 Retiree Health Benefits Trust Fund is at 4.25
23 billion, 3.5 billion added as a result of actions
24 taken by this administration in partnership with the
25 council. Our savings plan remains strong. In February

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1
2 the Mayor asked OMB to find 500 million in savings in
3 the executive budget. We exceeded that goal
4 substantially finding 754 million dollars across
5 fiscal years 2018 and 2019. 123 million of this
6 savings is related to the partial hiring freeze and
7 hiring delays, which have generated 421 million in
8 savings since last year's executive budget. Further,
9 we saved 49 million due to the elimination of 1,000
10 vacancies across city agencies in the upcoming fiscal
11 year. This brings total agency and citywide savings
12 since adoption across fiscal years 2018 and 2019 to
13 2.1 billion. In addition to citywide and agency
14 savings, we're taking 1.3 billion in annual health
15 care savings due to reductions in employee health
16 care costs. We will continue to work with the
17 Municipal Labor Committee to find savings in this
18 area. Now, I would like to discuss the investments we
19 made in the executive budget. The majority of the
20 spending serves to meet existing obligations and
21 support the administration's prior commitments. New
22 spending goes towards funding investments that expand
23 educational opportunities, make New York City more
24 affordable and enhance public safety. Much of this
25 new spending reflects priorities that we share

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2 including services for homeless youth and education.

3 In fiscal years 2019 we invested nearly 12 million

4 dollars in the Students in Shelter program. This

5 funding supports all students who live in shelters,

6 with a focus on facilities that have a high rate of

7 school absenteeism. This year's funding included an

8 additional 1.6 million to bring the number of social

9 workers at schools with high rates of shelter

10 residents to 52 social workers in total. We deepened

11 our commitment to the Equity and Excellence for All

12 initiative by investing 30 million dollars in the

13 Universal Literacy program so that all children read

14 at grade level by grade... by 3rd grade. This

15 investment will be used to enhance teacher training,

16 double after school reading programs for students in

17 shelters and add literacy coaches at low performing

18 schools. We also invested almost five million dollars

19 to provide anti-bias training to all DOE employees by

20 2022. And, in partnership with the council, we

21 invested 125 million in Fair Student funding to raise

22 the funding floor for more than 850 schools across

23 every school district. This will increase the funding

24 floor from 87 to 90 percent and raise the average

25 level of funding per school from 91 to 93 percent.

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2 Schools can devote these funds to essentials such as
3 hiring more teachers, buying additional classroom
4 materials and expanding after school programming. We
5 are also deepening our support for NYCHA
6 developments, which have suffered from years of state
7 and federal disinvestment. In March of 2018, NYCHA
8 closed 244,000 work orders, 1,000 more than were
9 opened that month. The agency is also making gains in
10 reducing the backlog of non-emergency repairs. To
11 accelerate this process, we are investing 20 million
12 over fiscal years 2019 and 2020 to eliminate the
13 current backlog of 50,000 non-emergency work orders.
14 These funds will be used to make repairs that require
15 skilled trade contractors. These funds will be used
16 to make repairs... oh, excuse me, I'm sorry about that.
17 We will... we also invested three million dollars in
18 fiscal year 2019 to keep 14 NYCHA center... senior
19 centers open. These facilities provide a variety of
20 activities and services including fitness programs,
21 educational trips, and health screenings. In this
22 plan we also committed an additional 3.4 million to
23 help meet the goal of awarding 30 percent of city
24 contract dollars to Minority and Women owned Business
25 Enterprises by 2021. These funds will be used by SBS

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2 to market loans to target communities and expand the
3 city's capacity to offer loan packages. Turning to
4 public safety, we added 41 million dollars to DoITT's
5 cyber command to strengthen our defense against cyber
6 threats and implement security technology across city
7 agencies. In fiscal year 2018 we partnered with the
8 council to invest 28 million dollars in the Crisis
9 Management System, which includes the Cure Violence
10 Initiatives. In the executive budget we invested an
11 additional 1.9 million in Cure Violence. Most of
12 these funds will be used to create a mobile crisis
13 unit in each borough that will respond to shootings
14 in order to reduce street violence. I want to thank
15 you again for the opportunity to testify today. We
16 look forward to continued discussions as we work
17 together to implement the fiscal year 2019 adopted
18 budget. I'm happy to answer any questions you may
19 have.

20 CHAIRPERSON DROMM: Thank you very much
21 and let me just say we've also been joined by Council
22 Member Cornegy and now I'm going to turn it over to
23 the Speaker for questions.

24 SPEAKER JOHNSON: Thank you Director
25 Hartzog for your testimony this morning. As I

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1 referenced in my opening statement the administration
2 has identified 965 million dollars in new needs of
3 spending since the preliminary plan was released in
4 February yet at the same time the administration has
5 claimed that several of our budget response items
6 like Fair Fares were not included in the executive
7 budget because there's not enough funding. How can
8 this be, why can the Mayor and this administration
9 find nearly one billion dollars for his priorities
10 but no funding for a program like Fair Fares that for
11 so many people can mean the difference between going
12 or not going to doctors' appointments, school, or job
13 interviews? Given the Mayor's description of the
14 budget as one that will make New York City the
15 fairest big city in America shouldn't this program be
16 at the top of the list to fund and before you answer
17 the question I hope you won't say as the Mayor said
18 that he doesn't want to provide additional funding to
19 the MTA, this is not a program to fund the MTA, this
20 is a program to help some of the neediest New Yorkers
21 have a shot of making it day by day in New York City.
22 So, if you could please explain why 965 million new
23 need spent but a program we believe would help make
24

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2 us the fairest big city in America got no
3 consideration in this executive budget?

4 MELANIE HARTZOG: So, Speaker you've
5 actually touched on a couple of different topics
6 within your question to me so let me start at the top
7 and make sure I get to all your questions. So, the
8 first thing I wanted to address is the growth and the
9 budget, since the June adopted condition, the budgets
10 grown in comparison of '18 to '19 by four and a half
11 percent, it's in line with previous year's growth
12 when you compare adoption to the executive budget
13 condition at this point in time which has ranged
14 between 3.3 percent to 4.7 percent, so this is in
15 line with that growth. The major areas of growth are
16 in labor, this is related to the collective
17 bargaining agreement, when we came into office there
18 were no contracts in place that growth is a result of
19 that, debt service that's on all of our capital
20 projects which I think the council also prioritized
21 as well and education. The vast majority of the
22 spending that you noted within... added to this
23 executive budget is really by and large about
24 government operations continuing to run. A couple of
25 examples of that, 20 million dollars added to the

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1 summer jobs program to support minimum wage, 13.6
2 million for the snow budget adjustment that we must
3 do as per charter, 20 million dollars in add..
4 indignant defense contracts, this is to provide legal
5 defense to those who cannot afford, 40 million plus
6 in cyber security, 26 million dollars for the Board
7 of Elections, there are three election cycles coming
8 up, funding to support IT projects in various
9 agencies. The spending that is discretionary we have
10 done in, in partnership with the council, 125 million
11 dollars for Fair Student Funding. In reading the
12 council's response which I did read although don't
13 quote me on page per page which numbers, but I did in
14 fact read it, we have actually reflected over 500
15 million dollars in we believe the expense items that
16 you also prioritized..

18 SPEAKER JOHNSON: Are, are you including
19 unfunded mandates that we called for be.. for there to
20 be accurately included?

21 MELANIE HARTZOG: I am including those.

22 SPEAKER JOHNSON: Well I would not
23 include those since they were mandated on us so
24 that's... [cross-talk]

25

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1
2 MELANIE HARTZOG: Yeah, we had no choice
3 but to fund them... [cross-talk]

4 SPEAKER JOHNSON: Exactly... [cross-talk]

5 MELANIE HARTZOG: ...they are included...
6 [cross-talk]

7 SPEAKER JOHNSON: ...so we were asking for
8 an accurate... [cross-talk]

9 MELANIE HARTZOG: ...appreciate... [cross-
10 talk]

11 SPEAKER JOHNSON: ...budget... [cross-talk]

12 MELANIE HARTZOG: ...we appreciated you
13 also supporting and also working in Albany with us to
14 ensure that we as much as possible could get the
15 funding, you did help us get some of that funding
16 restored so we didn't have to deal with those cuts
17 but we unfortunately had to include them but in
18 addition to that it also included Students in
19 Shelter, it included our Healing 2.0 initiative, it
20 included energy subsidies for the culture
21 institutions, NYCHA senior centers, SYEP was another
22 area of priority for you so there was in fact... and of
23 course the Fair Student Funding, 125 million so there
24 were areas that we did in fact respond to the
25 council. On the Fair Fares piece, we want to be

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2 really clear about this, the Mayor has always
3 supported Fair Fares and a year ago when he released
4 a plan overall, he included Fair Fares and he also
5 talked about a dedicated funding stream being
6 critical and not just for Fair Fares but to support
7 the MTA. The MTA's costs both operating capital are
8 continuing to grow relying just solely on the city to
9 continue to finance those growing... [cross-talk]

10 SPEAKER JOHNSON: This is not about...

11 [cross-talk]

12 MELANIE HARTZOG: ...costs... [cross-talk]

13 SPEAKER JOHNSON: ...the MTA... [cross-talk]

14 MELANIE HARTZOG: ...is overall a... [cross-
15 talk]

16 SPEAKER JOHNSON: ...this is about poor...

17 [cross-talk]

18 MELANIE HARTZOG: ...challenge... [cross-

19 talk]

20 SPEAKER JOHNSON: ...people... it's not about
21 the MTA, it's about poor people... [cross-talk]

22 MELANIE HARTZOG: We are now at a point
23 that we are supporting operating expenses totaling
24 2.1 billion dollars for the MTA. With all of that
25 said we would... we really are supportive of the Fair

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2 Fares, would like to see conversations on a dedicated
3 funding source for that and of course open to
4 conversations with you Speaker and the council at
5 large as we move into adoption as it relates to Fair
6 Fares.

7 SPEAKER JOHNSON: Why, why is the
8 administration willing to subsidize six dollars and
9 60 cents for every ferry ride even without a
10 millionaire's tax?

11 MELANIE HARTZOG: The administration...
12 [cross-talk]

13 SPEAKER JOHNSON: But not willing to
14 subsidize subway service for people living in
15 poverty, individuals making under 12,000 dollars a
16 year and families of four making under 25,100 dollars
17 a year, we're subsidizing six dollars and 60 cents
18 for subway... for ferry rides, every ride, three... less
19 than four million people rode ferries the entire year
20 last year, 1.8 billion subway rides in the city of
21 New York, over six million people take the subways
22 every single day so we make a decision with a 300
23 million dollar additional appropriation on ferry
24 service to subsidize ferries but we... you do not I
25 guess respect the united agreement of this council on

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2 thinking that it's appropriate to use city tax levy
3 to fund Fair Fares to help the poorest New Yorkers be
4 able to survive here in New York City. I don't
5 understand how you can justify subsidizing six
6 dollars and 60 cents for every ferry ride but not
7 helping people living in poverty be able to get on
8 the trains every day, it's not subsidizing the MTA,
9 it's helping poor people.

10 MELANIE HARTZOG: As I said absolutely
11 supportive and open to the conversation on Fair
12 Fares, we do in fact provide subsidy support to those
13 who are on cash assistance through not just city
14 funds but also state and federal funds which makes a
15 very big difference when we think about how to
16 actually finance that which is a growing cost which
17 in Fair Fares today could be at lease 200 million but
18 in two years can be much more because again overall
19 MTA costs are increasing, those costs are passed on
20 to the riders through fares, open to having that
21 conversation as we move into exec but to really
22 sustain this in the long term we need a dedicated
23 funding stream for that.

24 SPEAKER JOHNSON: How much has the
25 budget... how much has the budget grown since the Mayor

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3 took office at the beginning of 2014, what was the
4 budget that year compared to what the projected
5 upcoming fiscal year budget is?

6 MELANIE HARTZOG: I don't have that on
7 me, but we can get it... [cross-talk]

8 SPEAKER JOHNSON: I believe the budget's
9 grown from about 73... approximately 73 billion
10 dollars... yes, here we go, 72.9 billion dollars in
11 fiscal year 2014 up to 88.7 probably getting over 89
12 billion dollars in the adopted budget that's about a
13 17 billion dollar growth, it's hard to understand why
14 with all the increased spending and with how much
15 money the budget has grown we don't see money for
16 reserves, a property tax rebate or any other
17 important things that we asked for in the budget
18 response. Of the 800 million... [cross-talk]

19 MELANIE HARTZOG: I've already... [cross-
20 talk]

21 SPEAKER JOHNSON: ...dollars in personal
22 income, income tax money that came in that you talked
23 about in your opening how much of that do you think
24 is temporary, a one time?

25 MELANIE HARTZOG: If I can just respond
to your first point... [cross-talk]

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2 SPEAKER JOHNSON: Sure... [cross-talk]

3 MELANIE HARTZOG: ...because I want to

4 reiterate that this growth is largely driven by three

5 major areas. The first is the labor settlement, when

6 we came into... this administration came into place we

7 had zero contracts that were actually negotiated,

8 worked extremely hard to get those contracts

9 negotiated and that growth that you see is a result

10 of ensuring that our workforce has wages that are

11 appropriate and supported. The second major area is

12 debt service, as our capital projects, our capital

13 budget has grown for many of the projects that both

14 the council and the administration have prioritized

15 and care about that debt service has grown over time,

16 it's actually financing the projects. And then on the

17 education side that's another area of growth, we have

18 invested a lot in education including the most recent

19 investment in Fair Student Funding those are the

20 three major areas of growth in the chart that you and

21 the growth that I've just talked about in comparing

22 the adopt condition to the current executive budget

23 condition. When we talked about the personal income

24 tax, when we released it as of the executive budget

25 when we talked about the 800 million we believe that

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2 600 million of that is the windfall and about 200

3 million of that is reoccurring in fiscal year '19 and

4 out as of the executive budget forecast.

5 SPEAKER JOHNSON: So, why not put 600

6 million dollars in reserves if it's temporary?

7 MELANIE HARTZOG: We unfortunately had a

8 very significant reduction in state funding and cost

9 shifts that we referenced in and that I talked about

10 which is the 530 million dollars, had we not had that

11 we would have had to make program reductions and so

12 that funding was used, the windfall, to help offset.

13 SPEAKER JOHNSON: So, in your... in your

14 testimony Director you said in light of ongoing

15 uncertainty we set aside a billion dollars in general

16 reserves, 250 million dollars in the capital

17 stabilization reserve for each year of the financial

18 plan, the Retiree Health Benefits Trust Fund is at

19 4.25 billion, 3.5 billion added as a result of

20 actions taken by this administration in partnership

21 with the council, you're talking not about anything

22 in the upcoming budget in the executive plan you're

23 talking about previous amounts of money, there was

24 nothing added on reserves.

25

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1
2 MELANIE HARTZOG: There was nothing added
3 in the executive budget for reserves, the fact still
4 remains that those funds as you just said are still
5 within the budget in '19 and the out years.

6 SPEAKER JOHNSON: So, it's cognitive
7 dissonance for me to hear that we talk about this
8 record length of expansion, we hear every single year
9 that downturns eventually going to come, we hear
10 about federal risks and state risks, we hear about
11 all of these things but then you don't include us
12 putting money aside for when that actually happens, I
13 don't understand that.

14 MELANIE HARTZOG: Just to remind the
15 council during the great recession the most that was
16 set aside in the general reserves was 300 million, we
17 are now at a point in time where we feel very
18 confident about our level of reserves and us guarding
19 ourselves against an economic downturn of having 1.25
20 billion in the general and capital stabilization and
21 4.25 in the Retiree Health Trust which we did more
22 than three billion in partnership with the council.

23 SPEAKER JOHNSONS: So, I mean the, the
24 Chief Economist here is informing me that, that it's...
25 some people say we had 11 billion dollars and we

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2 spent it down before.. when the great recession was
3 hitting so I, I don't know enough about that but I...
4 you know I, I'm not going to get in a back and forth
5 on this but I... but you know our position of, of
6 wanting to include more in reserves and we think that
7 is important. I know that there are plenty of my
8 colleagues that have questions, I have a couple more
9 questions on homeless strategy and on shelter
10 spending reporting but I also want to, you know just
11 reiterate that I, I don't understand why we're in a
12 place where all of the things that we've worked on in
13 previous years together; EFAP, SONYC, COMPASS, SYEP,
14 Universal Meals for Seniors, all of these important
15 things which I think help us make us.. which I think
16 help make us a fair city given the investments, how
17 come we're engaging in some type of dance around this
18 when these are things that we've consistently funded
19 year after year but you all didn't include anything
20 we asked for, the one thing you did include was the
21 minimum wage but that was required by the state on
22 SYEP so I'd like to understand on all the social
23 service stuff that's important to us and you all how
24 come nothing was included besides, besides the
25 minimum wage and, and some of the things that you

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2 identified as things that you did include that we
3 asked for you didn't include in the way that we asked
4 for, you included a certain amount of money but you
5 didn't include it in the programmatic way that we
6 asked for so I'd like to understand that?

7 MELANIE HARTZOG: Speaker the... as I said
8 in reading through the response which I read, my
9 staff read we have included a number of different
10 investments that we have both mutually... you talked
11 about in the response and that we've included in the
12 executive budget. I understand from your perspective
13 that the unfunded mandates and the cost shifts are
14 things that you believe that we had to do, you are
15 right we had to do them, they had to be funded, that
16 funding had to come from somewhere to finance them,
17 we had the windfall that helped us in this one time
18 to do that and including in that or... let's not forget
19 the 254 million dollars to fund the subway action
20 plan which brings our, again I keep saying it but I
21 think it's important to reiterate, the MTA operating
22 expenses that we contribute, the city to more than
23 two billion dollars. We, in fact do not have to fund
24 a by-law, the minimum wage for SYEP, it is required
25 that the providers actually pay it out but we did not

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3 have to fund that, we felt it was important however
4 to fund that because SYEP is a major priority for the
5 council and for the administration, we've worked very
6 collaboratively to baseline 70,000 slots, it is at an
7 all time high and we felt it was a critical
8 importance to make sure that the minimum wage was
9 funded so that we didn't jeopardize slots [clears
10 throat] excuse me... so, again we... I believe that we
11 have funded a number of different priorities as it
12 relates to the council that were put into the
13 response and I know that moving forward we will
14 continue to have conversations as we get closer to
15 the adopted budget.

16 SPEAKER JOHNSON: Well I'll, I'll just
17 repeat that we are deeply disappointed in what was
18 not included, very disappointed what was not
19 included, frustrated. I think there are certain
20 members here who privately and I don't know if
21 they'll publicly express it today feel a level of
22 disrespect given what was included and how we have
23 tried to work hand in glove with you all as it
24 relates to Albany and fending off some of the cuts
25 and securing additional funding and the things that
were important to us were not included. I want to go

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2 to homeless strategy, addressing homelessness and the
3 related programming is not just within the purview of
4 the Department of Social Services, the Department of
5 Housing Preservation and Development and NYCHA have
6 homeless set asides to facilitate shelter move outs,
7 this is coupled with HRA's supportive housing
8 program, one shots to prevent entry into shelter and
9 rental assistance programs however from the council's
10 point of view the citywide strategy of addressing
11 homelessness across several city agencies seems very
12 siloed where each agency has a different approach
13 that does not seem cohesive across the board. From a
14 budgetary standpoint how is it determined what
15 investments to make within each city agency related
16 to addressing homelessness and what factors are being
17 assessed to make these determinations?

18 MELANIE HARTZOG: So, I want to start off
19 by clarifying because again in reading your response
20 there were a couple of numbers that were put in
21 around our efforts particularly to help families and
22 individuals move out of shelter or avoid shelter
23 entirely. The first thing is since the beginning of
24 the administration when we created the Link program,
25 to date as of March 87,000 individuals we've placed

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3 in housing as a result of the creation of the Link
4 program including our other city FEPS, SEPS and other
5 rental subsidy programs. In terms of the affordable
6 housing plan within the Housing 2.0 investment it
7 included 1.9 billion to deepen affordability that
8 creates 10,000 units for those who are extremely
9 vulnerable, very low income. Again, in partnership
10 with the council we launched several plans ago access
11 to counsel to prevent individuals from being evicted
12 from their homes that program is continuing on and
13 ramping up and then on top of that I know Speaker you
14 and I have had conversations about our 15/15
15 supportive housing plan, we are on target, there's
16 more to be done. I don't say all of this because I
17 think that this is the end at all, I think as I've
18 said and we have had conversations about it there's
19 more to be done, we are doing work aggressively with
20 the state to see if we can also expand eligibility
21 for our Link programs which will also help us achieve
22 greater permanency for families and individuals but...
23 so that's just putting all of the prevention and
24 efforts on our rental assistance and housing. As it
25 relates to the homeless re-estimate that you referred
to, we now have about a year, a little over a year of

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2 experience on Turning the Tide, we do believe this is
3 the last significant investment in the shelter budget
4 in order to achieve the initiatives overall goal. The
5 re-estimate reflects three components, I know that I
6 talked about this at the preliminary budget and those
7 components are a change in the shelter composition,
8 the shelter census for the first time in over a
9 decade year to year has remained flat but we have
10 seen a change in more.. less families, more singles
11 and know again Speaker this is something that you
12 have on numerous occasions talked about in terms of
13 the street homeless, the single population making
14 sure that we can do everything that we can and that
15 is partly what we're seeing as a, a shift in the
16 composition and that costs more in terms of housing
17 on the single side versus the families. As part of
18 the Turning the Tide we also talked about closing
19 cluster units that are in poor condition and moving
20 towards more permanency but also replacing that
21 capacity with shelters, the clusters are, are cheaper
22 units, the shelters as you know are higher rates,
23 there's security involved, there's additional
24 staffing, we've made investments there to improve the
25 level of staffing and supports to help families and

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2 individuals move out and the last piece of that that
3 we've talked about in terms of the closing of
4 clusters as we open the shelters over the time of the
5 plan includes also using hotels as the bridge. As
6 I've said those are the major components, you'll not
7 that the value that we're adding in the re-estimate
8 for '19 is less than '18 because we believe that
9 those costs over time will start to change and go
10 down as we are moving out of the clusters, we'll be
11 moving out of hotels, we will have shelters and as
12 I've said our continued efforts on housing and on the
13 rental assistance more to be done.

14 SPEAKER JOHNSON: Does that chart concern
15 you, the level of increase that we've seen, we're up
16 to 721 million dollars that's just in shelter costs,
17 is that a concerning trend and number?

18 MELANIE HARTZOG: I will remind us all
19 about when the Advantage program ended that was a
20 loss of completely rental subsidy programs to move
21 anyone out of shelter, when this administration came
22 on board instituting Link as one of the first steps
23 to actually build back a rental assistance program
24 and since that time we've actually seen a ramp up.
25 There are many challenges that we've talked about as

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2 it relates to affordable housing, as I've said the

3 2.0 investment that we've made most recently to

4 deepen affordability those changes take time, the

5 Mayor announced when we did Turning the Tide that

6 this is not something that's going to be changed

7 around in a matter of a year, it's going to take time

8 to do that and we're committed to doing that and I

9 think that... [cross-talk]

10 SPEAKER JOHNSON: Is that concerning..

11 [cross-talk]

12 MELANIE HARTZOG: ...chart reflects..

13 [cross-talk]

14 SPEAKER JOHNSON: ...or no you're... [cross-

15 talk]

16 MELANIE HARTZOG: ...our time of saying

17 that this is a big.. a challenge that we all

18 recognize, we've made investments that we needed to

19 make in Turning the Tide, we're making investments on

20 the rental subsidy side that's, that is what our plan

21 is.

22 SPEAKER JOHNSON: I understand that but

23 we, we've asked for things in the budget, additional

24 housing specialists, an increase in rate around

25 supportive housing, an increase in voucher amounts to

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2 get people with vouchers, none of that was included
3 in the executive budget so you're spending on
4 homelessness is increasing dramatically which you
5 believe is justified but the things that the other
6 branch of government has called for and we've had
7 multiple oversight hearings and we spent a lot of
8 time working with you all the last four plus years
9 nothing that we asked for, well none of the big
10 things we asked for was included on DHS.

11 MELANIE HARTZOG: Well Speaker I just
12 want to point out again that we in partnership did
13 access to counsel with you, that was a major
14 initiative, it was absolutely about keeping people in
15 their homes, much broader than homeless, it also
16 included vulnerable seniors etcetera but that was a
17 major... [cross-talk]

18 SPEAKER JOHNSON: I just think it's...
19 [cross-talk]

20 MELANIE HARTZOG: ...a major... [cross-talk]

21 SPEAKER JOHNSON: ...another instance of us
22 not being respected in the way that we should be
23 related to what we think is... what we think would work
24 if we invested more money into it and it wasn't
25 included.

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2 MELANIE HARTZOG: Absolutely believe this
3 is a partnership between... [cross-talk]

4 SPEAKER JOHNSON: It doesn't feel like a
5 partnership... [cross-talk]

6 MELANIE HARTZOG: ...the, the council...
7 [cross-talk]

8 SPEAKER JOHNSON: ...if you don't listen to
9 the... [cross-talk]

10 MELANIE HARTZOG: ...and the
11 administration... [cross-talk]

12 SPEAKER JOHNSON: ...partner.

13 MELANIE HARTZOG: I will say that most
14 recently for supportive housing we just increased the
15 rates, rent paid for studio apartments, originally it
16 was about 1,200 or 1,300 and is now going up to 1,500
17 for studio apartments so that reflects the new fair
18 market rent in an effort to boost our move outs on
19 the single side into supportive housing units. As
20 I've said to you there is more work to be done, we've
21 had conversations about this, we want to work with
22 you in partnership over the next several weeks on the
23 supportive housing front. You mentioned rental
24 subsidies and as I said we have been working with the
25 state to make changes to our rental subsidy program,

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2 Link is part of our state homeless plan, any changes
3 that we make have to be done through the state, there
4 are several changes that we're seeking to do that we
5 know the council also wants to do one of which is
6 expanding eligibility of course targeted to specific
7 individuals and families but that is one thing we're
8 seeking to do. The other that the council I believe
9 was in your response was looking at the fact that
10 after five years of Link there is a drop off, we want
11 to make sure that people do not fall off of a cliff
12 after five years and so we're looking at that piece
13 as well because while we can move people out we want
14 to keep them stably housed. There's a number of
15 different pieces we've been working on with the state
16 and in conversations with related to our overall
17 homeless plan.

18 SPEAKER JOHNSON: Well I think we should
19 be part of those conversations as well.

20 MELANIE HARTZOG: Happy to have you being
21 part of those conversations.

22 SPEAKER JOHNSON: The fiscal 2019
23 executive budget added yet another 270... 207 million
24 dollars for shelter re-estimate for the remainder of
25 2018 and 256.2 million dollars for fiscal '19 and in

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1
2 the out years, this funding for shelter is in
3 addition to the 169 million dollars in baseline
4 funding added to the preliminary budget. When
5 compared to the fiscal 2018 adopted budget total
6 shelter budget for fiscal 2018 is now 1.82 billion
7 dollars, let me say that again, 1.82 billion dollars,
8 an increase of 19 percent and 1.77 billion dollars
9 for fiscal 2019, an increase of 24 percent. Before
10 the council passed the recent budget modification an
11 MOU was drafted, and the administration agreed to
12 provide routine data on shelter spending at the time
13 of each financial plan is released in order to
14 analyze shelter spending and in fact the Finance
15 Division staff here at the council have met with the
16 Department of Social Services budget staff to discuss
17 specifics which we're happy about. As part of this
18 MOU the council would like to sit down with OMB to
19 create a monitor's package for shelter spending that
20 allows us not only to track spending across each
21 financial plan but also includes data on shelter and
22 hotel utilization rates, the populations served,
23 contract spending, and the phase out of cluster
24 sites. Could I get a commitment from you today that
25 your staff sit down with the council finance staff to

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3 create this monitors package before the budget is
4 adopted?

4 MELANIE HARTZOG: I want to just remind...
5 we, we do sit down with council finance, my staff
6 goes through and provides an overview of what's in
7 it, understand that's not the same as a monitor's
8 report that you're asking for, happy to have a
9 conversation about what we can provide and produce as
10 part of an ongoing and in, in transparency as it
11 relates to your efforts to be able to see and gain
12 better insight into homeless spending.

13 SPEAKER JOHNSON: So, you... so, you would
14 agree to do that to... [cross-talk]

15 MELANIE HARTZOG: I'm happy to have a
16 conversation about what we can do and provide that
17 again will... [cross-talk]

18 SPEAKER JOHNSON: Well what are the
19 concerns... [cross-talk]

20 MELANIE HARTZOG: ...meet the goal... [cross-
21 talk]

22 SPEAKER JOHNSON: ...around not providing
23 the information... [cross-talk]

24 MELANIE HARTZOG: ...I have no concerns I
25 just don't know what the details are that you're

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2 asking for, I, I don't have that with... we... my
3 finance... my staff haven't had the conversation, I
4 want my staff to speak with yours, the council
5 finance to get a better understanding of what you
6 need and again believe in transparency, believe that
7 you need to see and better insight.

8 SPEAKER JOHNSON: Okay, I know that Chair

9 Dromm is going to ask about the citywide savings
10 program, you heard in my opening that I, I think that
11 a partial hiring freeze of a thousand head slots...
12 head slots and I think the, the re-estimates around
13 debt re-financing is not in my... in my opinion real
14 citywide savings and that given the budget has grown
15 enormously I think that we should actually have an
16 agency by agency meaningful programmatic savings
17 program and I haven't seen that as the budget has
18 grown tremendously so that's a conversation that we
19 look forward to having. So, it's my understanding
20 that tomorrow as you mentioned we're having a, a
21 hearing with Chair Gibson and Chair Dromm on the
22 capital budget and I'm disappointed to learn that
23 you're not going to be able to be here, is there... but
24 you were here at the preliminary budget hearing from
25 that subcommittee, is there a particular reason why

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3 you aren't going to be here tomorrow to testify in
4 front of the Finance Committee and this council on
5 the capital budget?

6 MELANIE HARTZOG: I was pleased to be at
7 the first hearing to hear directly from the Chair
8 about what the priorities are of the council and we
9 share those priorities. In less than 30 days or just
10 about 30 days myself and Ken and the staff here at
11 OMB with the agencies have met two significant goals
12 on the capital budget front. The first is taking down
13 about... rescindments, six billion dollars, one of the
14 major concerns of the capital was... or of the council,
15 excuse me, on the capital budget was that our
16 appropriations compared to our commitments and the
17 second was actually making sure that we were
18 reflecting the capital budget accurately as projects
19 were flowed properly meaning that the budget was not
20 frontloaded... [cross-talk]

21 SPEAKER JOHNSON: We're, we're really
22 grateful... [cross-talk]

23 MELANIE HARTZOG: ...working very hard...
24 [cross-talk]

25 SPEAKER JOHNSON: ...for all that... [cross-
talk]

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2 MELANIE HARTZOG: ...to those two things in
3 the last 30 days to get that reflected in the
4 executive budget, believe there's much more to be
5 done and happy to work on it. We have a total of six
6 hearings for this session including three for the
7 executive budget, prior to that I believe in the
8 prior we've had four, I will be back I believe in May
9 24th is it to do the executive budget once again,
10 this will be the second time that I will be
11 testifying on the executive budget on expense and I
12 believe capital will be covered at the hearing on the
13 24th so there's another opportunity for the council
14 to hear from me again after having heard from all of
15 the agencies, Ken is prepared, has worked very
16 closely with me and the team at OMB to get us ready
17 for the capital budget and what you see reflected in
18 the executive budget and was part of the major
19 accomplishments that we made again in response to the
20 council within the capital plan.

21 SPEAKER JOHNSON: Is there a particular
22 reason why you're not going to be here tomorrow?

23 MELANIE HARTZOG: Again, there are six
24 hearings this session overall, I have been and...

25 [cross-talk]

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2 SPEAKER JOHNSON: That's, that's not a
3 lot... [cross-talk]

4 MELANIE HARTZOG: ...will be at four and
5 last year there were four, so I have been, will
6 continue to be, have worked as we've said on all of
7 the priorities that needed to happen that you
8 prioritized around the capital plan... [cross-talk]

9 SPEAKER JOHNSON: Well I... [cross-talk]

10 MELANIE HARTZOG: ...that we also share.

11 SPEAKER JOHNSON: ...I, I look forward to
12 hopefully having an offline conversation with you
13 about this and I will have a conversation with the
14 Mayor about this, this is unacceptable from my point
15 of view, you are the Director of the Office of
16 Management and Budget, we are always happy to talk to
17 your wonderful staff and we think Ken is great but we
18 expect you to be here, that is our expectation and I
19 believe this council is allowed to compel people to
20 be here but we've never done that because we've had a
21 relationship where, where we've asked for
22 Commissioners or people to show up that has happened
23 so I am deeply disappointed and I don't find it
24 acceptable for you not to be here tomorrow because of
25 the size of the capital budget, I'm very grateful for

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2 the changes you made, I'm going to say that tomorrow
3 at that hearing that I'm grateful for the work that's
4 been done with us on the capital budget thus far, I
5 feel better about that part than I do about the
6 expense budget but I am very unhappy that you are not
7 going to be here tomorrow and we would be happy to
8 schedule it another time in the near future that
9 would work for your schedule because of how important
10 we think it is that you be here tomorrow. With that I
11 will turn it back to Chair Dromm.

12 CHAIRPERSON DROMM: Thank you Speaker
13 Johnson. We have been joined by Council Member
14 Rosenthal, Council Member Constantinides, Council
15 Member Lander. Let me start off by going to an issue
16 that the Speaker was addressing earlier. Between
17 fiscal '05 and fiscal '17 transfer tax collections
18 doubled, at that time the administration and the
19 council thought that the rate of collection wasn't
20 sustainable, so they saved much of this windfall and
21 as a result more than doubled the city's reserves and
22 you can see that 11-billion-dollar mark there
23 starting in 2008, falling and then somewhat returning
24 to a high of 8.4 billion dollars. Needless to say, in
25 '09 and '14... through '14 people were glad that the

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2 reserve was there and that we were able to avoid a
3 catastrophe, what do you think of this example and is
4 it a good way to, to treat windfall reserves?

5 MELANIE HARTZOG: Okay, so I think this
6 probably requires an offline conversation to
7 understand, this is the first time I'm seeing this
8 chart and I'm more than happy to have a conversation
9 about it but as I understand it the fiscal year 2008
10 included pre-payments and debt deficiencies as part
11 of the reserve which we no longer do, beyond that I
12 couldn't explain the, the variance of the details of
13 that but I'm happy to have a conversation with you
14 off, offline, as I'm saying this is the first time
15 seeing this chart.

16 CHAIRPERSON DROMM: Director Hartzog most
17 of the economists here in the city council tell me
18 that in order for the city to be secure and safe that
19 we really need to hit that 11 billion dollar mark,
20 there's been no additional money or... proposed in the
21 budget, do you feel that where we are going to fall
22 now, at about eight billion dollars or so, is going
23 to be acceptable to assure residents of the city of
24 New York that we can protect ourselves from any
25 downfall?

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MELANIE HARTZOG: Respect the question

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Chair and as the Mayor has said and I have said on

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numerous occasions that we feel that the level of

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reserves that we have are sufficient, that they are

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high and the highest they have been and we will

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continue to have those level of reserves and moving

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forward we're open to having conversations about

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growing it but at this point in time we are confident

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about our level of reserves, that's reflected I think

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in the strong rating agencies and the monitors, the..

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and our ratings of our bonds as well. Our ratings,

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our reserves are high.

14

CHAIRPERSON DROMM: So, does the Mayor

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not believe that this is a good use of those dollars

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to invest it in future reserves for the city?

17

MELANIE HARTZOG: The Mayor believes that

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our level of reserves as I've said are sufficient,

19

open to having the conversations moving forward but

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at this point in time we are very confident in our

21

level of reserves.

22

CHAIRPERSON DROMM: Okay, well I look

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forward to having that offline conversation with you

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as well regarding this chart because it clearly

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indicates that we're not at where I feel we should be

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2 at. Let me go to the Fair Student Funding that was
3 allocated last week or the week before. The council
4 understands that the importance of dollars direct...
5 putting dollars directly in the hands of principals
6 is important and we called for a 250 million dollar
7 increase in Fair Student Funding, we commend the
8 administration for heeding the call and putting 125
9 million to raise the Fair Student Funding floor from
10 87 percent to 90 percent and by the way that was
11 something very, very important to me when I was Chair
12 of the Education Committee as well because we know
13 that those dollars go directly into the hands of
14 principals who can use that money for things that
15 they need in their individual schools. My question
16 though is when do you anticipate us getting to 100
17 percent of Fair Student Funding and what will it take
18 if... to get to that level of 100 percent for every
19 school in the city?

20 MELANIE HARTZOG: So, first let me say

21 that I know that you and I have talked about the Fair
22 Student Funding how critical it is both as you as the
23 Education Chair and now in your current capacity
24 Chair. The total cost to get to 100 percent is a
25 little over 600 million dollars, we think that it's

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2 really important and critical that we continue to
3 push for additional state aid to... in order to achieve
4 that, we know that this year that didn't happen but
5 it doesn't mean that we should continue on as if it
6 won't moving forward and we've always talked about
7 the fact that our state aid and the growth in that
8 that we get once we're able to take care of our
9 mandates is then left for us to do on, on Fair
10 Student Funding and so moving forward we really want
11 to make sure that we are working together in Albany
12 to make sure that we get that additional state aid
13 that's needed.

14 CHAIRPERSON DROMM: So, if we don't get
15 the funding from Albany for the CFE funding will you
16 commit to making sure that schools are at 100 percent
17 Fair Student Funding levels by the end of the Mayor's
18 term?

19 MELANIE HARTZOG: The Mayor's always
20 talked about this commitment being over the course of
21 multiple years, I believe it's to get to fiscal year
22 '22 if I'm correct with... now with the point of it, it
23 being about 600 million dollars and that it is tied
24 to our efforts in Albany to get additional state aid.
25 So, the commitment is there to continue to push for

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2 Fair Student Funding, we absolutely want to get to

3 100 percent, can't do it alone, we need to have

4 Albany with us and get additional state aid.

5 CHAIRPERSON DROMM: So, it's about less

6 than one percent of the DOE's budget and we really

7 would like to see a commitment from the

8 administration to ensure that we hit that level by

9 the end of these four years.

10 MELANIE HARTZOG: I understand your

11 position.

12 CHAIRPERSON DROMM: Okay, thank you. In

13 the budget response the council called for 81 million

14 dollars in additional funding for summer youth

15 employment COMPASS, summer SONYC, adult literacy, the

16 school food emergency assistance program, and runaway

17 and homeless youth but no additional funding was

18 added to these programs in the executive budget, it's

19 been the practice of this administration not to add

20 funding for what we consider and I think most New

21 Yorkers would consider vital, vital programs in the

22 preliminary and the executive budget and then we have

23 to call for enhancements to these budgets, this

24 creates a game for us that essentially leaves

25 providers waiting until the last minute to know if

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2 additional funding will be added, it's particularly
3 rough on parents who are trying to plan for their
4 children's summer programs and, and for the programs
5 themselves to know if they're going to be able to
6 offer seats to those children. So, why must this game
7 continue to be played until adoption and... rather than
8 settling this earlier in the fiscal year?

9 MELANIE HARTZOG: This was a really
10 challenging year for us, we've talked about this...
11 [clears throat] excuse me... you know at prelim when we
12 talked about the state budget and now when we're
13 actually seeing what the effects are as we have the...
14 now an active state budget, we're challenged with
15 more than 530 million dollars in cost shifts and
16 unfunded mandates, presented a real challenge for us
17 into the executive budget and we were faced with
18 tough choices to make whether it was reducing
19 programs and again given the unique year in terms of
20 our overall taxes and what they looked like
21 particularly in the personal income tax we were able
22 to avoid having to make those decisions in terms of
23 program reductions. The... so, the... I think that's part
24 of the challenging year that we're having, there's no
25 doubt that we and I said this a couple of time and

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2 I'm going to continue to say it, looked at, read

3 through the council's response and we prioritized

4 including... [clears throat] sorry, my allergies are

5 very bad today... included adding a number of different

6 initiatives that the council reflects as their

7 priorities as do we; Fair Student Funding as I've

8 said, we did include the NYCHA senior centers, I know

9 that the Chair... excuse me, the Speaker was saying

10 that that is not exactly how the council wanted it

11 reflected but we, we believe we have included some of

12 those within it.

13 CHAIRPERSON DROMM: Does the

14 administration understand what confusion this causes

15 in the lives of parents and children who don't know

16 if they're going to have a place to go during the

17 summer months in particular and also for a whole host

18 of the other programs that don't know if they're

19 going to be able to continue to attend those

20 programs?

21 MELANIE HARTZOG: I know that as we move

22 into the adopted budget each of the times that we

23 have it has always been part of our working towards

24 getting programs in place and I think that given the

25 timing we've always been able to make sure that

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2 programs were fully enrolled, that there was in fact
3 continuity of services for parents and for children
4 and for families and communities so I, I think that's
5 been the case as we've been moving towards adoptions
6 over the last several adoptions.

7 CHAIRPERSON DROMM: Well we're... here we
8 are in May and I don't believe that those programs
9 have received notification about what they're going
10 to be doing in the next six weeks.

11 MELANIE HARTZOG: Chair, you know I
12 honestly cannot speak to what the process has been
13 for the agencies in terms of their notification
14 process to programs, I have... I, I don't have any
15 insight into that at this point in time.

16 CHAIRPERSON DROMM: Well I just want to
17 say this is a huge priority for the... for the council...
18 [cross-talk]

19 MELANIE HARTZOG: Understood... [cross-
20 talk]

21 CHAIRPERSON DROMM: ...and I'm sure that
22 other Council Members are going to have follow up
23 questions on this topic, but this is one of deep
24 concern to us in the council. Let me talk a little
25 bit with you about the district attorney's budgets

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2 across the boroughs. In fiscal '19 executive budget
3 includes 4.2 million and 76 additional positions for
4 the five district attorneys and the special narcotics
5 prosecutor, however these budgets were not increased
6 equally over this budget which has continued to
7 contribute to the different budgets across the DA's
8 offices. For example, the Bronx County DA received
9 2.7 million dollars in the executive budget while the
10 Queens County DA received only 250,000 dollars. Now I
11 have some numbers here as well that Queens had a
12 total number of arrests of 57,041 of arrests, Bronx
13 had 64,102 that's 12 percent more than Queens yet the
14 Bronx is getting 33.1 percent more of the funding in
15 your executive budget, can you explain how you came
16 to that decision?

17 MELANIE HARTZOG: So, first I just want
18 to note that since the administration came in the
19 Queens DA budget has gone from 46.8 million to 62.8
20 million, that's a 34 percent increase overall in the
21 Queens DA budget. Yes, it is in fact that the other
22 DAs have increased, you asked in relation to the
23 Bronx DA, there was a significant case backlog there,
24 the Bronx ADAs have a higher caseload and there's
25 also the enhanced, enhanced investigation prosecution

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2 on Rikers Island that's been happening, those are the
3 three factors there that led to an increase for the
4 Bronx DA's office. On terms of the... [cross-talk]

5 CHAIRPERSON DROMM: What is the case load
6 in the Bronx?

7 MELANIE HARTZOG: I'm sorry that we don't
8 have that detail, but we'd be happy to provide it..
9 [cross-talk]

10 CHAIRPERSON DROMM: What about Queens?

11 MELANIE HARTZOG: Don't have it but we
12 can get that to you.

13 CHAIRPERSON DROMM: So, the case load is
14 different than arrests?

15 MELANIE HARTZOG: Yes, that, that was the
16 other point I was just about to make which is you
17 have to look at the actual case load comparisons
18 versus the arrests and happy to provide that
19 information to you.

20 CHAIRPERSON DROMM: Well... [cross-talk]

21 MELANIE HARTZOG: ...for Queens and for the
22 Bronx.

23 CHAIRPERSON DROMM: Moving forward I
24 definitely want to look at this further because..
25 [cross-talk]

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MELANIE HARTZOG: Yes... [cross-talk]

CHAIRPERSON DROMM: ...Queens has always
been shortchanged in terms of the dollars that they
receive despite having a large number of arrests.

MELANIE HARTZOG: Okay, the great
wonderful staff at OMB thank you. The ten cases per
ADA in the Bronx and seven cases in Queens.

CHAIRPERSON DROMM: Okay, well I'm going
to look at that a little bit more closely... [cross-
talk]

MELANIE HARTZOG: Sure... [cross-talk]

CHAIRPERSON DROMM: ...and follow up with
you on that offline as well to see if those numbers
coincide with what we have. And can you give it to us
for all counties as well not just for Queens?

MELANIE HARTZOG: Absolutely, yep.

CHAIRPERSON DROMM: Uh-huh. Okay, so the
last time OMB did a workload analysis to determine
funding levels for the DA was in 2012, since the
criminal justice system has seen significant changes
since 2012 such as the criminal justice reform act or
the impending implementation of Raise the Age
legislation has OMB looked at doing another workload
analysis for the DAS?

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2 MELANIE HARTZOG: We have not at this
3 point in time, it's, it's actually quite a challenge
4 to do that particularly now with Raise the Age,
5 there's a lot of shifts happening as you know. The
6 first phase which is funded in this executive budget
7 for 16-year olds and followed by the 17 year olds
8 what impact that will have on caseloads for the DAs;
9 will there be reductions, does that create
10 efficiencies within, does that create other
11 challenges, it's hard to say at this point in time. I
12 know that Liz Glazer and her team have been having
13 ongoing conversations in... around this issue of how we
14 look at that, but I think it's, it's a bit of a
15 challenge to do that at this point in time, we may
16 need to wait a little bit to actually see what the
17 effects are before we can do a full workload
18 analysis.

19 CHAIRPERSON DROMM: So, what factors does
20 the administration consider when setting the DA's
21 budgets? One of the things that I understand is that
22 the Queens DA's office has more experienced district
23 attorneys, ADAs than other boroughs, is salary a part
24 of the consideration?
25

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2 MELANIE HARTZOG: I can't speak to the
3 Queens and particularly what their level of staff
4 expertise is and how that plays in, I, I can't speak
5 to that at this point in time.

6 CHAIRPERSON DROMM: Was that part of the
7 2012 study do you know?

8 MELANIE HARTZOG: Right, sorry we were
9 just talking about the fact that the caseload
10 analysis or the workload analysis was really tied to
11 actual cases, they're not necessarily about the
12 salaries, it's just particularly about workload.

13 CHAIRPERSON DROMM: Okay, I would urge
14 you to look at that as well as, as, as salaries as we
15 move through this process because... [cross-talk]

16 MELANIE HARTZOG: Yes... [cross-talk]

17 CHAIRPERSON DROMM: ...it would be unfair
18 to, you know not fund more experienced district
19 attorneys with better records, experience at the cost
20 of, of other things.

21 MELANIE HARTZOG: Understood, I know that
22 several of the, the DAs have mentioned the salary
23 parody issue, I've had a conversation with the Bronx
24 DA about this as well as with Liz Glazer and working
25 to look into what the particular challenges are.

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2 Again, I think overall complicated by where Raise the
3 Age is going and what impact that will have and how's
4 that impact the overall staffing and resources
5 within, within each of the DAs but yes.

6 CHAIRPERSON DROMM: Okay. The Speaker
7 said I was going to talk a little bit about the
8 savings program so let me go to that now. In the
9 preliminary budget the council called on the
10 administration to produce a more aggressive citywide
11 savings program with higher savings targets however
12 to date the fiscal '19 citywide savings program of
13 4.7 billion dollars is only 71 percent of the size of
14 the fiscal 2018 program which totaled 6.6 billion
15 dollars at adoption and as has been the prior.. the
16 prior practice the bulk of these savings are re-
17 estimates and accruals rather than what we would
18 consider to be true efficiencies, why don't we see
19 more real cuts? If the Mayor's.. as the Mayor's fond
20 of saying we need to be cautious and prepare for the
21 end of the incredibly long road.. long recovery
22 period, why does the savings program not reflect this
23 rhetoric?

24 MELANIE HARTZOG: So, I'm going to have
25 Ken speak to very specifics about our savings plan

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2 and I'm going to start by saying that we respectfully

3 disagree with the overall representation of our

4 savings plan not being robust and also the various

5 components of it. As part of all of our efforts from

6 adoption to date we've achieved savings of over... a

7 little over 2.1 billion within this plan cycle, the

8 Mayor continues to call upon us to achieve savings,

9 we do so, so through a combination of various savings

10 including efficiencies and in this plan, we're

11 taking down a 1,000 positions in fiscal year '19 to

12 the tune of roughly 50 million dollars. In the last

13 plan cycle we had a number of different efficiencies

14 including efficiencies within the Department of

15 Education related to their staffing, we have taken

16 efficiencies, yes, we've taken debt service as well

17 and refinancing of those but they're all counted

18 towards our savings plan. I can have Ken take you

19 through some of the particulars on our citywide

20 savings program which we continue to build as we move

21 forward, and I would just also reiterate in this

22 executive budget the Mayor charged us with coming up

23 with 500 million, we've over achieved that target,

24 he's continuing to call upon us to achieve savings

25 and we're doing so without having to make drastic

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2 cuts to programs. I don't think any of us would want
3 to do that if we had the choice and we're able to
4 achieve those savings without making those types of
5 decisions.

6 KEN GODINER: So, just to talk a little
7 bit about the program.. [cross-talk]

8 CHAIRPERSON DROMM: Just state your name
9 for the record.

10 KEN GODINER: I'm sorry, Kenneth Godiner.
11 So, in terms of the, the programmatic savings that
12 we've achieved there are... one of the reasons that the
13 numbers will grow over the plan is that these
14 initiatives take time to roll out and achieve scale,
15 we've been working on a number of efficiency programs
16 many of which we've started to implement and started
17 to bear fruit, others which are still just either
18 just being rolled out or are still in the planning
19 stage, there's a long list of initiatives that we've
20 taken but they are certainly in the various core
21 definition of efficiencies. We're, we're, we're
22 looking to essentially do more with less, you know
23 we, we have a fleet optimization program which means
24 we've gone agency by agency and tried to scrub away
25 at where there are excess vehicles, where they can be

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2 more efficiently employed not only have we done that
3 but we've dug down deeper, right, and we've gone
4 into... we have a program to replace many of our... as
5 they come up our hybrid sedans and hatchbacks with
6 all electric vehicles which lowers our, our
7 maintenance costs and obviously limit... lowers our
8 fuel costs and has the bonus of, of being a more...
9 less environmentally impactful. We've, we've explored
10 things like space management so we're out there all
11 the time with the agencies looking at decreasing
12 their footprint, trying to use... utilize underused
13 space, swing space things like that. This is all nuts
14 and bolts stuff about getting in there and saving
15 five and ten and 15 million dollars here and there,
16 we've added... we've added an enterprise print
17 management contract where gang agencies are on board
18 with that, so we have a single contractor who
19 provides the printers, the toner, the maintenance.
20 Like I said and the, the list goes on and on but, you
21 know we've done bigger things like at the DOE, one of
22 the initiatives is we've created and expanded our
23 incentive program to get teachers out of the ATR pool
24 and into classrooms and for those who aren't going to
25 do that to get them to take an exit and leave the

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2 profession so we don't have as many ATRs in the
3 system, we've made progress there, you know there are
4 just... I, I could go on and on, I think we'll, we'll
5 go into... you know a little bit beyond where, where
6 interested but you know that we've... at DOC, right,
7 we're closing the GMDC, I mean and people think of
8 that as part of the Rikers closure but it's, it's
9 part of being efficient, right, we're pushing to make
10 sure to the extent possible where they can close the
11 whole facility as opposed to just shrinking them,
12 there's a lot more savings when you close an entire
13 facility than when you just... when you... when you
14 shrink it because there's so many people you need to
15 have on board as long as you have one person staying
16 in that facility. So, I'm not going to, to bore the
17 council further but, you know I think that that's the
18 flavor of what we're doing and, and we, you know are
19 dedicated citywide, the savings task force works
20 tirelessly on this as well as the entire OMB expense
21 analyst team who's always out there pushing their
22 agencies and you know you could see we had great
23 success, far exceeding our 500 million dollar target
24 by almost 50 percent and you know as we progress
25 savings continue to grow.

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2 CHAIRPERSON DROMM: Alright, well there..

3 I had more questions but what I'm going to do is I'm
4 going to move on to my colleagues and allow them to
5 ask some questions, let me start off with Council
6 Member Matteo followed by Van Bramer and Gibson.

7 COUNCIL MEMBER MATTEO: Thank you Chair

8 Dromm. Director, I mean I, I, I think the Speaker set
9 the tone, I think you're going to hear a lot of
10 frustration, disappointment in the budget, I'm, I'm
11 extremely frustrated, disappointed, I believe
12 spending is way too high, I, I believe the revenues
13 aren't adequate. My concern is as we get through the
14 upcoming years that without adequate revenues this
15 administration and the future administration may look
16 to the tax payer to close those, something I
17 obviously will fight against but... you know and I'm
18 also, also very disappointed that we don't have the
19 property tax rebate included in the executive budget,
20 Ever since I've become Minority Leader on the Finance
21 Committee we've been talking about property taxes,
22 we've had some success, last year we passed the
23 veterans property tax working together but middle
24 class homeowners that I represent, middle class New
25 Yorkers I feel frustrated that they're not a part of

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1
2 this budget, property tax revenues soaring it's up
3 more than 22 percent in the past four years, it's
4 projected to go up even more between fiscal '17 and
5 '22 and we need to ensure the middle class is at this
6 budget table and is this the, the cure all, a
7 property tax rebate, absolutely not. The long-term
8 solution is property tax reform and we look forward
9 to working with you in the administration and the
10 commission. The real answer for me is reducing
11 property taxes so I've never been shy of saying
12 that's always been my, my priority is reducing
13 property taxes, I understand the realities, I
14 understand that's not going to happen with this
15 administration and this budget, but we can put in a
16 property tax rebate to give struggling middle class
17 homeowners or property owners some relief. They are
18 putting up to 27 billion dollars in this budget and
19 they deserve... they deserve relief. We've had some
20 examples of some relief where we helped last year, I
21 mentioned the, the veteran's property tax exemption,
22 you did the 180 dollar credit so I, I think at some
23 point you, you sense that middle class, homeowners,
24 property owners need relief, it's extremely
25 frustrating that we're offering a middle ground here

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1
2 albeit it a temporary middle ground to help them so
3 it's frustrating when my constituents constantly call
4 my office, email me thinking they're not part of this
5 budget, you know it's not about can't, we can, it's
6 about want and priorities and.. the majority of the
7 members of this council joined me in sending a letter
8 to the administration that we'll release today
9 talking about that we want the property tax rebate
10 and most of them have been here already at, at.. on
11 this committee so, you know moderate, low income
12 homeowners are, are.. need property tax relief given
13 the high taxes they face. So, I'm, I'm asking you in
14 the administration to, to negotiate with us and to
15 have an open mind that when we move forward that we
16 need to include this in the budget and I'm asking for
17 that commitment from you now.

18 MELANIE HARTZOG: So, thank you for the
19 question, clearly, we are all in agreement that
20 overall a couple of things need to be accomplished
21 around the property tax, the Mayor has made it very
22 clear that the best way to approach this is to have a
23 long-term strategy that achieves greater transparency
24 and a fairer system and that is most critically
25 revenue neutral. I think the challenge with the

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2 rebate is that it is.. it is costly, it is not revenue
3 neutral and the biggest concern is what happens when
4 it goes to Albany. I think that we have seen in the
5 last state enacted budget, you've heard me say this a
6 couple of times today Council Member that we wound up
7 having to basically deal with 500... a little over 530
8 million dollars' worth of cuts and cost shift, the
9 fate of what would happen to a rebate is unclear and
10 we think that the best way to approach this is
11 through the property tax commission and look at a
12 long term solution to it. I want to also just clarify
13 that the point that you raised around the property
14 tax revenues increasing within our budget that is not
15 a rate increase, it's not a rate adjustment, that is
16 reflecting the market, the assessed values increasing
17 and I do not want to take away from the fact that we
18 absolutely agree that we need to have transparency,
19 more transparency and a fairer system and the best
20 way to do that is through the commission.

21 COUNCIL MEMBER MATTEO: So, Chair if I
22 could just respond. So, the point of the increase in
23 the reality is it's, it's increasing I understand
24 the, the point but it's coming out of our, our
25 constituent's pockets. In terms of Albany, you know

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2 we've had some... last year we announced an expansion

3 of the senior, disabled, homeless exemptions even

4 though the, the... they haven't authorized it yet,

5 we're working with the state to, to, to make this

6 happen as well. I agree with you on the long term, I

7 think where we're disagreeing is that we don't... I

8 want to do something, and I think a majority of the

9 council members want to do something now, the long

10 term is very long term that's not going to provide

11 any relief and I don't think it's wrong to put money

12 back into our constituent's pockets that are going to

13 go back into the economy, help them pay off some

14 debt, they deserve... I mean the... putting in 27 billion

15 dollars into this budget it's time for this council

16 to act and while we're working on the long term we

17 need to... we need to act now, focus on our

18 constituents and give... put some money in their

19 pockets, thank you.

20 CHAIRPERSON DROMM: Okay, thank you,

21 Council Member Van Bramer followed by Gibson and

22 Powers, Koslowitz.

23 COUNCIL MEMBER VAN BRAMER: Thank you

24 very much. Director I was a little surprised when

25 this chart came up on shelter spending when the

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2 Speaker asked if you were alarmed I don't recall you
3 saying that but I would just say going from 46
4 million to 721 million dollars in this short period
5 of time is shocking and far from turning the tide
6 this administration is riding a wave of out of
7 control spending on hotel rooms and that is the
8 reality of this chart, that is the reality of what I
9 see here in this budget and, and I say that because
10 on the flip side of our council's presentation is the
11 other chart that you saw on Fair Fares and the fact
12 that 12 percent of annual income is spent on metro
13 cards for individuals at the federal poverty level,
14 34 percent of low income New Yorkers are unable to
15 look for or take a job further away from home and
16 what I find shocking is I think that, that they're
17 related and I would imagine the administration would
18 be very sensitive to this because there are so many
19 folks who are not yet homeless but of course who are
20 struggling, who are really fighting hard to afford
21 the apartments that they live in and 12 percent of
22 your income on a metro card could be the difference
23 between making the rent or not making the rent. As
24 you know there are many families in New York City who
25 are living like that and so it's shocking to me that

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1
2 both we're out of control spending on hotel rooms and
3 then the administration is not supporting Fair Fares
4 when we know that it would make such a difference in
5 the lives of so many people who are really struggling
6 to maintain a home, to maintain an apartment, to pay
7 the rent and, and avoid homelessness in the first
8 place and so I guess I, I would ask you why aren't we
9 prioritizing more things that might actually both
10 prevent homelessness in the first place but then also
11 serve those, you know we talk about education but the
12 truth is there's a request here the council believes
13 strongly in, in library and cultural funding and of
14 course we know that when folks experience libraries
15 and culture there are better outcomes altogether so
16 that funding is a drop in the bucket really, a
17 rounding error but when we have this out of control
18 spending we're not able to do some of the other
19 things that I think are important so I guess I would
20 ask you why aren't we funding Fair Fares when we can
21 because there's no doubt that we can do that if
22 there's the political will to do that obviously it's
23 a big priority for this council but right now the
24 Mayor is not agreeing to do that instead talking
25 about the millionaire's tax which of course I support

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2 but the truth is we can do it, we could do it right
3 away, we could alleviate the burden on all of these
4 folks in the city of New York but you're not yet
5 doing it.

6 MELANIE HARTZOG: Council Member you

7 addressed a number of different issues so I'm going
8 to start at the top and make sure that I can get to
9 each of them. What I said in reference to the charter
10 on homelessness is that we also need to keep in mind
11 that this administration came in at a time where
12 Advantage which was the primary rental assistance
13 program ended and was dealing with the challenge of
14 the affordable housing challenge in the city, the
15 ending of the rental assistance program and I want to
16 remind us all that we have a mandate to a right to
17 shelter in the city and so those things combined
18 immediately we implemented the Link program, to date
19 87,000 individuals have moved either prevented
20 homelessness or moved out, we deepened our Housing
21 2.0 program but... adding 1.9 billion to deepen
22 affordability to catch the most vulnerable New
23 Yorkers on top of what we had already been doing, we
24 worked in partnership with the council around access
25 to counsel to implement that to prevent evictions and

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2 most recently we talked about today as well the
3 supportive housing initiative. Again, want to
4 reiterate that that's not the end there is more to be
5 done, as I said to the Speaker we're working on
6 Commissioner Banks as well looking to expand our
7 eligibility for rental assistance targeting more
8 families and individuals to help with us on the move
9 out front. So, that's... and that is combined with the
10 fact that we talked about the Turning the Tide, the
11 Mayor made it very clear that this is a long term
12 plan and a strategy and that it's going to take time
13 for us to in fact be able to get to a point where
14 we're reducing the census in a significant way and we
15 announced that, hasn't... and we never said it was
16 going happen tomorrow but again always clear that
17 there is more to be done on the prevention and the
18 move outside and then I believe that we are doing
19 that and working aggressively as I said with the
20 state to do more. On the libraries and cultural I
21 think I highlighted, will do it again, we added one
22 million dollars for the cultural institutions for
23 their energy costs into the baseline, I know that had
24 been a priority for the council, it was only for the
25 larger institutions and that was added to it and on

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2 the capital side and I know Ken is going to talk
3 about this tomorrow but we have been able to make
4 some movement on the easing, the capital challenges
5 that a lot of the institutions had in accessing those
6 funds.

7 COUNCIL MEMBER VAN BRAMER: I'll just
8 very quickly respond the roughly 31 million in
9 expense that would actually go a long way to keeping
10 and sustaining service then also for our cultural is
11 a rounding error so the one million dollars that you
12 talked about baselining in this budget is like a
13 ridiculous rounding error so we have a long way to go
14 when it comes to really supporting cultural and the
15 arts but let me just say again because you didn't
16 really address the Fair Fares question and, and yet
17 you talked about the things that you're doing when it
18 comes to the Turning the Tide although I don't see
19 the turning in the tide but I think what we have to
20 do is do more like Fair Fares which actually will
21 actually meet the needs of so many New Yorkers who
22 are struggling to pay the rent to avoid being
23 evicted, to avoid slipping into the system and we
24 have that ability to do that now, there is money
25 available now, clearly this administration finds a

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2 lot of money when it wants to, you can agree with us

3 today for Fair Fares and do it in the city budget

4 instead of talking about the other ways that you

5 might want to achieve it, it can be done, it only

6 requires the political will of the Mayor to agree

7 with us now of course we'll negotiate a budget and I

8 believe this is going to be a real important sticking

9 point but you could say right now the Mayor actually

10 wants to help these families and get it done right

11 now in this budget and agree with the council.

12 MELANIE HARTZOG: Council Member the

13 Mayor's supported Fair Fares, as part of the plan

14 that I mentioned he released more than a year ago

15 that talked about the fact and this has not changed

16 not... and I will say it again, you're going to hear me

17 say it a number of times today that we do need a

18 dedicated revenue source to support Fair Fares and

19 overall the MTA, right now we're looking at 2.1

20 billion dollars in operating costs from the city

21 directly to the MTA, those costs are growing, the

22 subway action plan and being imposed with 254 million

23 dollars in operating expenses is a great challenge

24 continuing to sustain that while having Fair Fares in

25 addition to that which will also grow, right, the

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2 estimate now is around 200 million, I know the
3 council's a little less but as those fare increases
4 happen they're coming from the fact that the MTA's
5 operating expenses maintaining the subway system is
6 growing so we need to have a dedicated revenue source
7 for that. With that said open to having those
8 conversations as we move towards adoption and also
9 noting that part of what I mentioned is the... we do,
10 do is currently for the cash assistance population
11 and we're able to provide some support for
12 transportation, metro cards etcetera but that is done
13 in... right, being able to leverage state and federal
14 funding and I think that's the critical piece which
15 is it, it cannot be just a city expense when in fact
16 it's an ongoing cost.

17 COUNCIL MEMBER VAN BRAMER: I'll just say
18 in closing I'm disappointed as are so many of my
19 colleagues and the Speaker and the Finance Chair in
20 your response to our budget and this is part of our
21 disappointment.

22 CHAIRPERSON DROMM: Thank you, Council
23 Member Gibson followed by Powers, Koslowitz and then
24 Treyger and others.

25

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2 COUNCIL MEMBER GIBSON: Thank you so much

3 Chair Dromm and good afternoon, thank you so much for

4 being here to our Director. I want to certainly echo

5 the sentiments of our Speaker and many of my

6 colleagues who have spoken just in expressing my

7 disappointment. We either have a, a failure to

8 communicate or really understand the real needs of

9 New Yorkers and when the city council and council

10 finance worked extremely hard to put together our

11 budget was... response it was with the understanding

12 that these are the programs we believe and our

13 constituents believe are going to make a real impact

14 and so I speak on behalf of my residents in the Bronx

15 which use mass transit and not ferry service and so

16 Fair Fares is something they support, all of my

17 homeowners and co-op and condo owners are absolutely

18 supportive of a property tax rebate of some sort and

19 so we speak in one chorus about making sure... it's

20 outrageous that we are adding 965 million dollars of

21 which only 25 percent are unfunded mandates that we

22 have to pay for so we shouldn't claim credit on

23 unfunded mandates when we have no choice but to pay

24 for them but rather 75 percent of that are add-ons and

25 re-estimates and other agency additions that are

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1
2 important but New Yorkers do not feel it so when my
3 constituents are talking about property tax rebate,
4 Fair Fares, adult literacy, COMPASS, SONYC, EFAP food
5 programs, summer youth all of the things that will
6 make an impact on their everyday life and it's
7 important that we are making this declaration because
8 we don't want to wait until budget adoption for
9 community organizations to understand how many slots
10 they're going to get and so a lot of the programs
11 that this council has worked hand in hand with the
12 administration on we are repeating ourselves year
13 after year because they're not being baselined so of
14 all the programs that I talked about including
15 childcare vouchers, salary parody for the Bronx DAs I
16 should be pleased that the Bronx DA is getting a lot
17 of attention but certainly the other DAs need equal
18 attention as well and so I want to make sure that
19 goes on the record but I applaud the 1.6 million that
20 we're adding to students in temporary housing but
21 it's not enough. The number of students in temporary
22 housing has grown about 25,000 students probably much
23 more than that, many of them are in my district in
24 school district nine and what I'd like to understand
25 is in your testimony you talked about expanding to 52

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2 schools that have the highest rate of shelter

3 student, I don't know what highest rate means because

4 I know that we have a, a significant number

5 throughout district nine and other districts that

6 have a high concentration so I wanted to understand

7 where those numbers are going and then I also wanted

8 to make reference that on Fair Student Funding which

9 I appreciate that the administration agreed with us

10 but all credit to Council Member Mark Treyger who led

11 the conversation and essentially forced this

12 administration to understand what FSF was and that we

13 needed it in the budget but students in temporary

14 housing are not included in the formula for FSF and

15 that is something that we need to work on because

16 schools that could be at 100 percent today but have a

17 high concentration of students in temporary housing

18 are not getting additional money so where are we with

19 this population, how many schools are we going to

20 achieve and the literacy program that you talked

21 about will that have an overlap in the same schools

22 as well? That's a lot but essentially just two

23 questions.

24 MELANIE HARTZOG: There, there were two

25 questions... [cross-talk]

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COUNCIL MEMBER GIBSON: Just two.

3

4

MELANIE HARTZOG: Okay. How about we
start with FSF and the... [cross-talk]

5

COUNCIL MEMBER GIBSON: Yes... [cross-talk]

6

7

MELANIE HARTZOG: ...formula, okay... [cross-
talk]

8

COUNCIL MEMBER GIBSON: Yes...

9

10

MELANIE HARTZOG: So, the FSF formula
actually takes into consideration a number of
different factors; poverty, English language
learners, special education and academic performance...

11

12

13

COUNCIL MEMBER GIBSON: Anything else?

14

15

MELANIE HARTZOG: Those are the major
components of it.

16

COUNCIL MEMBER GIBSON: Okay.

17

18

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20

21

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23

MELANIE HARTZOG: When you think about
the overlap of the homeless children within those
categories you're actually capturing that so that's
the formula. On the students in temporary housing in
my testimony when I talk about the 52 it's actually
social workers, the total of social workers not
schools. The actual targeting... [cross-talk]

24

25

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2 COUNCIL MEMBER GIBSON: Alright, no I
3 knew that, I'm sorry if I didn't make that clear,
4 social workers, right.

5 MELANIE HARTZOG: Great. We can actually
6 get you the breakdown of the schools, the way that
7 the formula is... DOE uses a formula that looks at the
8 concentration of homeless students to actually
9 determine which schools to actually target but we can
10 get you that list.

11 COUNCIL MEMBER GIBSON: Okay, so there
12 will be an overlap with literacy services as well,
13 will that mean more services in these schools?

14 MELANIE HARTZOG: I don't... so, you're
15 talking about the universal literacy program?

16 COUNCIL MEMBER GIBSON: Correct,
17 universal meaning everyone?

18 MELANIE HARTZOG: The, the, the expansion
19 in this plan is actually targeting a number of
20 different schools those that are low, low performing
21 and then you have the expansion of the literacy
22 program after school for the homeless students, but
23 we can definitely get you the list and.. so you can
24 see the, the, the overlap.

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2 COUNCIL MEMBER GIBSON: Okay, thank you.

3 Well my time is up but certainly we will keep
4 working, the fact that my constituents are asking me,
5 and I don't have answers means that I'm not happy
6 with this administration and we have much more work
7 to do to make sure that the city council's priorities
8 are reflective in this final budget, so I thank you
9 and thank you Chair Dromm.

10 CHAIRPERSON DROMM: Thank you, Council
11 Member Powers.

12 COUNCIL MEMBER POWERS: Thank you and
13 thank you for staying here and, and answering all the
14 questions. If... a topic we've talked a lot about, I'm
15 going to just keep following up on for Fair Fares.
16 The... I know that the, the, the message today and the
17 message previous has been not funding the MTA. I, I
18 think Fair Fares actually mirrors other programs in
19 the city where we are... we are providing reduced fare
20 metro cards or free metro cards to other groups. I
21 want to just ask a couple questions on that. Do... for
22 seniors do we pay for that, the metro cards?

23 MELANIE HARTZOG: We do pay for a portion
24 just as I mentioned on the cash assistance population
25 we do pay for a portion.

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2 COUNCIL MEMBER POWERS: You pay for a
3 portion... [cross-talk]

4 MELANIE HARTZOG: ...there's... [cross-talk]

5 COUNCIL MEMBER POWERS: And the cash
6 assistance would be for like job train... like if you
7 go... if you're doing job training program in the city
8 we provide you a metro card?

9 MELANIE HARTZOG: It's for job training,
10 it's for other instances where an individual,
11 individual may need transportation. I also didn't
12 mention that we provide transportation services in
13 addition to metro cards for various populations for
14 various reasons including... [cross-talk]

15 COUNCIL MEMBER POWERS: And... [cross-talk]

16 MELANIE HARTZOG: ...seniors... [cross-talk]

17 COUNCIL MEMBER POWERS: And students?

18 MELANIE HARTZOG: And students, yes.

19 COUNCIL MEMBER POWERS: We, we pay for
20 the full cost of students?

21 KEN GODINER: A portion.

22 COUNCIL MEMBER POWERS: A portion, how
23 much?

24 KEN GODINER: 15 million I believe.

25 COUNCIL MEMBER POWERS: 15 million?

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2 KEN GODINER: Yes.

3 COUNCIL MEMBER POWERS: Got it and how
4 much is the job training... assistant cost?

5 MELANIE HARTZOG: It's a total of 48
6 million roughly and we pay about 19.9 million.

7 COUNCIL MEMBER POWERS: Got it, are there
8 other programs that we're paying for with city
9 dollars to provide metro cards besides the three that
10 I mentioned, people with disabilities do they get
11 metro... do we pay for that?

12 MELANIE HARTZOG: We pay a portion of
13 that, correct.

14 COUNCIL MEMBER POWERS: How much?

15 MELANIE HARTZOG: It's 15.5 million for
16 the elderly and disabled.

17 COUNCIL MEMBER POWERS: Okay and I think
18 senior... oh, you told me about that, okay. So, look I,
19 I share the belief that this is not about funding the
20 MTA, I do actually share skepticism about the city
21 putting too much money into, into the MTA but I don't
22 view it as an MTA subsidy as much as providing it for
23 the citizens... the city... people of New York City to be
24 able to... you know to be able to get to work, get to
25 appointments and live their daily lives and it's

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3 about poverty. The, the cost I think is actually the,
4 the, the thing that the administration is concerned
5 about, it's a 211 million dollar spend that's
6 proposed, is there a proposal the administration
7 would support that is different than this proposal
8 with potentially a different cost whether it's
9 changing the ages, reducing the... I mean it's... I think
10 we're at the federal poverty line, other, other
11 cities do 200... two times below the poverty line, is
12 there a proposal with a different cost that the
13 administration supports?

14 MELANIE HARTZOG: First I want to say to
15 you that it... the issue of that you framed as being...
16 costing the MTA and the issue of poverty I, I want to
17 say that we absolutely again fully support the idea
18 of Fair Fares and helping vulnerable individuals get
19 to where they need to get to. I, I, I don't want to
20 lose that point in what I think we've all been saying
21 at least the, the Mayor and I have been saying which
22 is the idea of having a dedicated revenue stream to
23 support this, those costs will increase. As it
24 relates to moving forward overall, you know open to
25 having the conversations as we go forward about what
the best strategy is here but... [cross-talk]

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2 COUNCIL MEMBER POWERS: So... yeah, but,
3 but my question... [cross-talk]

4 MELANIE HARTZOG: ...basically are the,
5 the... [cross-talk]

6 COUNCIL MEMBER POWERS: ...really is and
7 I'll... [cross-talk]

8 MELANIE HARTZOG: ...dedicated revenue
9 source... [cross-talk]

10 COUNCIL MEMBER POWERS: ...hand it back...
11 [cross-talk]

12 MELANIE HARTZOG: ...is the best way to go
13 about it... [cross-talk]

14 COUNCIL MEMBER POWERS: ...I, I don't doubt
15 that the administration supports Fair Fares on paper
16 I think that at the end of the day it's whether you
17 support putting the dollars into it, how much it
18 costs, if it costs a dollar today I assume we're
19 funding it, if it cost 211 million dollars it's
20 harder. I think that, you know saying that we need a
21 dedicated revenue source, I believe that for
22 everything certainly the money that we're putting
23 into the budget today for other items we haven't
24 asked for a dedicated revenue source to fund, we... I
25 understand it's going to grow, my point is I think

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2 there is a... I think there is a proposal on the table
3 with a certain cost that you would... which you would
4 support so I think coming to the hearing or coming to
5 us and saying we support it but we won't fund it
6 leaves a lot of folks frustrated so perhaps it's
7 worth evaluating what's the, the, the cost that we
8 could support it at to at least start, start it and
9 to put us on a path actually funding it over the long
10 term rather than having this fight every year where
11 we go on the steps of City Hall, ask for the whole
12 thing, you guys say you support it then, then don't
13 fund it. So, I'm... it, it's less of a question at this
14 point more of an encouragement. The last question I
15 have is you mentioned the 17-billion-dollar spending
16 over the last four years being primarily because debt
17 service, labor and education costs, how much of the
18 17 billion do each of, of those three contribute in
19 terms of the cost over the last four years?

20 MELANIE HARTZOG: I would have to get you
21 that breakdown, I, I was just comparing and then the
22 trend doesn't change from the adopted budget
23 condition of '18 compared to the executive of fiscal
24 year '19 but we can get you that breakdown.

25 COUNCIL MEMBER POWERS: Okay, thank you.

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MELANIE HARTZOG: Yep.

CHAIRPERSON DROMM: Okay, thank you,
Council Member Koslowitz, Treyger, Grodenchik, Rose,
Chin.

COUNCIL MEMBER KOSLOWITZ: Thank you
Chair. This is my 19th budget for the city of New
York and I have to say there were times when we had a
lot less money and brought home more things to our
communities. In some cases, in this council this year
we're not bringing home property tax, we're not
bringing home many things that we have asked for that
would benefit our community instead in many cases
we're bringing home homeless shelters and we're
bringing home prisons and I am one who has supported
the prisons in my... the prison that's supposedly in my
community. What can I tell my constituents that they
are getting that is going to benefit them that
they're going to like? The seniors in my community
aren't getting anything, the middle class is
absolutely not getting anything and even the poor in
my community aren't getting anything, what do I tell
them?

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1
2 MELANIE HARTZOG: Council Member the...
3 first I'm still taken aback by your 19... this is your
4 19th year on the budget... [cross-talk]

5 COUNCIL MEMBER KOSLOWITZ: That's right,
6 I was here ten years... [cross-talk]

7 MELANIE HARTZOG: You've seen many, many
8 things... [cross-talk]

9 COUNCIL MEMBER KOSLOWITZ: ...and now I'm
10 here... [cross-talk]

11 MELANIE HARTZOG: Yes... [cross-talk]

12 COUNCIL MEMBER KOSLOWITZ: ...eight years...
13 [cross-talk]

14 MELANIE HARTZOG: Many budgets. I think
15 in terms of this budget we have been... again I've read
16 the council's response, my staff has read the
17 response and we think that there are many things and
18 priorities in the response that are reflected in the
19 executive budget. One thing, 125 million dollars in
20 Fair Student Funding that is across every school
21 district and in every council district, every school
22 is going to see the benefit of... or every district is
23 going to see the benefit of that and so I think
24 that's a major investment that we did jointly with
25 the council and again it hits every council district,

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2 every school district so that's one major significant
3 investment... [cross-talk]

4 COUNCIL MEMBER KOSLOWITZ: Yes, I love my
5 schools, I support my schools, I do a lot for my
6 schools but what do I tell the rest of my
7 constituents that they're not getting?

8 MELANIE HARTZOG: There are many other
9 priorities I know that are in the council's response
10 that are not reflected in the executive budget, I
11 think that we have done and reflected many of those.
12 I know that we've gone back and forth today about the
13 unfunded mandates and cost shifts that we had to do
14 them, and I would say that we, you know didn't
15 necessarily have to do them we could have made other
16 choices that could have meant severe service
17 reductions. The personal income tax and the revenues
18 that we received, the windfall was able to help us
19 avoid that and not have to make those choices but we...
20 again they're reflected in your response and we
21 believe that we were in fact align in funding those
22 and reflecting that in the executive budget.

23 COUNCIL MEMBER KOSLOWITZ: You know I, I
24 hope you realize and I see it in my community that
25 what we're doing is we're sort of getting rid of the

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2 middle class people because they don't feel they're
3 getting their fair share and they're moving to all
4 different places even out of... totally out of the city
5 to the island, to, to upstate and I don't know if you
6 notice that, you know in 1991 I remember sitting
7 here, I was on General Welfare and we... and we... it was
8 costing us 3,000 dollars for the homeless per, per
9 month, my rent at that time was 876 dollars in 1991
10 and here we are in 2018 and my rent is still less
11 than what we pay for homeless services, a lot less. I
12 don't understand this, I don't understand what goes
13 on that right now and my rent is a nice amount, a lot
14 more than 876 dollars and we're paying for homeless
15 that they're not even getting the services that they
16 need.

17 MELANIE HARTZOG: I know I've said this a
18 couple of times and... but I think it's important to
19 reiterate that the level of investments that we've
20 made since coming into this administration compared
21 to the challenges that we're faced, the, the end of
22 the Advantage program, the investments that we've
23 made around affordable housing, the deepening of the
24 affordability of the housing program, access to
25 counsel these are all initiatives that we've put in

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1
2 place, many in partnership with the council to both
3 divert families and individuals from having to deal
4 with homelessness or to support them in moving out
5 and getting permanency in apartments and homes
6 throughout the city. There's no... there's the
7 challenge as we've said, Turning the Tide is all part
8 of our long term strategy, the Mayor's made it clear
9 and I was right there with him when we announced it
10 that this is a long term strategy that there are no
11 quick fixes to this but we have seen significant
12 progress on it, 87,000 individuals who are now stably
13 housed is I think a major accomplishment but we've
14 always said that there's more to do and we are more
15 than willing to work with the council. As I've said
16 before in restructuring our rental subsidies program,
17 expanding eligibility to targeted families and
18 individuals to do that.

19 COUNCIL MEMBER KOSLOWITZ: Well it's all
20 I can say is as we go along in this budget process I
21 will be able to go back to my constituents and many
22 of my colleagues can go to their constituents and
23 tell them that they're getting a lot more than
24 they're getting now. Thank you.

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1
2 CHAIRPERSON DROMM: Thank you, we're
3 going to take a five-minute break and then we will
4 return. Okay, we're going to get started again. So,
5 now we're going to hear from Council Member Treyger
6 followed by Grodenchik, Rose, Chin, Adams and then
7 others.

8 MELANIE HARTZOG: Chair I just wanted to
9 say thank you for that quick break.

10 CHAIRPERSON DROMM: Absolutely.

11 COUNCIL MEMBER TREYGER: Okay, thank you
12 Chair Dromm, Director Hartzog I'll, I'll get right to
13 it. So, the Mayor wanted early in his tenure a tax
14 increase to be passed by Albany to fund UPK, is that
15 correct?

16 MELANIE HARTZOG: Part of one of the
17 financing strategies for Pre, Pre-K for All.

18 COUNCIL MEMBER TREYGER: Did Albany pass
19 the tax increase to fund UPK for New York City
20 schools?

21 MELANIE HARTZOG: Albany actually
22 provided additional funding.

23 COUNCIL MEMBER TREYGER: But did Albany
24 pass the tax increase for New York City Schools?

25

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1
2 MELANIE HARTZOG: It was additional
3 resources that they found within their budget to
4 support it including the expansion to middle schools
5 as well.

6 COUNCIL MEMBER TREYGER: Right, so it was
7 not a dedicated... but, but just to be clear it was not
8 a dedicated funding stream like a tax increase that
9 the Mayor originally called for, is that correct?

10 MELANIE HARTZOG: It was a dedicated
11 funding stream in the fact that Albany allocated
12 resources for it Council Member.

13 COUNCIL MEMBER TREYGER: Right, without,
14 without the tax increase passed. Now... and what is the
15 cost today of implementing UPK?

16 MELANIE HARTZOG: The annual budget is
17 860 million.

18 COUNCIL MEMBER TREYGER: 860 million
19 dollars without a dedicated funding stream from
20 Albany to pay for it. Did Albany dedicate a funding
21 stream... [cross-talk]

22 MELANIE HARTZOG: Council Member we're
23 going to disagree on that point because... [cross-talk]

24 COUNCIL MEMBER TREYGER: We, we... [cross-
25 talk]

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2

MELANIE HARTZOG: ...in fact we did...

3

[cross-talk]

4

COUNCIL MEMBER TREYGER: ...we can

5

disagree... [cross-talk]

6

MELANIE HARTZOG: ...get resources to

7

support it but... [cross-talk]

8

COUNCIL MEMBER TREYGER: That's correct

9

but originally the Mayor wanted a tax increase by

10

Albany to pay for UPK just like the Mayor wants a tax

11

increase to pay for Fair Fares.

12

MELANIE HARTZOG: Just to be clear I, I

13

want... the Mayor has said a dedicated funding stream,

14

right, at, at the time that the, the year ago that

15

that was proposed there was the tie into the tax,

16

it's the dedicated funding stream that really

17

matters, right... [cross-talk]

18

COUNCIL MEMBER TREYGER: Right, so...

19

[cross-talk]

20

MELANIE HARTZOG: ...in the same way that

21

we've... and I've talked about and I'm sorry I just

22

wanted to... and then I will let you continue... [cross-

23

talk]

24

COUNCIL MEMBER TREYGER: Sure... [cross-

25

talk]

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1
2 MELANIE HARTZOG: ...let you continue. In
3 the same way that we've talked about us providing
4 metro cards and resources when we can to those who
5 are vulnerable individuals that there are state and
6 federal funding attached to that that's really the
7 point there is that... [cross-talk]

8 COUNCIL MEMBER TREYGER: Director...

9 [cross-talk]

10 MELANIE HARTZOG: ...dedicated... [cross-
11 talk]

12 COUNCIL MEMBER TREYGER: ...Hartzog I, I
13 hear you I'm just pointing out the Mayor originally
14 said we need Albany to pass a tax increase to fund
15 UPK and without the tax increase other resources were
16 found... [cross-talk]

17 MELANIE HARTZOG: Dedicated revenues...

18 [cross-talk]

19 COUNCIL MEMBER TREYGER: ...from state and
20 city it got done, is there a dedicated funding stream
21 from Albany to pay for 3-K?

22 MELANIE HARTZOG: No, not at this time,
23 no.

24 COUNCIL MEMBER TREYGER: That is... so, so
25 there's no funding stream from Albany to pay for 3-K,

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1 the city found resources within its budget to, to, to
2 pay for 3-K, is that correct?
3

4 MELANIE HARTZOG: Currently, yes.

5 COUNCIL MEMBER TREYGER: Yes, okay. Now
6 you had mentioned Fair Student Funding, you had
7 mentioned that Fair Student Funding reaches over 850
8 schools across New York City, is that correct?

9 MELANIE HARTZOG: Yes.

10 COUNCIL MEMBER TREYGER: How many New
11 York City public schools are there?

12 MELANIE HARTZOG: About 1,300.

13 COUNCIL MEMBER TREYGER: Over 1,800. Are,
14 are you aware that I have asked the Department of
15 Education... [cross-talk]

16 MELANIE HARTZOG: 1,300 is the buildings
17 and not the schools.

18 COUNCIL MEMBER TREYGER: Yeah, are you
19 aware that I've asked the Department of Education for
20 a report of all of our school's Fair Student Funding
21 levels?

22 MELANIE HARTZOG: I'm not aware that you
23 asked the Department of Education for that, no.

24 COUNCIL MEMBER TREYGER: Right and just
25 to make you aware I have not... [cross-talk]

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2 MELANIE HARTZOG: Did you get that yet
3 or...

4 COUNCIL MEMBER TREYGER: I have not
5 received that data, I would like to know why some
6 schools at 100 percent FSF and some are.. and many..
7 most of our schools are not and it would be helpful
8 for us to know why are there inequities within our
9 school system but I'll, I'll certainly ask more
10 questions at, at the Education budget hearing as, as
11 well. You had mentioned that FSF accounts for
12 poverty, is that correct?

13 MELANIE HARTZOG: Yes, Council Member I
14 understand that we.. I know that this was asked
15 meaning the FSF levels for each school and we
16 provided that to council, so we can make sure that
17 you get that.

18 COUNCIL MEMBER TREYGER: I... that is news
19 to me and I will be more than happy to get that
20 information as soon as possible. You had mentioned..
21 [cross-talk]

22 MELANIE HARTZOG: Yes... [cross-talk]

23 COUNCIL MEMBER TREYGER: ...in your
24 testimony to Council Member Gibson that poverty is
25 accounted for in FSF, is that correct... [cross-talk]

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2 MELANIE HARTZOG: Poverty is one factor,
3 English language learners, special education is
4 another factor... [cross-talk]

5 COUNCIL MEMBER TREYGER: Right... [cross-
6 talk]

7 MELANIE HARTZOG: ...major components, yes.

8 COUNCIL MEMBER TREYGER: Are you aware
9 that poverty is only accounted for up to the third
10 grade?

11 MELANIE HARTZOG: Yes, because we use the
12 test scores afterwards as a... [cross-talk]

13 COUNCIL MEMBER TREYGER: That is correct
14 to be clear poverty is not accounted for after the
15 third grade, is that correct?

16 MELANIE HARTZOG: What my staff is
17 telling me is that while we don't include the actual
18 measure of poverty the test scores do serve as a
19 proxy of actual need.

20 COUNCIL MEMBER TREYGER: I do not believe
21 that test scores serve as a... serve as an effective
22 proxy for accounting for poverty in schools and do
23 you know what the amount of money that, that the city
24 gives for students facing poverty below the third
25 grade? I have it if you need it.

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MELANIE HARTZOG: Yeah, 490 per student.

COUNCIL MEMBER TREYGER: Do you believe that that is sufficient to address the needs of students facing poverty in New York City's school system?

MELANIE HARTZOG: It's one component of the overall per... right, per pupil funding.

COUNCIL MEMBER TREYGER: We're going to agree to disagree.

MELANIE HARTZOG: Okay... [cross-talk]

COUNCIL MEMBER TREYGER: I just have a... Chair if... just a few more questions and I, I, I'm very thankful for, for time. Director Hartzog are you... are you familiar or are you aware with HUD's secretary Ben Carson's proposal to increase rent costs for low income Americans?

MELANIE HARTZOG: Hartzog and Broad Strokes, yes.

COUNCIL MEMBER TREYGER: My, my apologies.

MELANIE HARTZOG: No problem.

COUNCIL MEMBER TREYGER: Yes, will that have a negative impact on vulnerable New Yorkers?

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1
2 MELANIE HARTZOG: There are many aspects
3 of what is being proposed and discussed that would
4 have a negative impact including the reductions to
5 SNAP, the now imposing or allowing states to be
6 allowed to make individuals work as part of Medicaid,
7 there's other proposals around changing the personal
8 responsibility and work reconciliation act so there's
9 many.. [cross-talk]

10 COUNCIL MEMBER TREYGER: Right.. [cross-
11 talk]

12 MELANIE HARTZOG: ...aspects of it.. [cross-
13 talk]

14 COUNCIL MEMBER TREYGER: Right and you're
15 familiar.. [cross-talk]

16 MELANIE HARTZOG: ...so we're very
17 concerned.. [cross-talk]

18 COUNCIL MEMBER TREYGER: ...as well that
19 there's proposals to, to cut.. to cut SNAP benefits as
20 well.. [cross-talk]

21 MELANIE HARTZOG: Yes.. [cross-talk]

22 COUNCIL MEMBER TREYGER: ...are you
23 familiar with that?

24 MELANIE HARTZOG: Yes.
25

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2 COUNCIL MEMBER TREYGER: Correct, so, so

3 would you say that there is an assault on, on low
4 income Americans, there's an assault on poverty here
5 in this country, is that correct?

6 MELANIE HARTZOG: I would say that the
7 way that there are discussions at Washington is to
8 balance the impact of the Trump tax cut which will
9 cost trillions on the safety net.

10 COUNCIL MEMBER TREYGER: Right, so
11 there's a lot of uncertainty in Washington, there's a
12 lot of uncertainty in Albany but here is uncertainty
13 in New York City, we don't need Albany's permission
14 or Washington's permission to fund Fair Fares just
15 like we didn't need Albany's permission or
16 Washington's permission to fund UPK or to fund 3-K
17 and since we know that there is an assault on our
18 people in terms of rising housing costs and the cost
19 of food and the cost of living if we help them offset
20 some of these costs by funding their transportation
21 costs that could help put food on their table, that
22 could help them afford their rent as well, let's
23 focus on what we do have control over because the
24 real question here today with all due respect to the
25 administration is what is the cost of social

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2 exclusion, what is the cost of excluding so many
3 people from experiencing equity in terms of Fair
4 Fares, the property tax rebate for working families,
5 the summer... the, the summer program slots for
6 thousands of, of students, the property tax rebate
7 we, we talked about and I have to say as well I
8 pointed this out at... in, in last weeks... I was very
9 upset to learn that there's not one... not that this
10 is, you know something that's covered quite a bit but
11 there's not one Link NYC free wi-fi spot in all of
12 Southern Brooklyn, not one.

13 CHAIRPERSON DROMM: Council Member can
14 you wrap it up... [cross-talk]

15 COUNCIL MEMBER TREYGER: And so, I, I
16 just... I just want to point out that, yes, there's
17 uncertainty, there's a lot of troubling things that
18 we're hearing from Washington and, and, and some in
19 Albany as well but let's focus on what we have
20 control over here in New York City to make it more
21 progressive, to make it more fair and to make it more
22 just. Thank you Chair.

23 CHAIRPERSON DROMM: Thank you, Council
24 Member Grodenchik.

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1
2 COUNCIL MEMBER GRODENCHIK: Thank you Mr.
3 Chair. Good afternoon Miss Hartzog, how are you
4 today?

5 MELANIE HARTZOG: Good afternoon... [cross-
6 talk]

7 COUNCIL MEMBER GRODENCHIK: Happy Monday...
8 [cross-talk]

9 MELANIE HARTZOG: ...I'm well thank you...
10 [cross-talk]

11 COUNCIL MEMBER GRODENCHIK: ...I know it
12 may feel like Tuesday by now but happy Monday. I do
13 want to pick up on some of the remarks by Minority
14 Leader Matteo and some of my other colleagues and get
15 right to the heart of it. At, at the hearing or the,
16 the briefing that the Mayor had for us and I know you
17 were there on the executive budget he mentioned that
18 the, the property tax reform commission was days away
19 and I joke with him, was that 100 days but we are at
20 a point now, today is the 127th day of 2018, he
21 promised on several occasions including at a Town
22 Hall hearing in my district on November 2nd that this
23 would be a priority for his second term, I was happy
24 to hear that and I just wanted to put it out there
25 not necessarily to ask you when we might see this

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2 because you are not the Mayor but I hope you would
3 take that message along with your staff back to the
4 Mayor that the people of Eastern Queens who are
5 getting killed on property tax, I hear it from people
6 who have been living in their apartments in some
7 cases for nearly 70 years since the co-ops opened and
8 they're finding it difficult to live in these
9 apartments anymore because they are on fixed incomes
10 and I would appreciate you taking that back. We have
11 heard nothing about emergency food today, we, we've
12 talked about Fair Fares that for some reason the
13 executive doesn't seem to want to fund. I wanted to
14 ask you since no one else has and I'm alum of NYCHA.
15 In your testimony you talked about deepening your
16 support for NYCHA, the, the administration support
17 for NYCHA which I still think is inadequate at best,
18 but you mentioned that in the month of March NYCHA
19 closed 244,000 work orders, can you tell me is there
20 anybody here among the throngs of OMB employees that
21 can tell me how many work orders are outstanding at
22 NYCHA?

23 MELANIE HARTZOG: Just to... before I

24 answer the question... [cross-talk]

25 COUNCIL MEMBER GRODENCHIK: Yes, ma'am.

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1
2 MELANIE HARTZOG: Two points I want to
3 make, and I know that we're going to disagree on it
4 but I... [cross-talk]

5 COUNCIL MEMBER GRODENCHIK: That's okay,
6 it's a democracy... [cross-talk]

7 MELANIE HARTZOG: ...think it's important
8 to say... [cross-talk]

9 COUNCIL MEMBER GRODENCHIK: ...we're
10 allowed to disagree.

11 MELANIE HARTZOG: The operating budget...
12 [cross-talk]

13 COUNCIL MEMBER GRODENCHIK: ...still...
14 [cross-talk]

15 MELANIE HARTZOG: ...in terms of our
16 commitment to NYCHA totals 1.6 billion and the
17 capital side is 2.1 billion for... [cross-talk]

18 COUNCIL MEMBER GRODENCHIK: Is that over
19 how many years?

20 MELANIE HARTZOG: It's over roughly eight
21 to ten years. To give you the translation for fiscal
22 year '19 because I know that's your... probably what
23 you'd ask me that's 232 million dollars in expense
24 and 423 million dollars in capital so about... [cross-
25 talk]

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COUNCIL MEMBER GRODENCHIK: We, we are
going to... [cross-talk]

MELANIE HARTZOG: ...600... [cross-talk]]

COUNCIL MEMBER GRODENCHIK: ...disagree...
[cross-talk]

MELANIE HARTZOG: ...and 55 million...
[cross-talk]

COUNCIL MEMBER GRODENCHIK: ...because the
needs are... [cross-talk]

MELANIE HARTZOG: ...a year... [cross-talk]

COUNCIL MEMBER GRODENCHIK: ...immense.

MELANIE HARTZOG: They are.

COUNCIL MEMBER GRODENCHIK: And I
understand and we all know that the federal
government since I was a little boy has been pulling
away support for NYCHA but these are our brothers and
sisters, they are living in some of the worst
conditions and if NYCHA was a private landlord they
would probably be in jail right now so we have to do
better by that and I would ask also when we might
expect to see the backlog of work orders at NYCHA
filled or at least taken down to... I, I understand
that if you put in a work order on Monday you're
probably not getting it filled by Tuesday, but I also

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2 understand it shouldn't be next year's Tuesday as
3 well?

4 MELANIE HARTZOG: Yeah, it's 150,000 is
5 the work order backlog and this will be reduced.

6 COUNCIL MEMBER GRODENCHIK: So, if you
7 closed 244,000 in the months of March my math tells
8 quickly that 150... [cross-talk]

9 MELANIE HARTZOG: I'm sorry, the 150,000...
10 [cross-talk]

11 COUNCIL MEMBER GRODENCHIK: ...is about 60
12 percent of... [cross-talk]

13 MELANIE HARTZOG: ...is what is open...
14 [cross-talk]

15 COUNCIL MEMBER GRODENCHIK: ...244 maybe
16 just a little, little more... [cross-talk]

17 MELANIE HARTZOG: I'm incorrect, the
18 150,000 is what's open currently.

19 COUNCIL MEMBER GRODENCHIK: Open?

20 MELANIE HARTZOG: Yes.

21 COUNCIL MEMBER GRODENCHIK: And do we
22 have an idea when it might be closed given the
23 funding that you are promising to spend?

24

25

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2 KEN GODINER: We added 20 million dollars
3 in this plan to close 50,000 of that back... of, of
4 that back log in this plan.

5 COUNCIL MEMBER GRODENCHIK: So, we're not
6 going to close... that... it almost sounds as if and I
7 don't think you mean to tell me, but it sounds as if
8 you are not going to close in the coming fiscal year
9 the backlog?

10 MELANIE HARTZOG: We're closing the
11 certain portion of that that is been long standing
12 and we will do that, that's the funding that's
13 provided in this plan for that.

14 COUNCIL MEMBER GRODENCHIK: I will have
15 more for the NYCHA... new NYCHA person when they come
16 in. thank you Mr... Madame Chair.

17 COUNCIL MEMBER GIBSON: Thank you Council
18 Member Grodenchik, we've also been joined by Council
19 Member Carlina Rivera and Council Member Diana Ayala.
20 We will next hear from Council Member Rose followed
21 by Council Member Chin, thank you colleagues.

22 COUNCIL MEMBER ROSE: Good afternoon. I
23 was here... [cross-talk]

24 MELANIE HARTZOG: Good afternoon... [cross-
25 talk]

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1 SMALL BUSINESS, ECONOMIC DEVELOPMENT AND AGING

2 COUNCIL MEMBER ROSE: ...during the last

3 administration and I really thought that that was the

4 last time that we were going to see the budget dance

5 and I, I, I really feel like we're in the middle of

6 the cha-cha slide again and that I've asked this

7 administration to look through a broader lens at the

8 residual economic impact that this budget has on low

9 income families and to address the issues of Fair

10 Fare and, and funding for youth programing. So, as

11 we've done in the years past the council requested

12 that the administration baseline 27.5 million for

13 SYEP minimum wage increases, 14.2 million for

14 expanded elementary COMPASS programming and 15

15 million for summer SONYC in our preliminary budget

16 response and yet again the administration has failed

17 to honor any of these requests. I imagine that's been

18 the, the case in past years, these issues will be

19 addressed in due course through hopefully the budget

20 negotiating process but each of these items SYEP,

21 COMPASS and SONYC represent core NYC programming and

22 I, I think we agree that this is one fight that will

23 not go away, at least I know I'm not willing to let

24 it do that. So, why does the administration insist

25 upon going through this, you know budget dance, this

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1 SMALL BUSINESS, ECONOMIC DEVELOPMENT AND AGING
2 rigamarole each year rather than just baseline the,
3 the monies and, and move these programs forward so
4 that they can do the adequate programming that they
5 need to be successful?

6 MELANIE HARTZOG: So, Council Member the
7 first thing is I know that there's aspects where the
8 council feels that we didn't fully reflect their
9 response but we in fact have added to the tune of
10 over 500 million dollars in response in the executive
11 budget that are priorities of the council and
12 actually it's around 700 million. That includes the,
13 the backfills that we had to do for state budget cuts
14 but it also includes some of the things that you had
15 on your list which are SYEP minimum wage and I know
16 that we've worked very closely with the council to
17 get the largest increase, 70,000 slots added
18 baselined, the minimum wage dollars that we provided
19 are for this upcoming summer and there's many other
20 pieces; the NYCHA funding that we added for the
21 senior centers is also in there as well to the tune
22 of about three million dollars. So.. and the 125
23 million for Fair Student Funding so there are a lot
24 of priorities that have been added in the executive
25 budget, I understand they're not all of them that the

1 COMMITTEE ON FINANCE JOINTLY WITH COMMITTEE ON
2 SMALL BUSINESS, ECONOMIC DEVELOPMENT AND AGING
3 council had wanted but there are a significant
4 portion reflected in the executive budget... [cross-
5 talk]

6 COUNCIL MEMBER ROSE: However, these are
7 important programs that provide funding during the
8 summer and the administration invested 28 million
9 dollars in crisis management but refuses to recognize
10 the crisis that we face when more than 34,000 young
11 people are not engaged in structured educational
12 programming and opportunities. Funding for SONYC,
13 SONYC and COMPASS would be 29.2 million, what is your
14 plan to serve these young people?

15 MELANIE HARTZOG: I don't want to speak
16 on behalf of the agency who's actually responsible
17 for coordinating and reaching out to the providers
18 and to the communities and to parents to look at the
19 alternative, that would be the Department for Youth
20 and Community Development. I know Chair that you'll
21 be in front of them... they'll be in front of you
22 talking about what they're plans are for that, I, I
23 really don't want to get ahead of them and what their
24 plans are for that.

25 COUNCIL MEMBER ROSE: I, I just want to
leave you with this, every year we have to go through

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2 this and it doesn't allow for these agencies to
3 prepare adequately for these young people, we need to
4 baseline these programs and stop playing with these
5 agencies and these young people and their parents so
6 that they cannot adequately plan for the summer so
7 that New York City is not effected by having 34,000
8 or more young people out there without anything to do
9 when you know that somewhere throughout this
10 negotiation that you... that these programs should and
11 more than likely will be funded at some level which
12 is not going to be adequate because they are not
13 going to be able to meet the, the needs because of
14 the turnaround time that they need to get these
15 programs up and running.

16 COUNCIL MEMBER GIBSON: Thank you very
17 much, Council Member Rose and I just want my
18 colleagues to be mindful of the time, we're a little
19 bit behind so I do apologize and ask for everyone's
20 patience, we will be followed this hearing by the
21 Committee on Small Business, we have six more members
22 here that do have questions and I want everyone to be
23 mindful of our time. Before us we will next hear from
24 Council Member Chin followed by Council Member Adams,

25

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2 we've also been joined by Council Member Steve Levin.

3 Thank you.

4 COUNCIL MEMBER CHIN: Thank you Madame

5 Chair. Good afternoon. I was disappointed and told

6 the Mayor when he was doing the briefing that he did

7 not put in the 11.6 million that we requested in the

8 council response for the Department for the Aging for

9 the food cost and I think that is... we were grateful

10 last year, the city baselined, you know ten million

11 for the model budget but the model budget did not

12 include the food cost or the food service personnel

13 and we did not see any new money in the executive

14 budget to cover the increased expense for food

15 delivered meals and congregate meal at the centers

16 and meanwhile we're talking and the Mayor's talking

17 about trying to make this city the fairest city and I

18 just want to touch on one point about Fair Fares, not

19 all seniors get that half priced metro card. It's the

20 seniors that go to our senior center who are between

21 the age of 60 to 64 they have to pay full fare and

22 for a lot of the low income seniors they have to

23 evaluate whether they could afford to go to that

24 senior center for a meal, a nutritious meal that they

25 also have to pay a contribution even though it's

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1
2 voluntarily but the minute you walk in the door you
3 have to pay something, whether it's a dollar or
4 dollar fifty and that's why the council is pushing
5 for that, we really have to make sure that we provide
6 a nutritious meal to our seniors who really need it
7 without having to force them to pay. So, my question
8 to you is that why is not... why are there no money in
9 the executive budget allocated for the increased food
10 cost, question one? Question two is that, I know in
11 the... your testimony you talk about the 3.1 million
12 restore for the NYCHA center but that is still a one
13 year funding, it's not baselined and in the past four
14 years this new administration every year the council
15 push to restore that funding but it never was
16 baselined and we have never really took a
17 comprehensive look at what to do with these NYCHA
18 senior centers, we got to take a look, should they
19 continue to be senior centers or should they be NORC
20 programs, the Naturally Occurring Retirement
21 Community program or they could be some kind of new
22 innovative program that we could do with that money
23 but throwing three million dollars in there every
24 year doesn't solve the problem. So, either baseline
25 that money and really work on finding a creative

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2 solution for these centers otherwise this is the
3 fifth budget for that amount of money.

4 MELANIE HARTZOG: How are you today. So,
5 a couple of things, one, thank you for the
6 acknowledgement on the model budgets, that was part
7 of phase one and we intentionally did not include
8 food because and I know I've had this conversation
9 with you, we wanted to have and DFTA clearly wants to
10 do a more comprehensive look at food costs overall
11 not just within the senior centers but home delivered
12 meals etcetera for the point that you just raised,
13 lots of variance across different models, shouldn't
14 be... what should be the true cost of so that's the
15 next phase of work we're embarking on with the
16 Department... [cross-talk]

17 COUNCIL MEMBER CHIN: But Director I
18 don't feel that sense of urgency because even for the
19 model budget it's just last month, this is May, it
20 was just April that DFTA started amending the budget
21 to get the money out the door.

22 MELANIE HARTZOG: Considering that we
23 didn't have a model when the funding was enacted
24 that's a very short period of time to develop the
25 model and as you know Council Member DFTA prioritized

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1 SMALL BUSINESS, ECONOMIC DEVELOPMENT AND AGING
2 and we wanted too a true engagement with the
3 providers themselves to really understand the cost
4 components and what their needs were so that... I
5 think, yes, it took some time but given when that
6 funding was actually put into the budget till now not
7 a lot... right... pretty short period of time to develop
8 the model so phase two is now looking at food and on
9 the NYCHA senior centers couldn't agree with you
10 more, we should have a, a comprehensive look and
11 conversation there as well about what is the right
12 model within those programs to deliver services to
13 seniors whether it be in the senior center, a
14 different iteration of that, it could be more and I'm
15 happy to have our teams talk about that along with
16 DFTA at the table so in, in agreement.

17 COUNCIL MEMBER CHIN: But I think that
18 OMB should work with DFTA to have some committed
19 staff to really take a look at this NYCHA senior
20 center once and for all... [cross-talk]

21 MELANIE HARTZOG: Agreed... [cross-talk]

22 COUNCIL MEMBER CHIN: ...to solve the, the...
23 [cross-talk]

24 MELANIE HARTZOG: Yep, will do.
25

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2 COUNCIL MEMBER GIBSON: Thnak you Council

3 Member Chin, we are also joined by Council Member

4 Inez Barron, next we will hear from Council Member

5 Adams followed by Council Member Gjonaj.

6 COUNCIL MEMBER ADAMS: Thnak you Madame

7 Chair, good afternoon. I too... [cross-talk]

8 MELANIE HARTZOG: Good afternoon... [cross-

9 talk]

10 COUNCIL MEMBER ADAMS: ...have to echo the

11 sentiments of my colleagues here today. As one of the

12 newer members of this city council I was really

13 expecting more of a partnership, a word that's been

14 thrown around a lot this morning and this afternoon

15 and quite frankly I don't feel like too much of a

16 partner today with OMB. None of the council

17 priorities have been included in this... in the Mayor's

18 budget, we're looking at no increase in reserves, no

19 institution of Fair Fares, no provision of property

20 tax relief and a road to reform, no expansion of

21 summer youth employment program and the list goes on

22 and on and on. I know that we really are beating a

23 dead horse with the Fair Fares issue, but I just want

24 to... want to reiterate the, the sentiment of the

25 Speaker today, if it doesn't feel like... it doesn't

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2 feel like a partnership if you don't listen to the
3 partner and I think that that was a very profound
4 statement by our Speaker today. So, and just beating
5 this dead horse again with the Fair Fares,
6 prioritization is very, very critical and as
7 Chairperson of the Subcommittee on Landmarks, Public
8 Siting and Maritime Uses I fully appreciate the
9 expansion of Ferry Service in New York city however
10 we are looking at and, and you, you used the term
11 dedicated revenue source a few times Madame Director,
12 appreciate that very much but, but we... the Mayor has
13 found 300 million dollars to expand ferry service in
14 New York City while denying Fair Fares for low income
15 New Yorkers that is extremely troubling to me, we are
16 right now not just telling low income individuals, we
17 are telling seniors, we are telling students that we
18 don't care about them, students that are my
19 constituents as, as well who are trying to, to decide
20 whether to have dinner tonight, pay their rent, buy
21 new clothing or purchase a metro card for the month,
22 we are pretty much telling them we don't care about
23 your decisions and too bad for you. So, in taking a
24 look at the expansion for ferry service in New York
25 City, nearly 58 percent of low income New Yorkers

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2 rely on the subway or bus to get to work and to get
3 around, what percentage of low income New Yorkers
4 rely on ferry service to get to work or to get
5 around?

6 MELANIE HARTZOG: Council Member I don't
7 have that number on me, we will make sure that you're
8 able to get it if that data is there to provide that,
9 I'm not sure how the data is captured in that way but
10 to your point of the investments on the ferries on
11 the capital side, the Mayor's also committed two and
12 a half or 2.6, excuse me, billion dollars to the MTA
13 and 2.1 billion dollars in operating. I know the
14 council sees this as separate for Fair Fares but
15 considering that those fares also subsidize the cost
16 of operating the MTA it will increase as the fares
17 increase, it... there, there is... it's all combined and
18 that contribution is increasing significantly, most
19 recently by the state imposing 254 million dollars on
20 the city for the subway action plan. And as I said...
21 [clears throat] so, so sorry about the allergy here
22 but... as the... we... when we can as we have with the cash
23 assistance population and others we're able to
24 provide metro cards, it does include the state and
25 federal funding as well behind it and that's the

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2 point it's just having an additional revenue source
3 that's able to help offset the cost that it's not
4 bourn by the city and as those costs increase having
5 to make tough choices between subsidizing the MTA or
6 having to cut other services that are critical.

7 COUNCIL MEMBER ADAMS: Thank you for...

8 thank you for your statement, I will again as some of
9 my colleagues have today respectfully disagree with
10 the term subsidizing the MTA, we don't feel like that
11 is what this council has proposed at all and I would
12 be curious and maybe I'll ask in person the, the
13 thought process behind expanding the ferry service in
14 excess of 300 million dollars while leaving the least
15 of these behind. Thank you very much.

16 CHAIRPERSON DROMM: Thank you, Council

17 Member Gjonaj followed by Rosenthal, Constantinides,
18 Levin and Barron.

19 COUNCIL MEMBER GJONAJ: Thank you Chair

20 and good afternoon, what a wonderful way to start the
21 week. Can you please explain to me the dollar amount
22 that you're projecting in reserves and exactly how is
23 that money used, is it held in an interest-bearing
24 account or is there a specific use for it and three
25 minutes isn't enough time so...

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KEN GODINER: Okay, so we're going to try to divide the, the reserve so... we talk about into two pieces. The general reserve and the capital stabilization reserve are budget reserves in the sense that they are money in the budget which is not allocated for specific spending, right, those are both used through the course of the year to take in... to absorb any shocks that come to the system and as we go through the budget cycle the amounts held in those reserves are reduced and the money is allocated towards spending. With regard to the... [cross-talk]

COUNCIL MEMBER GJONAJ: Repeat that again, the money is reduced and allocated to future spending?

KEN GODINER: Towards current year spending or in the... in, in... or in the pre-payment towards the end of the year. For example, we reduced in this budget the general reserve down to a traditional 50-million-dollar level at this point in the current year in FY '18. In the FY '19 there's a... there's a new 1.25 in those two accounts, right, that's, that's unallocated towards spending. With regard to the Retiree Health Benefits Trust that's an actual bank account, it's an irrevocable trust, it's

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3 held by a bank, money.. it is in fact an interest-
4 bearing account. The, the interest on that money
5 accrues towards the, the benefit of the fund, the
6 fund is exclusively used to pay for the cost of
7 retiree health benefit.

8 COUNCIL MEMBER GJONAJ: What is the total
9 dollar amount for projected reserves in this budget
10 plan?

11 KEN GODINER: The 1.25 in the two
12 reserves I talked, talked about as well as the 4.25
13 in the, the trust so it.. that's a total of, of five..
14 of six.. I'm sorry, five and a half billion if you
15 combine the two and look at them as one.

16 COUNCIL MEMBER GJONAJ: Repeat that
17 combined, combined to, one more time.. [cross-talk]

18 KEN GODINER: Well just it's, it's 4.25
19 in the, the trust plus 1.25 in the, the '19.. [cross-
20 talk]

21 COUNCIL MEMBER GJONAJ: You, you're not
22 giving me much time, I'm going to follow up on that
23 so let me just make a.. [cross-talk]

24 KEN GODINER: Okay.. [cross-talk]

25 COUNCIL MEMBER GJONAJ: ...quick statement
here. I don't believe that the administration's

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1 executive budget reflects the values, principles and
2 priorities of the city of New York so let me say from
3 the very start I will not be supporting a massive
4 boondoggle and I'll work hard to build support in
5 this chamber to reject it in favor of one that reins
6 in spending and waste and reflects the real needs of
7 New Yorkers and not one that calls on massive taxes
8 of New Yorkers but somehow still manages to ignore
9 the city's most pressing needs. The Mayor's budget
10 spends as much as 400 percent more per resident than
11 the other top five municipalities. Of the top five
12 U.S. cities Los Angeles spends two... 2,500 per
13 resident, Chicago spends 3.2 thousand per resident,
14 Houston spends 2.3, Philly spends 2.8 and New York
15 City spends 10.4 per resident again that's over four
16 times more per capita. The city council has a
17 critical role in the management direction of the
18 city, ultimately, we must only approve a budget if it
19 reflects the body's priorities and meets the needs of
20 New Yorkers. People are counting on us to fulfil our
21 oversight authority to protect their interest. How is
22 it possible that a budget that has ballooned by 21
23 percent since the start of this administration, four
24 billion in new spending this year alone can't find
25

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2 money to help the poorest of the poor New Yorkers
3 assuring access to public transportation, how is it
4 possible that we can't... we don't have enough funding
5 to increase ferry service to transit starved areas
6 like Ferry Point Park in the Bronx and the Rockaways
7 in Queens, instead of forcing homeowners and renters
8 to pay more per... more property taxes a 3.8 billion
9 annual increase last year, out of control water and
10 sewer rate increases making homeownership more... less
11 affordable, how is it possible that we can't find
12 some room in the budget to provide struggling New
13 Yorkers with real property tax relief and reform? In
14 an 89-billion-dollar spending plan how is it not
15 possible to find the resources to move our kids out
16 of dangerous school trailers, these are just some of
17 the examples of how this budget as big as it is still
18 fails to meet the needs of New Yorkers because this
19 is out of control... because of this out of control
20 spending and on the backs of struggling renters,
21 homeowners and small businesses it's unsustainable.
22 Spending like drunken sailors while many New Yorkers
23 feel New York City is unaffordable and becoming less
24 affordable each and every day and experiencing a
25 deuterating quality of life from lack of sufficient

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2 tree pruning, pothole repair and sanitation pickup
3 therefor without considerable and significant changes
4 I don't see how I can support this budget plan and
5 will work to encourage my colleagues to reject it.
6 Thank you.

7 CHAIRPERSON DROMM: Thank you, Council
8 Member Rosenthal, Constantinides, Levin and Barron.

9 COUNCIL MEMBER ROSENTHAL: Thank you so
10 much Chairs, good to see you. I... my colleagues have
11 given nice comments and I attach my name with them
12 about the overall budget. I especially want to attach
13 my name to Council Member Rose's comments about the
14 summer youth, the SONYC program. These... I, I think
15 what has happened is that the administration is
16 funding the larger organizations that provide summer
17 camp but what is falling through the cracks are the
18 neighborhood ones that serve kids who can't get to
19 the larger ones for one reason or another. I know in
20 my district it's because the larger one... there are
21 rival gangs and the larger one is on somebody's
22 property and so the other, you know housing property
23 needs their own program, why not baseline it and
24 allow the council to designate the providers given
25 that they serve somewhat different populations but by

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3 not baselining it we're crippling them, you know
4 every year, would you consider that, I mean because
5 it strikes me as it's just a contract problem.. a
6 procurement problem or a guiding philosophy problem?

7 MELANIE HARTZOG: Let, let me start
8 overall with SONYC summer and then I think go into
9 the specifics. The Mayor's made it clear that the
10 challenge of many priorities and this being a
11 particularly challenging year with the.. [cross-talk]

12 COUNCIL MEMBER ROSENTHAL: Okay, I got
13 you, I have five minutes.. [cross-talk]

14 MELANIE HARTZOG: Okay.. [cross-talk]

15 COUNCIL MEMBER ROSENTHAL: ..and.. [cross-
16 talk]

17 MELANIE HARTZOG: So, the, the SONYC
18 summer program was not able to be funded in the
19 executive budget or prelim.. [cross-talk]

20 COUNCIL MEMBER ROSENTHAL: We're letting..
21 [cross-talk]

22 MELANIE HARTZOG: ..as that relates to..
23 [cross-talk]

24 COUNCIL MEMBER ROSENTHAL: ..down all the
25 people.. [cross-talk]

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1
2 MELANIE HARTZOG: ...talking about
3 baselining... [cross-talk]

4 COUNCIL MEMBER ROSENTHAL: ...who are
5 voiceless in making that choice.

6 MELANIE HARTZOG: As you're talking about
7 baselining it I'm a little unclear by that because
8 there... the program is competitively big, so it would
9 have... [cross-talk]

10 COUNCIL MEMBER ROSENTHAL: It is but the
11 criteria are such that the small culturally competent
12 providers that are smaller and can't provide services
13 in the big way that the RFP calls for, they can't
14 compete so it's a... [cross-talk]

15 MELANIE HARTZOG: This is the first time
16 I'm hearing of this, I'm not refuting it or saying
17 that's inaccurate... [cross-talk]

18 COUNCIL MEMBER ROSENTHAL: Okay, so let's
19 follow up on that... [cross-talk]

20 MELANIE HARTZOG: Yep... [cross-talk]

21 COUNCIL MEMBER ROSENTHAL: It's a guiding
22 philosophy... [cross-talk]

23 MELANIE HARTZOG: Uh-huh... [cross-talk]

24 COUNCIL MEMBER ROSENTHAL: ...issue and I
25 think we should air towards cultural competency. The

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2 pay parody issue with the CBOs versus DOE, the budget

3 recognizes some pay parody but why not go all the

4 way, we really are losing... it means our CBOs have

5 fast... more turnover of its workers because those

6 workers know they can make more money at DOE so again

7 we're losing the culturally competent smaller CBOs

8 that provide this UPK.

9 MELANIE HARTZOG: Well I'll turn it to

10 Ken to give you a little bit more details on this but

11 clearly a priority and as DC 1707 did not have for

12 many, many years an updated collective bargaining

13 agreement, the administration worked very hard to get

14 that agreement in place, to also close the pay parody

15 gap between the CBOs and the early learn providers..

16 [cross-talk]

17 COUNCIL MEMBER ROSENTHAL: Do you think

18 it'll be... [cross-talk]

19 MELANIE HARTZOG: ...and also by... [cross-

20 talk]

21 COUNCIL MEMBER ROSENTHAL: ...a priority

22 maybe... [cross-talk]

23 MELANIE HARTZOG: ...helping... [cross-talk]

24 COUNCIL MEMBER ROSENTHAL: ...next year, I

25 apologize for interrupting, I have two more

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3 questions. I heard this answer from the Mayor, I,
4 I'm... I have two more questions I'd like to get to,
5 it's just I'm reflecting that it's very disappointing
6 that it's not... [cross-talk]

7 MELANIE HARTZOG: It's... [cross-talk]

8 COUNCIL MEMBER ROSENTHAL: ...a priority...
9 [cross-talk]

10 MELANIE HARTZOG: ...clearly a... [cross-
11 talk]

12 COUNCIL MEMBER ROSENTHAL: ...now, I mean...
13 [cross-talk]

14 MELANIE HARTZOG: ...as we think about...
15 [cross-talk]

16 COUNCIL MEMBER ROSENTHAL: ...of course...
17 [cross-talk]

18 MELANIE HARTZOG: ...the overall new vision
19 that we've presented... [cross-talk]

20 COUNCIL MEMBER ROSENTHAL: The, the
21 impact... [cross-talk]

22 MELANIE HARTZOG: ...for... [cross-talk]

23 COUNCIL MEMBER ROSENTHAL: ...on the
24 district I guess this is the difference, on the
25 administration's side I see you're looking at it
overall, but I got to tell you in the district you

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2 should come with me someday and see, you know exactly
3 what it means for these providers who are... [cross-
4 talk]

5 MELANIE HARTZOG: I did run the early
6 learn system in child care for many years, I keep
7 looking over at Council Member Levin who knows that
8 all too well for five years, I'm very aware of it. I
9 wanted to just address your point about where it fits
10 into the priorities, it is absolutely a priority, as
11 we have presented a new vision moving forward where
12 the Department of Education under Pre-K and 3-K will
13 then have early learn programs. Clearly one of the
14 things that we will be talking about and needs to be
15 looked at again is the pay parody issue, so it is..
16 [cross-talk]

17 COUNCIL MEMBER ROSENTHAL: Director you
18 have to because there's no space in the schools so
19 it's just silly talk right now to say that you're
20 moving towards 3-K in my district or, or more Pre-K,
21 we're, we're filled up and so we need the CBOs to
22 provide... [cross-talk]

23 MELANIE HARTZOG: Yep, capacity is part..
24 [cross-talk]

25

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1
2 COUNCIL MEMBER ROSENTHAL: ...those
3 services... [cross-talk]

4 MELANIE HARTZOG: ...of those
5 conversations. Capacity and building out space is
6 part of those conversations.

7 COUNCIL MEMBER ROSENTHAL: Yeah and it's
8 not in my district maybe in somebody else's... [cross-
9 talk]

10 MELANIE HARTZOG: The planning process.

11 COUNCIL MEMBER ROSENTHAL: Lastly, I just
12 want to say on your savings plan, do you ever do an
13 analysis of whether or not those savings are
14 realized?

15 KEN GODINER: Yeah, we... [cross-talk]

16 COUNCIL MEMBER ROSENTHAL: Another word...
17 [cross-talk]

18 KEN GODINER: ...we evaluate the, the
19 citywide savings initiatives, we're, we're looking at
20 those all the time to make sure that they're
21 successful and monitoring them.

22 COUNCIL MEMBER ROSENTHAL: So, I'd love
23 to see that sometime, you know maybe you could add it
24 to the citywide savings plan report, one page on what
25 happened with the ones that were implemented from the

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2 prior year, whether or not you saw the savings you
3 said you... [cross-talk]

4 MELANIE HARTZOG: Happy to look... [cross-
5 talk]

6 COUNCIL MEMBER ROSENTHAL: ...were going to
7 see... [cross-talk]

8 MELANIE HARTZOG: ...at that, I want to
9 follow... [cross-talk]

10 COUNCIL MEMBER ROSENTHAL: ...for example
11 I... [cross-talk]

12 MELANIE HARTZOG: ...I also wanted to add...
13 [cross-talk]

14 COUNCIL MEMBER ROSENTHAL: ...see
15 procurement... [cross-talk]

16 MELANIE HARTZOG: ...just quickly that as
17 part of the overall monitoring of the savings plan we
18 do meet with council finance and other monitors to
19 actually talk about implementation of all of the
20 savings programs on a regular basis... [cross-talk]

21 COUNCIL MEMBER ROSENTHAL: No, I'm saying
22 that the end of a fiscal year did you achieve the
23 savings that you said you... [cross-talk]

24 MELANIE HARTZOG: Right... [cross-talk]

25

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1
2 COUNCIL MEMBER ROSENTHAL: ...were going to
3 achieve?

4 MELANIE HARTZOG: Yep and that's the
5 ongoing process of monitoring so they know ahead of
6 time.

7 COUNCIL MEMBER ROSENTHAL: Okay, so one
8 of them specifically and just two picky questions
9 Chair and then I'll be done. The fleet legal
10 coordination savings this is where DCAS will share
11 information with law related to the defense of
12 automobile related claims made against the city, the
13 savings for this doesn't start till fiscal year '19,
14 this is something you put in the budget in November..
15 [cross-talk]

16 KEN GODINER: Correct... [cross-talk]

17 COUNCIL MEMBER ROSENTHAL: ...first of all
18 why wasn't DCAS doing that before, it seems pretty
19 straightforward unless the description is a little
20 too simplistic which would be fine but are they... have
21 they started that effort yet?

22 KEN GODINER: We're in... [cross-talk]

23 COUNCIL MEMBER ROSENTHAL: Or is this
24 something where you're not even starting even though
25

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2 it's been in the budget and you've known about it for
3 eight months?

4 KEN GODINER: We, we added this in the...
5 in, in preliminary not, not in November.

6 COUNCIL MEMBER ROSENTHAL: Sorry, you've
7 known about it five months so... no value in the
8 current year... [cross-talk]

9 KEN GODINER: Well the preliminary was
10 February 1st but the, the point is what we're doing
11 here is making sure that we have accurate records of
12 where the vehicles are, if they've been involved in
13 any sort of motor vehicle incident we're, we're
14 making... we're getting sort of better track of what,
15 what's happened. In addition, we're going to be using
16 vehicle locators collecting that data, sharing that
17 with... so, like GPS, right, so you know where the
18 vehicles are so if people claim that a city... a city
19 vehicle, you know struck there, their car we can
20 actually track to see if the car... our car was in that
21 location at that time, so we'll be getting that data
22 then... [cross-talk]

23 COUNCIL MEMBER ROSENTHAL: Do you think
24 there are frivolous law cases another word?

25 KEN GODINER: Right, we can... [cross-talk]

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COUNCIL MEMBER ROSENTHAL: I'm just ask...

[cross-talk]

KEN GODINER: ...also tell by... based on the data I believe we can also tell like the speed of our vehicle, etcetera so if someone says well, you know they were going... [cross-talk]

COUNCIL MEMBER ROSENTHAL: Right but the law... [cross-talk]

KEN GODINER: ...pretty fast then we can look... [cross-talk]

COUNCIL MEMBER ROSENTHAL: ...department never reached... [cross-talk]

KEN GODINER: ...into... [cross-talk]

COUNCIL MEMBER ROSENTHAL: ...out to DCAS before to ask about the vehicles, that's okay, I'm just curious... [cross-talk]

KEN GODINER: I don't think... [cross-talk]

COUNCIL MEMBER ROSENTHAL: You're right with... [cross-talk]

KEN GODINER: ...they've never reached out... [cross-talk]

COUNCIL MEMBER ROSENTHAL: ...the technology... [cross-talk]

25

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1
2 KEN GODINER: ...to talk about vehicles I
3 think this is a systematic approach to gathering that
4 data, storing it and then when an incident comes in
5 retrieving that data and sharing it with the law
6 department.

7 COUNCIL MEMBER ROSENTHAL: Have you had
8 any success since prelim?

9 KEN GODINER: Since prelim we've been in
10 the process of, of working this through, we... I don't
11 believe that, that we're going to see results in, in
12 the first two months from when we added it to the
13 budget, but we expect to see results... [cross-talk]

14 COUNCIL MEMBER ROSENTHAL: Okay, the
15 last... [cross-talk]

16 KEN GODINER: ...in fiscal '19... [cross-
17 talk]

18 COUNCIL MEMBER ROSENTHAL: ...question...
19 yeah, the last question I have is, is more of a
20 concern, one of your savings has to do with
21 Enterprise Print Management... [cross-talk]

22 KEN GODINER: Uh-huh... [cross-talk]

23 COUNCIL MEMBER ROSENTHAL: ...where you're
24 consolidating under a single contract citywide
25 printing expenses, it feels like it's going in the

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2 wrong direction for two reasons, one is because we
3 know that breaking the contracts into smaller ones
4 are important to get more MWBE companies to be able
5 to bid on and win contracts and it's completely
6 counter to the... to the savings you put in the
7 November plan with reverse auctions where you're
8 making more competitive bidding so I don't know why
9 you'd go to a one bidder system, you know we know
10 with the MTA that's resulted in billions of dollars
11 of cost overruns so... [cross-talk]

12 KEN GODINER: And, and, and... well the,
13 the, the way the bid works is the... it's a cost per,
14 per page so then we can't be any cost overruns and
15 they're, they're guaranteeing us a cost per page, the
16 reason we're going through a single vendor is because
17 it's a lower cost per page than we're... than we're
18 currently paying for, for the various contracts that
19 we have.

20 MELANIE HARTZOG: And I guess what I
21 would say as it relates to the concerns around the
22 MWBEs, valid point, we'll take that in as we're
23 moving forward with implementation to make sure that
24 we're not in fact going against what our overall
25 policy is there, I don't think that that's the case,

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2 but we will definitely make sure that that's factored
3 into consideration... [cross-talk]

4 COUNCIL MEMBER ROSENTHAL: Thank you so
5 much, thank you Chair.

6 CHAIRPERSON DROMM: Thank you, Council,
7 Council Member Constantinides, Levin and then last
8 Council Member Barron.

9 COUNCIL MEMBER CONSTANTINIDES: Thank you
10 Chair Dromm, Director Hartzog, I hope I'm saying that
11 right with a name like Constantinides I do my best to
12 get names right. So, good afternoon now, I guess it's
13 been going at this while, you know this is my fifth
14 budget and what I keep hearing from my constituents
15 is that the governments broken, bless you... and that
16 we're not really getting to the heart of what people
17 are really needing. When it comes to our homeowners
18 they've seen, you know their assessments, yes, I've
19 been able to say with a straight face that we have
20 not raised their rates but they're feeling the, the
21 frustration of those assessments, they show, show me
22 their tax bill and they show me the tax bill year
23 after year especially our class one homeowners, this
24 is the largest investment they've made in their
25 entire lives and yet they've seen year after year

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2 their assessments go up, they've seen this year where
3 we're seeing the water rate go up at 2.6 percent,
4 they feel stressed, they feel like government's not
5 working for them and they're not being heard. Now I
6 know that we want to do this as part of a larger
7 program but when we have so many one shots in this
8 budget as part of how we're getting to where we're
9 going when it comes to the amount of money that we
10 have why not do this property tax rebate to
11 demonstrate to these homeowners that yes, we hear
12 you, yes we understand that this is part of a broken
13 system that we are in the process of fixing but we
14 are going to make some progress in this budget,
15 that's my first question. Give me... I'm going to try..
16 I only have five minutes, three minutes whatever it
17 is, I'm going to go... see my last name is too long.
18 NYCHA senior centers, every year the senior center in
19 my NYCHA is up for debate, what I've seen is
20 happening there is that there's no food, there's no
21 programing, we're constantly in this chicken of the
22 ed game, yes, it's underutilized because we're not
23 providing the services there that a senior center
24 needs to be productive. I provided food through SOS
25 funding this year, we've seen the program utilization

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2 just go through the roof because seniors are coming
3 there because there's food and there is interaction,
4 there's programming, we can't just say we're going to
5 have a room open and make that a senior center, there
6 has to be things that make... actually make it a senior
7 center and, and lastly when it comes to Fair Fares I,
8 I will say that the MTA is not my... I've been here, I
9 had Chairman Lhota here throwing papers at me during
10 the budget hearing, during the initial budget, you
11 know we're not... we're not on each other's Christmas
12 card list this year but this isn't an investment in
13 the MTA, this is about investing in New Yorkers, you
14 know students who are making decisions going back to
15 school who can't afford to go back to school because
16 they can't get on the train or bus, this is about
17 making sure they can get to work and put food on the
18 family... on the table for their families, this isn't
19 about in making investments in an MTA that's broken
20 this is about fix... making government work for them
21 that they're lives are less broken and able to get to
22 their American dream if they want to go. So, I'll say
23 that we have to do that better and then lastly as the
24 Environmental Chair I'll just get two seconds in,
25 we've asked for 800 million dollars, I know it's a

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1 shared priority, we've worked on 80 by 50 but if we
2 don't accelerate how we get our city owned buildings
3 to get retrofitted for solar and for hydropower and
4 for geothermal and for wind power we are not going to
5 hit our mission's goals, we're not going to be able
6 to continue to lead the way and we're going to
7 continue to stall and that's not where I want to go,
8 that's not... that's not where the Mayor wants to go,
9 this is a shared partnership here, we have to do
10 better when it comes to accelerating the... our 80 by
11 50 mandate for our own city owned buildings. So,
12 that's everything I got.

14 CHAIRPERSON DROMM: Okay, thank you,
15 Council Member Levin followed by Barron and then
16 finally the very last one will be Majority Leader
17 Cumbo.

18 COUNCIL MEMBER LEVIN: I... thank you very
19 much Mr. Chair. Thank you very much Director Hartzog.
20 So, I wanted to ask a little bit about the spending,
21 DHS spending, homelessness. So, we are now seeing an
22 additional increase in DHS spending above what we saw
23 as part of a budget mod for the current fiscal year.
24 So, I'll just take it back a few years here, say to,
25 to fiscal '16, fiscal '16 we are now up from then to

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1
2 now in DHS spending 510 million dollars, 510 million
3 dollars from fiscal '16 to fiscal '19 and if you were
4 to look back at the homeless count in the middle of
5 fiscal '16, so January of fiscal '16 there were
6 60,296 homeless individuals in the DHS system, that
7 number went up, it went down, it went up again, it
8 went down, it peaked at around 63,500, it's back down
9 today to 62,947 so the delta in terms of the
10 population in the DHS system from January of '16 to
11 today is 2,651, that's the population delta. It went
12 up, it went down, went up again, went down a little
13 bit however the, the dollar delta is 510 million
14 dollars for 2,651 more people. The Mayor said
15 publicly, he said on the radio, he said this is the
16 last time we're going to see this type of increase
17 because we just approved a budget mod that was 170
18 million dollars in budget mod or 160 million dollars
19 in the.. just in.. just, just in the current fiscal
20 year. First off can you explain to me in layman's
21 terms and for everybody here why with a population
22 increase of only 2,651 since January of '16 we've
23 seen a 510 million dollar increase because that
24 averages out to 100... around 193,000 dollars a person?

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1
2 MELANIE HARTZOG: So, there's a couple of
3 components to the increase from '16 till now, the one
4 that I know you care very much about and as many of
5 the providers do is the increase for the model
6 budgets, that's about 146 million dollars, that was
7 to provide additional resources and staff to the
8 shelter providers to be able to better assist
9 individuals with getting permanency. We've also
10 invested in shelter security to the tune of over 100
11 million dollars in providing additional supports
12 there to make sure that the safety of not just the
13 clients but the community, there's Thrive investments
14 for mental health services, behavioral health
15 services of 50 million dollars and then you have the
16 street programs for about 65 million dollars, those
17 are the rough numbers. What you're referring to in
18 terms of the census being level and in fact for ten
19 years year to year change it's been level from this
20 year to last year, the 60,000 is actually, yes, in
21 fact it is level but it is a composition change, we
22 have more singles than we do families and because of
23 that you house a family in one unit, when you have
24 singles you have more singles you're housing them two

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2 per unit and so they cost more. So, those are a
3 number of the shifts that explain the cost increases.

4 COUNCIL MEMBER CONSTANTINIDES: Okay, I
5 mean on the model budgets frankly we've heard that
6 only a handful have actually been negotiated at this
7 point so the spending on the model budgets... I mean
8 just in, in terms of... within FY '18 there shouldn't
9 be any spending in, in mod... in, in additional funding
10 for model budgets because last I heard there was one
11 or two of the contracts that have actually been
12 negotiated... [cross-talk]

13 MELANIE HARTZOG: Sure... [cross-talk]

14 COUNCIL MEMBER CONSTANTINIDES: ...and
15 that's coming from... [cross-talk]

16 MELANIE HARTZOG: ...so I believe we were
17 comparing budget to budget so that's what I was
18 answering.

19 COUNCIL MEMBER CONSTANTINIDES: Okay, I'm
20 just saying that we can't... we can't say that model
21 budgets is accounting for the... for the... for this
22 rapid increase in funding or this massive increase in
23 funding, model budgets didn't... there... especially like
24 if from FY '16 to FY '18, you know that's a... that
25 alone is a 450 million dollar increase, there was no

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2 model budget between fiscal '16 and fiscal '18, this
3 is... model budgets happening now and again there's
4 only one or two agencies that will have a model
5 budget with DHS, I've, I've talked to them.

6 MELANIE HARTZOG: I, I'm, I'm not going
7 to speak to and I know... [cross-talk]

8 COUNCIL MEMBER CONSTANTINIDES: But
9 certainly from... [cross-talk]

10 MELANIE HARTZOG: ...Commissioner Banks
11 will be in front... [cross-talk]

12 COUNCIL MEMBER CONSTANTINIDES: ...from
13 fiscal '16 to fiscal '18... [cross-talk]

14 MELANIE HARTZOG: ...of you at the various...
15 [cross-talk]

16 COUNCIL MEMBER CONSTANTINIDES: ...there
17 was no... there was no model budget and frankly
18 honestly if I had heard... if I hear from, from, from
19 those that are going through the DHS system that the
20 experience was great these days or since fiscal '16
21 to, to today, things are very different in terms of
22 the level of services that they're getting, in terms
23 of the help that they're getting, in terms of
24 relocation, I mean anywhere you go you hear that
25 people have vouchers and they don't... they have no...

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2 nobody's taking them but nobody, nobody within the

3 DHS system is helping them find an apartment, they... I

4 mean that, that's across the board you hear that. We,

5 we underspend on our... in the... on the HRA side on the...

6 on the vouchers so we're, we're, we're not even

7 spending... we're, we're underspending by 20 million

8 dollars a year. In fact, this year to date in F... in

9 FY '18 we're... we've underspent by 90 million dollars

10 in the vouchers together because nobody's taking the

11 vouchers. One of the reasons nobody's taking the

12 vouchers is because we don't have housing specialists

13 in the DHS system that are actually there connecting

14 people to the housing and that... and that's, that's

15 something I'll take aside but it's just... it's just...

16 I, I guess my question is this, do you agree with the

17 Mayor that this is going to be the last time, do you

18 agree with the Mayor that this is going to be the

19 last time that we see... [cross-talk]

20 MELANIE HARTZOG: Of course... [cross-talk]

21 COUNCIL MEMBER CONSTANTINIDES: ...a, a...

22 [cross-talk]

23 MELANIE HARTZOG: Absolutely... [cross-

24 talk]

25

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2 COUNCIL MEMBER CONSTANTINIDES: ...massive

3 increase like we just saw?

4 MELANIE HARTZOG: Barring anything in

5 terms of significant shelter census increase this is

6 the last time, it's part of as I've said the Turning

7 the Tide plan.

8 COUNCIL MEMBER CONSTANTINIDES: I am

9 pretty sure that this is not the last time that we're

10 going to see a massive increase in spending like we

11 have just seen in the DHS side and I, I mean just,

12 just based on the fact that we've gone from 60,296 to

13 62,947 and it's cost us 500... it's cost us a half a

14 billion dollar and so...

15 CHAIRPERSON DROMM: I'm, I'm sorry, we

16 need to move on... [cross-talk]

17 COUNCIL MEMBER CONSTANIDES: ...I'm, I'm

18 pretty sure... okay, I, I mean I'm going to hold you to

19 that so next year when there's a... when there's a

20 budget mod or another massive increase I'm going to...

21 I'm going to have to say that in this executive

22 budget hearing you as well as the Mayor said that

23 this is the last time we're going to see this massive

24 increase and just on salary parody... [cross-talk]

25

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CHAIRPERSON DROMM: Council Member we
need to move on... [cross-talk]

COUNCIL MEMBER CONSTANTINIDES: ...I just...
I just... I just want to say... [cross-talk]

CHAIRPERSON DROMM: Council Member...
[cross-talk]

COUNCIL MEMBER CONSTANTINIDES: ...very
quickly Mr. Chair... [cross-talk]

CHAIRPERSON DROMM: ...Council Member we
need to move on... [cross-talk]

COUNCIL MEMBER CONSTANTINIDES: ...salary
parody... [cross-talk]

CHAIRPERSON DROMM: Council Member
Barron... [cross-talk]

COUNCIL MEMBER CONSTANTINIDES: ...is...
[cross-talk]

CHAIRPERSON DROMM: Council Member
Barron.

COUNCIL MEMBER CONSTANTINIDES: Thank you
Chair.

COUNCIL MEMBER BARRON: Thank you Mr.
Chair and I'll be brief as I usually am. I want to
thank the panel for coming. I just want to talk about
basically two issues, one is permanent housing. I

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2 think that as we always say if the budget is a
3 reflection of what your values are and if we
4 acknowledge that housing is a basic human right that
5 we need to make sure that we do what the city can do,
6 we as a city do what we can to provide permanent
7 housing. I think that the city is moving to privatize
8 housing, I think the city is not doing what it should
9 do, I think the city is trying to even consolidate
10 what open space exists or reduce what open space
11 exists by having these quote, "end fill" projects
12 where you have housing come in that does not meet the
13 income levels of the people who live in that
14 community and that comes to gentrification. So, when
15 developers come to the 42nd council district which I
16 represent, I don't accept... I don't advance or support
17 their programs that do not provide for significant,
18 up to 80 percent of the development meeting the needs
19 and the incomes of the people who live in my
20 community which is about 35,000 dollars so for
21 projects that I have approved you can get a studio
22 for about 490 dollars and you can get a three-bedroom
23 apartment for about 1,300 dollars. I think the city
24 has to step up and do more to make availability to
25 the people who live in communities now that are being

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2 gentrified where people who have lived there all
3 these years are now being forced out. I think the
4 city has to step up and do more to make provisions
5 that people who have small incomes, low incomes will
6 not be forced out. And when you talk about a family
7 of three in my community that's normally one working
8 parent and two children so where the income level is
9 33,000 dollars one working adult they're not able to
10 meet some of these other affordable projects which
11 you will see noted in daily newspapers. The second
12 point I want to talk about is CUNY, we know that the
13 Department of Education woefully underprepares its
14 graduates to be able to function on a college level
15 which forces students then to use much of their
16 assistance money, TAP money and other programs that
17 they're in to pay for courses that give them no
18 credit. So, the DOE is introducing another pilot
19 project so that students will be able to get some
20 credit but I think that the fact that the DOE has not
21 met it's obligation is significant and I think that
22 the need for CUNY child care centers is not addressed
23 in this budget and we know that when student parents
24 or parent students whichever way you want to put it,
25 have children, young children they need to make sure

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2 that they have a safe place for their children to go
3 while they are taking their classes. And lastly,
4 units of appropriation, are you willing to set units
5 of appropriation so that we can readily see where the
6 capital money is being allocated for community
7 colleges.

8 MELANIE HARTZOG: I am always willing to
9 have a conversation about how we can provide greater
10 transparency to the council whether it is on the
11 capital or expense side and I know that in your
12 response you have asked for both units of
13 appropriation on both and moving into our
14 conversations around adoption very open to that
15 conversation. On the capital side over the last 30
16 days we've really focused on two major priorities
17 that the council had asked for, not frontloading the
18 budget, the capital budget and doing a stretch of
19 that and also taking down appropriations so those
20 were the top two priorities there but again more to
21 be done there. On the issue of housing, as you...
22 [clears throat] sorry... know very well... I know
23 supportive of in Housing 2.0 we did an investment of
24 over 1.9 billion dollars to deepen affordability
25 meaning that we are investing in lowering the income

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2 thresholds so that vulnerable and as you described in
3 terms of the income thresholds to be able to access
4 units that creates about 10,000 units within that,
5 about 25 percent of our overall housing plan is
6 dedicated to the deepening the affordability and
7 that's in addition to all of the other supports that
8 we provide; access to counsel for anti-eviction
9 services, including the rental assistance subsidies
10 that we provide all available on that front. On the
11 CUNY side I know that that was part of... or CUNY
12 request, excuse me, part of the council's response as
13 well in terms of priorities, major challenges this
14 year in terms of what we were able to do given the
15 530 million dollars of cost shifts and unfunded
16 mandates from the state that were a real challenge in
17 the executive budget, we did reflect a good chunk of
18 the council's priorities within the executive budget
19 that was not included in part of it but as we move
20 forward towards adoption and conversations I'm, I'm
21 sure that we will be having that conversation.

22 COUNCIL MEMBER BARRON: Thank you for
23 your response and I hope to see even more
24 improvements in the final document that comes
25 forward, thank you Mr. Chair.

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CHAIRPERSON DROMM: Thank you very much,
Majority Leader Cumbo.

COUNCIL MEMBER CUMBO: Thank you Chair
Dromm. I wanted to dive right into the executive
budget's new spending and so we have approximately a
billion dollars in new spending, I'm happy to see
that over a quarter of that is going to our homeless
spending and happy to see the SYEP minimum wage
finally in there but we are also not seeing an
expansion of summer youth employment as reflected in
the budget and what I'm also concerned about and very
concerned about which many of my colleagues have
spoken about, we've spoken about it after hearing
after hearing is the SONYC program and again that's
going to be 34,000 middle school aged students over
the summer not having a summer opportunity in a safe
environment. So, in, in your estimation would you say
that let's say teenagers, young adults would be less
likely to wind up being teenage pregnant, having a
teenage pregnancy during the summer whether they had
a constructive summer opportunity or if they did not
have one?

MELANIE HARTZOG: Council Member I
understand your concerns around SONYC summer, I've

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2 heard them throughout this hearing several times

3 today. As to the importance of it and that this is a

4 council priority as we move into conversations for

5 adoption moving forward. I'm also... you know the

6 challenges that we had within the executive budget

7 around having to deal with 530 million dollars in

8 cost shifts and unfunded mandates that had we not had

9 the personal income tax windfall that actually helped

10 us to deal with that without having to make further..

11 [cross-talk]

12 COUNCIL MEMBER CUMBO: And I hear that

13 but we have one billion dollars in new spending and

14 the thing that I'm most concerned about is this

15 summer program because in my district and

16 particularly for many of my colleagues of color not

17 having a summer program for middle school aged

18 students whether... you know I'm, I'm not going to try

19 to lock you into the questions because I don't have

20 enough time for that, means that teenage pregnancy is

21 going to be a real issue in our community, it means

22 everything from STDs, it means everything from our

23 young children joining gangs and sets, it has

24 everything to do with their safety in terms of gun

25 violence, these are real critical issues so while

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1 many of the decisions that we're making are great
2 goals for the future, if we don't protect our young
3 people particularly in communities of color by giving
4 them something constructive and I don't mean that
5 they can just drop in to some community center I mean
6 some place where they are held accountable, where
7 people are looking for them, where they're going to
8 have a breakfast and a lunch, where they're going to
9 have something constructive to do over the summer
10 because I'll be even more frank our children can't be
11 seen as casualties, we can't just see oh, we don't
12 have 34,000 young people with something to do this
13 summer, sure some of them might join a gang, sure
14 some of them are going to get pregnant, some of them
15 might even pick up a gun this summer but we're okay
16 with that because we're saving money in the budget,
17 I'm not okay with that and I've expressed that many
18 times throughout this budget process. And I know that
19 you say that you've heard me, and you've heard
20 everyone and you heard everyone consecutively but
21 you're hearing us and we're not seeing any action or
22 any call, I've gone all around this city telling
23 everybody how brilliant and innovative the
24

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3 administration is, what am I going to do now? That's
4 all.

5 CHAIRPERSON DROMM: Okay. Alright, we're
6 going to end here Director Hartzog, thank you very
7 much for coming in and we look... [cross-talk]

8 MELANIE HARTZOG: Thank you Chair...
9 [cross-talk]

10 CHAIRPERSON DROMM: ...forward to
11 continuing with the discussion with you, thank you.
12 And we're going to have a five-minute break as we
13 transition to Small Business Services. Okay, thank
14 you. We'll now resume the City Council's Hearing on
15 the Mayor's Executive Budget for fiscal '19. The
16 Finance Committee is joined by the Committee on Small
17 Business, Chaired by my colleague Council Member
18 Gjonaj. We just heard from the Office of Management
19 and Budget and now we will hear from Gregg Bishop,
20 Commissioner of the Department of Small Business
21 Services. In the interest of time I will... I will
22 forego making an opening statement before we hear
23 testimony, but I will now give the mic to my Co-chair
24 Council Member Gjonaj.

25 COUNCIL MEMBER GJONAJ: Thank you Chair.
Good afternoon everyone and welcome to today's budget

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2 hearing. My name is Mark Gjonaj and I'm the Chair of

3 City... of the Council's Committee on Small Business.

4 Today committee will be jointly representing...

5 presiding with the Finance Committee over the fiscal

6 2019 executive budget for the Department of Small

7 Business Services. First, I want to express my great

8 disappointment that the executive budget does not

9 reflect a majority of the recommendations that the

10 council made at the preliminary budget response

11 however I'll continue to push the administration to

12 ensure that the fiscal 2019 adopted budget reflects

13 the needs and interests of the city. Today we will be

14 hearing from the Department of Small Business

15 Services on their fiscal 2019 executive budget that

16 totals 258.4 million dollars, this is an 85.7 million

17 dollar increase in the agency's budget from the

18 fiscal 2019 preliminary budget of 172.7 million. This

19 increase in budget is partially due to the head count

20 increase of 14 from 362 in the fiscal 2019

21 preliminary plan to 376 in the executive plan. I

22 would like to hear from SBS today the reasons why the

23 agency continues to increase the head count when it

24 is such a high vacancy rate and just to include that

25 the previous budget hearing allocated cost savings

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2 for the city by removing 1,000 head counts from all

3 of the agencies and departments. In the city's budget

4 response to the preliminary budget hearing the

5 council emphasized the assistance in securing project

6 financing and bonding is crucial for MWBEs and urge

7 that the administrations ensure that funds dedicated

8 for this initiative are used in a timely manner. In

9 fiscal 2017 the administration added 20 million in

10 funding for MWBE bond security fund and MWBE loan

11 fund of which 13.5 million was rolled over from

12 fiscal 2017 to fiscal 2018. As of this moment 4.6

13 million in contract financing loan fund 9.4 million

14 in bond collateral assistant fund remains to be

15 unutilized. I want to hear about what steps SBS is

16 taking to ensure that the funds dedicated to this

17 initiative is used in a more timely manner. Other

18 areas I want to hear from the Commission around

19 include some of the shortcomings the administration

20 has had in implementing programs such as SB1 which

21 cannot point to any significant ease in of regulation

22 after 27 million was invested in it. I want to hear

23 about new needs reflected in the executive budget

24 such as satellite workforce one career centers in

25 East Harlem, new storefront improvement program in

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2 downtown Jamaica, Jerome Avenue business grant
3 program and property tax system to track bid
4 assessment data. I'd like to thank Commissioner
5 Bishop for coming here today and testifying. I'd like
6 to thank both my staff and committee staff; Alea,
7 Sylvester, Michael and Robby for their help in
8 preparing for this hearing. I'd like to thank the SBS
9 staff who's consistently been responsive, not always
10 delivered but been responsive to our many requests
11 including sending over detailed responses to the
12 preliminary budget hearing and follow up letter,
13 thank you.

14 CHAIRPERSON DROMM: Thank you very much
15 Chair Gjonaj. I'd like to introduce now other members
16 of the committee who are here; Council Member Adams,
17 Cumbo... Majority Leader Cumbo, Council Member Ayala,
18 Council Member Rivera, Council Member Richards,
19 Council Member Rosenthal, Council Member Perkins,
20 Council Member Menchaca, and Council Member Matteo
21 and with that I'd like to ask Counsel to swear the
22 panel in.

23 COMMITTEE CLERK: Do you affirm that your
24 testimony will be truthful to the best of your
25 knowledge, information and belief?

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GREGG BISHOP: I do.

COMMITTEE CLERK: Thank you... [cross-talk]

JACKIE MALLON: I do.

CHAIRPERSON DROMM: Okay Commissioner
would you like to start?

GREGG BISHOP: Good afternoon Chairs
Dromm and Gjonaj and the members of the Committees on
Finance and Small Business. My name is Gregg Bishop
and I'm the Commissioner of the New York City
Department of Small Business Services. I'm joined by
SBS First Deputy Commissioner Jackie Mallon and my
Senior Leadership team. At SBS, we aim to unlock
economic potential and create economic security for
all New Yorkers by connecting them to quality jobs,
building stronger businesses and fostering thriving
neighborhoods across the five boroughs. Today, I want
to share an update on our efforts since our last
hearing. After my testimony, I'm happy to your
questions. First, I'd like to give you an overview of
our agency budget. From there, I will delve into the
services made possible through this funding. SBS's FY
'19 executive budget is 258.4 million with a head
count of 376 employees. The executive budget includes
pass through funding for other financial it needs

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1 within city government. This funding is not spent or
2 managed by SBS but is used as conduit funding for
3 other city entities. Of the 258.4 million, 34 percent
4 or 87.5 million is pass through funding, which
5 includes; 48.7 million for EDC, 21.2 million for NYC
6 and Co., 16.2 million for Governors Island and 1.4
7 million for the Brooklyn Navy Yard. The remaining 171
8 million, or 66 percent of the FY '19 executive
9 budget, is allocated for SBS's programs. This funding
10 supports SBS's mission of economically empowering New
11 Yorkers through our employment, business and
12 neighborhood services. As the city's advocate for
13 small businesses, SBS is committed to ensuring that
14 businesses can easily connect to our services no
15 matter where they are in our city. We understand that
16 it's not always easy for business owners to come to
17 us, so we are bringing our resources directly to
18 their doorsteps. SBS works closely with community
19 partners to get the word out about our services. The
20 council funded Chamber On-the-Go initiative allows us
21 to send trained business specialists to canvas
22 commercial corridors and connect with business
23 owners. SBS also recently launched our Mobile
24 Outreach Unit, an additional resource equipped to
25

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3 serve New Yorkers on site in their neighborhoods. We
4 look forward to partnering with the committees to
5 reach more New Yorkers across the city. Small
6 businesses are essential to the local economy and
7 character of our neighborhoods. They provide
8 opportunities for individuals to strengthen their own
9 economic security and provide jobs for members of
10 their communities. SBS operates a network of seven
11 NYC Business Solution Centers that provide free, high
12 quality services. In FY '17, the centers served more
13 than 9,000 businesses. To provide assistance to the
14 industrial and manufacturing businesses, SBS
15 contracts with nine Industrial Business Service
16 Providers. In FY '17 the IBSPs connected more than
17 550 businesses to nearly 1,000 services. Many
18 businesses struggle to adapt to changes in the
19 businesses... the business environment. To support
20 businesses that are facing issues with their lease,
21 we provide free legal assistance through our
22 commercial lease assistance program. Businesses can
23 work one on one with attorney... with attorneys to
24 review lease renewal terms, negotiate with their
25 landlord and even prepare court papers and motions
when litigation cannot be avoided. To support long

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1 standing companies, SBS launched Love Your Local. The
2 program encourages New Yorkers to support their
3 favorite neighborhood business through an interactive
4 map available at NYC dot gov slash love your local.
5 We will soon be launching the next phase of the
6 program which will provide eligible businesses with
7 expert business advice and grants of up to 90,000
8 dollars. Along with our support of all small
9 businesses, SBS also plays a key role in the city's
10 Minority and Women owned Business Enterprise program.
11 The MWBE program aims to support the growth of
12 minority and women owned businesses through city
13 procurement and ensure our vendors reflect the
14 diversity of our city. SBS certifies MWBEs and
15 provides essential capacity building services and
16 technical assistance to ensure they can compete for
17 and execute city contracts. Through the support and
18 investment of this administration, we have seen a
19 nearly 50 percent increase in certified firms. At the
20 end of quarter two of FY '18, SBS had nearly 5,500
21 certified MWBEs. SBS offers a number of capacity
22 building programs and technical assistance resources
23 designed for MWBEs. Cash flow is often an issue for
24 companies working on city projects, particularly for
25

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2 MWBEs so the administration created a contract
3 financing loan fund. This ten million... this ten-
4 million-dollar revolving fund offers low interest
5 loans of up to half a million dollars capped at a
6 three percent interest rate. Since their launch of
7 the fund in March 2017, we have awarded nearly six
8 million dollars to small businesses. SBS is
9 responsible for helping New Yorkers find jobs by
10 connecting job seekers to employers and local
11 residents to industry informed training. Through our
12 network of 21 Workforce One Career Centers, SBS
13 provides recruitment expertise, industry knowledge
14 and skill building workshops to mandate... to match
15 candidates to jobs. Annually, we successfully connect
16 more than 25,000 New Yorkers with quality employment
17 and nearly 4,000 New Yorkers with the training needed
18 to advance their careers. In the executive budget,
19 SBS received 7.1 million dollars to continue the
20 Mayor's Career Pathways strategic plan, a roadmap to
21 create a more inclusive workforce. SBS offers a
22 number of trainings that are designed to meet
23 employer needs identified through our Industry
24 Partnerships. The goal of these industry partnerships
25 is not only to connect New Yorkers to employment, but

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2 also to build a long term, sustainable connection

3 between employers and training organizations. These

4 trainings are designed to help low income New Yorkers

5 gain access to living wage jobs that they would

6 otherwise struggle to find and secure. Since our

7 preliminary budget hearing, SBS launched Apprentice

8 NYC, a new employer partnership model that provides

9 New Yorkers with good jobs in sectors that include

10 tech, health care, and industrial and manufacturing.

11 Partnering with eight manufacturing small businesses

12 for their first cohort, participants with limited or

13 no prior experience will be connected to paid, full

14 time apprenticeships as computer numerical control

15 machinists. The expertise of local, on the ground

16 partners is essential to tackling the unique

17 challenges faced by New York City's diverse

18 neighborhoods and business communities. SBS oversees

19 the largest network of business improvement districts

20 in the country, with 75 BIDs delivering more than 147

21 million dollars in services to 93,000 businesses

22 throughout the five boroughs. We are proud that this

23 administration has led an increase in smaller BIDs

24 located in outer boroughs, giving business

25 communities across the city an opportunity to raise

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3 their collective voice. We recently released our
4 annual BID Trends Report, which highlights the
5 tremendous impact BIDs have on neighborhoods across
6 the city. During FY '17, BIDs collected four million
7 trash bags and held.. and held more than 4,700 public
8 events for 12.1 million New Yorkers and visitors. SBS
9 recently announced the winners of the Avenue NYC
10 initiative which provides 1.2 million dollars in
11 grant awards to community-based development
12 organizations to boost underserved communities
13 through community development projects. Grantees will
14 be awarded up to 100,000 dollars per year for up to
15 three years and this year's winners just to give you
16 an example include Chhaya Community Development
17 Corporation in Jackson Heights, Flatbush Development
18 Corporation in Flat.. in Flatbush and Mosholu
19 Preservation Corporation in Norwood among others.
20 Together, SBS and our community partners are
21 supporting vibrant neighborhoods where New Yorkers
22 can shop, work and live. We look forward to working
23 with council in the year ahead. Thank you and I would
24 be happy to take your questions.

25 CHAIRPERSON DROMM: Okay, thank you. Let
me now just ask you a few questions. I think in your

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2 testimony you said that you... I'm just trying to pull
3 that up... okay, had nearly 5,500 certified MWBEs, the
4 Mayor set a goal though of 30 percent utilization of
5 minority and women business enterprises by fiscal
6 2020 and 9,000 certified firms by fiscal '19, are you
7 falling short?

8 GREGG BISHOP: No, so we have a, a ramp
9 up when we set that goal, we took a look at
10 historical numbers, the Mayor's office have been
11 actually very supportive in terms of getting us
12 resources to do not only advertising campaigns but to
13 really go out into the different communities so over
14 the next couple quarters you are going to see a sharp
15 increase in the amount of companies that are being
16 certified that's based on the ramp up here that we
17 had built into that 9,000 goal.

18 CHAIRPERSON DROMM: So, by the end of
19 fiscal '19 you expect to hit that goal?

20 GREGG BISHOP: Yes.

21 CHAIRPERSON DROMM: Okay and many
22 agencies have their own MWBE assistance programs with
23 varying success. For example, the School Construction
24 Authority has a mentor program that results in a
25 significant amount of capital construction work

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2 awarded to MWBEs, 700 million dollars in fiscal 2017.

3 How if at all does SBS coordinate or work with the
4 SCA on it's MWBE programs?

5 GREGG BISHOP: So, we work closely with
6 actually all our regional partners just as a
7 reminder, the SCA is an authority so they have
8 different procurement rules and therefor they are
9 actually able to do a lot more innovative programs
10 and that is one of the things we're actually pushing
11 on the state level to allow the city to actually do
12 more mentorship programs similar to the SCA. The
13 office.. the creator of that program, Michael Gardiner
14 who is now at the M... at the MTA he sits on our M, MW
15 advisory board so there's a lot of close
16 collaboration, we cross certify so if someone is
17 certified with the city they can also get certified
18 with the SCA. We share lists in terms of if you're
19 certified with the SCA we actually get that
20 information so we work closely with not only the SCA
21 but we also work with the port authority, we work
22 with the state of New York in order to actually not
23 only add more companies in our portfolio of certified
24 firms but also share best practices.

25

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CHAIRPERSON DROMM: In fiscal 2017 the

administration added 20 million dollars in funding

for the MWBE bond security fund and MWBE loan fund of

which 13.5 million was rolled over from fiscal 2017

to fiscal '18, 4.6 million dollars in, in contract

financing loan fund and 9.4 million in bond

collateral assistance fund still remains to be

utilized. The council in the budget response urged

the administration to ensure that no further delay

in... that there's no further delay in contract

registration, why is the disbursement of these funds

been so slow?

GREGG BISHOP: So, I just wanted to

clarify, so, the, the two programs were actually

created as a result of actually talking to MWBEs and

understanding some of the challenges MWBEs face with

city procurement, one was the contract financing fund

and just for those who are not clear on what that

program is its... if an MWBE has won a city contract

then they can actually access the fund. So, we're

actually pretty excited about the fact that we've

gotten six million dollars out at the door, it's a

revolving fund so as the contractor actually is

working on the... on the job they are repaying us so

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2 that money will always be sort of in circulation but

3 certainly we, we realize we, we do need to do a

4 better job in terms of outreach. I always will say

5 that one of the things that we constantly push on is

6 outreach and awareness of our services so certainly

7 we have added additional resources to actually do

8 more outreach and help with loan packaging for those

9 MWBEs. On the bond fund because that is a highly

10 specialized service, that is for MWBEs in

11 construction who actually have won a contract and

12 need to actually get a bond. In some cases some MWBEs

13 may actually have the resources but we have heard

14 from advocates and the community itself that this is

15 a program that they would want the city to have in

16 case they do not have the financial capabilities to

17 get a bond so we, we are ramping up on that... on the

18 bond fund to actually get connect... connected to more

19 MWBEs that are in construction that need this, this

20 capital.

21 CHAIRPERSON DROMM: So, with those part

22 of your efforts to step up SBA's efforts to ensure

23 that the funds are dedicated... that are dedicated to

24 initiatives are disbursed in a more timely manner?

25

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1
2 GREGG BISHOP: Correct, so we are... in
3 this budget you will see we, we're working in terms
4 of using our infrastructure so as you know at our NYC
5 Business Solution Centers we help with access to
6 capital so we're looking to add additional staff
7 there to then do more business development for MWBEs
8 that either have won a contract and may not be aware
9 of this program or MWBEs that are bidding and as you
10 may or may not know bidding information is a little
11 bit of a challenge so we need to really do a lot of
12 work to, to get to those MWBEs so they know that
13 these... this program is available and for them to
14 actually use them.

15 CHAIRPERSON DROMM: The executive budget
16 includes 50,000 in fiscal '18 for the BID... for the
17 BID program for new property tax system to track BID
18 assessment. As you know the Finance Committee is
19 responsible for approving new BIDs, extensions to
20 BIDS and request for assessment, increases in
21 district plan amendments, so this was an, an
22 interesting item to me. What data do you use to track
23 it and to further assist the agency?

24 GREGG BISHOP: Right, so this is actually
25 deep in the weeds so when the assessment is, is done

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3 by the Department of Finance there's information
4 that's sent over to SBS so that way we can actually
5 make sure that the allocations are appropriate for
6 each bid, finance... the Department of Finance just
7 upgraded their systems and this... that allocation is
8 actually to hire individuals actually tech...
9 technologists to, to recode the transfer of that
10 information so, so that way we still... we... both
11 systems can talk to each other.

12 CHAIRPERSON DROMM: Okay, let me just
13 talk a little bit about head count in SBS. The
14 executive budget included an increased head count of
15 14 but SBS is already high... already has a high
16 vacancy rate with the actual head count,
17 significantly less than the plan head count, what
18 will be the roles of the additional staff that you've
19 added to the budget?

20 GREGG BISHOP: So, the, the numbers that
21 you're seeing is for Career Pathways so this is the...
22 what I talked... alluded... what I talked about in my
23 testimony, these are individuals who are responsible
24 for not only in issuing partnerships and this is the
25 work that we're doing to ensure that not only our
programs are, are aligned with the industry work... the

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3 skills that the industry need but also the fact that
4 the Mayor's very focused on increasing the amount of
5 training that we do for individuals and I talked
6 about underrepresented communities accessing not only
7 training and health care and technology but also
8 construction, I talked about Apprentice NYC so that's
9 what that 14 is. I would say that the, the head count
10 conversation is... and even from the preliminary budget
11 hearing... on, on paper it looks like we have a, a
12 large vacancy rate but what it's not capturing is the
13 fact that we do have individuals who are in the
14 process who we've made offers to, we have individuals
15 in some cases we have new initiatives so over the
16 course of... since the administration have started SBS
17 has been in the position of being responsible for
18 some of the signature programs that the Mayor had
19 including Small Business First, including Career
20 Pathways as an example so we... every fiscal year we
21 have had additional head count for specific
22 initiatives that we have been aggressively recruiting
23 for so one of the things I've done is actually added
24 a recruiter at the agency to actually help us, you
25 know address the, the vacancy issue but on paper it,
it... there's a... you know the... our actual vacancy is

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2 actually ten percent not the numbers that you're
3 seeing.

4 CHAIRPERSON DROMM: What was that number?

5 GREGG BISHOP: Ten percent and I could
6 break it down in terms of, you know of the... of the,
7 the 90 something that you're seeing, we have a, a
8 few... a lot of those 65 are actually new initiatives
9 so construction safety, the rezoning, Career Pathways
10 that you saw which leaves about 32 left for the
11 actual vacancy... the actual openings that the agency
12 has.

13 CHAIRPERSON DROMM: Okay, SBS is
14 planning... this is something I'm not fully aware of
15 but SBS is planning an RFP for construction safety if
16 I'm not mistaken?

17 GREGG BISHOP: Correct.

18 CHAIRPERSON DROMM: How will that be
19 awarded and what are you doing in terms of recruiting
20 groups for that etcetera?

21 GREGG BISHOP: So, it's an open RFP so
22 there's a limited amount of information I can give
23 you right now. What we have done was we extended the
24 deadline to May 15th... to May 15th for groups so if
25 there are groups that you're aware of that are

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2 interested in actually responding to our RFP please I
3 encourage you to let them know that there is an
4 extension. As you know this was part of the
5 aggressive timeline that was set for the construction
6 safety bill that was passed last term and so that's,
7 that's what the, the, the program is about.

8 CHAIRPERSON DROMM: And I do want to
9 thank you for extending that deadline, that was
10 brought to my attention and we're glad that you
11 responded to that. What would be the curriculum for
12 this program and how will it be developed?

13 JACKIE MALLON: The, the curriculum is
14 the result of the stakeholder meeting that was part
15 of the law, the Department of Buildings brought
16 representatives together to, to define the
17 curriculum. It will be around 44 hours and its
18 construction safety obviously.

19 CHAIRPERSON DROMM: So, will it include
20 any capacity building for organizations or will it
21 deal just with the OSHA 30 and.. or no OSHA 10, can
22 you describe that for me?

23 JACKIE MALLON: I, I can... I can do my
24 best but it's... as I said it's a... the, the curriculum
25 was... is determined by the Department of Buildings

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3 based on the recommendations of the, the, the
4 committee that was assembled to inform it. It, it is
5 likely to have components of OSHA and other safety
6 aspects.

7 CHAIRPERSON DROMM: Will it be culturally
8 and language competent?

9 JACKIE MALLON: Are you talking about
10 the, the delivery of the training through us?

11 CHAIRPERSON DROMM: Yes... [cross-talk]

12 JACKIE MALLON: Versus the curriculum, I
13 just want to... [cross-talk]

14 CHAIRPERSON DROMM: Correct.

15 JACKIE MALLON: ...just... [cross-talk]

16 CHAIRPERSON DROMM: Well both actually.

17 JACKIE MALLON: Yeah, so, so yes we are
18 planning to ensure that the, the delivery of the
19 training through us is available in multiple
20 languages and, and it's accessible to everyone that
21 needs it... [cross-stalk]

22 CHAIRPERSON DROMM: So, you'll do it
23 hopefully in Spanish?

24 JACKIE MALLON: Multiple languages.

25 CHAIRPERSON DROMM: Okay, right... [cross-
talk]

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1
2 JACKIE MALLON: Is, is what we
3 understand... [cross-talk]

4 CHAIRPERSON DROMM: ...there is a concern
5 though within many in the Asian community that it's
6 broken down to those languages as well... [cross-talk]

7 JACKIE MALLON: Yep... [cross-talk]

8 CHAIRPERSON DROMM: ...are you planning to
9 address that?

10 JACKIE MALLON: Yes, we are.

11 CHAIRPERSON DROMM: Okay, because that's
12 also important to us. Alright, I'm going to turn it
13 over to members who have questions, the Chair has
14 been kind enough to allow members to, to ask
15 questions before he does so we're going to start with
16 Council Member Rivera followed by Ayala, Cumbo and
17 then Richards.

18 COUNCIL MEMBER GJONAJ: And Commissioner
19 I'm doing that, so they can wear you down and get you
20 ready for me.

21 COUNCIL MEMBER RIVERA: Okay, well... good
22 luck to us all. Thank you Commissioner, thank you so
23 much for being here. I want to follow up on, on Chair
24 Dromm's question about the construction site safety
25 training and recently the RFP that went out and do

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2 you think that the language as it stands accommodates
3 groups that serve immigrant non-English speaking
4 populations so for example some of the non-profits
5 are worried that they're not going to be able to
6 respond to the RFP so you need two years serving and
7 outreaching and organizing day laborers but there's
8 also you need the capacity to handle one million
9 dollar contracts. So, I guess my, my question to you
10 is do you think that the RFP is going to be able to
11 accommodate groups like the Asian American Federation
12 or the New York Immigration Coalition to be able to
13 respond to it since they have the experience in
14 dealing directly with non-English speaking immigrant
15 communities?

16 GREGG BISHOP: So, I'm going to start and
17 then turn it over to Jackie. So, the... as you know the
18 law sets very aggressive time tables for us to get
19 literally over 44,000 individuals trained within the
20 next... and I think the clock started ticking in the
21 next three years and we're already within those
22 three... the, the three year window so we're looking
23 for organizations that not only can address the
24 issues of reaching the communities that would be
25 prone to be on construction sites but also be able to

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2 have the capacity to train a large number of people
3 in a very short period of time. So, what you're
4 seeing in the RFP is a reflection of the desire of us
5 to make sure that we get organizations that can do
6 that as quickly as possible.

7 JACKIE MALLON: Yeah, that's, that's
8 right. That's good your honor thank... [cross-talk]

9 COUNCIL MEMBER RIVERA: Like he said,
10 you're on the same page, staying on message, that's
11 brilliant. Okay, great. So, I had a couple of quick
12 questions about some of your testimony, so you talk
13 about the commercial lease assistance program and the
14 legal services that are available. In addition to... I
15 guess what are some of the numbers of people who come
16 to you for commercial lease assistance program and
17 I'm looking for those numbers annually, in addition
18 would you... do you see the potential in growing your
19 legal service capacity to serve outside of commercial
20 lease negotiations because I get a lot of inquiries
21 from small business constituents on issues outside of
22 commercial lease negotiations?

23 GREGG BISHOP: So, since we launched the...
24 so, we launched the program really the... at the
25 beginning of this year and one of the things that

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2 we've been doing in this outreach campaign to ensure
3 that business owners know that this program is
4 available so, we, we... not only did, did we do social
5 media online but we have in print and I've done a
6 couple of radio shows as well. Since launching we
7 have served over 56 businesses for the commercial
8 lease program and we've done over... and we've had... and
9 we've had commercial lease workshops which is
10 basically attorneys, business owners can come to
11 either our center or a particular location that, that
12 we co-locate with an organization and we've served
13 over 339 individuals in those workshops. So, again
14 I'd be happy to work with council to help spread the
15 word that we now have additional support for business
16 owners who are looking to get a fairer lease.

17 COUNCIL MEMBER RIVERA: And then just my
18 last question, the contract financing loan fund I, I,
19 I think that's great, I think access to capital is
20 one of the biggest issues for small businesses, I
21 just want to add that in my district and in adjacent
22 districts who are going to go through an L train
23 shutdown, we're extremely worried about the survival
24 of local small businesses having seen the MTA
25 adversely affect neighborhoods in the past so I'd

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2 love to work with you on access to capital

3 opportunities in my district as well as probably

4 around Bedford, Brooklyn. So, my last question is

5 about the survey, we had a hearing recently and I

6 asked about a small business survey and that was

7 something that was disseminated, I asked how was it

8 disseminated and what is some of the data, I think a

9 survey given to small businesses in determining why

10 did they open their business, what are their

11 projections in five and ten years and how can they be

12 assisted would be extremely helpful in providing

13 services and tailoring that to small business

14 operators, so, they said they would be in touch with

15 me, I haven't heard from them so I'd love to know

16 about the small business survey and maybe not now but

17 I think that data would be extremely helpful to us?

18 GREGG BISHOP: We're happy to get that

19 information to you.

20 COUNCIL MEMBER RIVERA: Thank you.

21 CHAIRPERSON DROMM: Council Member Ayala.

22 COUNCIL MEMBER AYALA: Thank you Mr.

23 Chair. So, my question is around the new needs, the

24 executive budget includes funding for the East Harlem

25 rezoning for a satellite workforce one career center,

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3 has the location... the location of the center been
4 determined yet and what kind of services will be
5 offered at that center and how many New Yorkers will
6 it expect to serve?

7 GREGG BISHOP: So, the, the new needs
8 reflect the administration's commitment to bring
9 workforce services to East Harlem. As you know as
10 negotiated by the Speaker, the previous Speaker so
11 certainly we are in the process of, you know figuring
12 out what that looks like so, a set... a, a location has
13 not been identified and we certainly will be happy to
14 work with you if you have a particular location or
15 partner that you want us to take a look at we'd...
16 happy to... [cross-talk]

17 COUNCIL MEMBER AYALA: Yeah... [cross-talk]

18 GREGG BISHOP: ...have that conversation...
19 [cross-talk]

20 COUNCIL MEMBER AYALA: ...I would love to
21 have a conversation about that. So, how many... how
22 many people are you expecting... I mean once a location
23 has been identified what is the, the plan?

24 GREGG BISHOP: Do you want... yep.

25 JACKIE MALLON: So, the, the center will
as the... just as the other workforce one career center

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2 is deliver services to people who are looking to find
3 a new or better job and, and we'll help them prepare
4 for interviews and get their resume in shape and then
5 refer them to appropriate opportunities and, and for,
6 for actual employment or for trainings.

7 COUNCIL MEMBER AYALA: Do we know how
8 many people we're hoping to... [cross-talk]

9 JACKIE MALLON: It's, it's... [cross-talk]

10 COUNCIL MEMBER AYALA: ...target?

11 JACKIE MALLON: ...roughly I could say not
12 knowing, you know specifically if we're going to
13 tailor certain services or whatever maybe about 500
14 people or so would, would... we would hope to connect
15 to, to work at that rate.

16 COUNCIL MEMBER AYALA: How, now many are
17 usually seen in, in locations that are similar?

18 JACKIE MALLON: The... that's what I'm
19 saying... [cross-talk]

20 COUNCIL MEMBER AYALA: Okay, so it's
21 about... [cross-talk]

22 JACKIE MALLON: ...roughly off the top of
23 my head-ish, right... [cross-talk]

24 COUNCIL MEMBER AYALA: ...okay... [cross-
25 talk]

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1
2 JACKIE MALLON: ...around that number but
3 as we, you know develop the plans we really would
4 like to work together to figure out... [cross-talk]

5 COUNCIL MEMBER AYALA: Yes, perfect, I
6 would love for it to be comparable to whatever
7 services we are already rendering in other
8 communities.

9 JACKIE MALLON: Yes, absolutely.

10 GREGG BISHOP: One of... sorry, one of the...
11 [cross-talk]

12 COUNCIL MEMBER AYALA: Yes... [cross-talk]

13 GREGG BISHOP: things that, that we see a
14 lot is that people who are looking for work will
15 travel so that's why it's really difficult to answer
16 that particular question because individuals may be
17 from East Harlem may actually go to work for a center
18 in Brooklyn because there's an opportunity there that
19 it's in line with what they want to do so we
20 certainly would be happy to work with you and also
21 work with the community partners in the area because
22 they are also doing a great job so we want to make
23 sure that we don't actually duplicate resources
24 that's already in the community.

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2 COUNCIL MEMBER AYALA: Okay, I'll reach

3 out, we should schedule something. And my last

4 question is the executive... so the executive budget

5 also includes funding for the Jerome Avenue rezoning,

6 SBS will create a need to... wait I'm, I'm sorry... the

7 executive... will create a Jerome Avenue Business grant

8 program to help businesses that are directly

9 displaced and need to adapt to changes in the

10 neighborhood, what will be the size of this grant and

11 how will the businesses be informed of the, the

12 availability of this grant?

13 GREGG BISHOP: So, the... just a... yeah, it...

14 so, the grant itself I think it's a... an average of

15 about 20,000... up, up to 20,000 and, and just to

16 remind folks that this was negotiated as part of the...

17 [cross-talk]

18 COUNCIL MEMBER AYALA: Yes... [cross-talk]

19 GREGG BISHOP: ...the, the Jerome rezoning

20 because the rezoning will actually directly impact

21 the use of particular sites that will have direct

22 displacement for company... for organ... for auto repair

23 shops that are on those sites and the surrounding

24 businesses that may be impacted by the development

25 that's happening. So, we are working with the council

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2 member to ensure awareness of the grant, certainly,

3 you know happy to continue conversations with anyone

4 on the committee if you have specific ideas in terms

5 of how we let businesses know but we do have

6 dedicated resources to actually work specifically

7 with those businesses to connect them not only to the

8 grant but all our additional resources at SBS to

9 ensure that not only do they know about the grant but

10 they also know about the employee training, etcetera,

11 etcetera that's part of this package.

12 COUNCIL MEMBER AYALA: Okay, thank you.

13 CHAIRPERSON DROMM: Council Member

14 Richards followed by Adams.

15 COUNCIL MEMBER RICHARDS: Thank you and

16 thank you Chairs and don't get used to this because

17 I'm certainly not passing the mic to you before I ask

18 questions in my hearing, it was a joke. Thank you,

19 Mark Gjonaj. Just a few questions on... so, did you

20 have an opportunity to look at the council's retail

21 diversity plan that the prior administration under

22 Melissa Mark-Viverito obviously introduced and some

23 of the things that were in that plan were related to

24 the vacancy tax and also looking at strategies around

25 zoning in particular around affordable, affordability

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2 when it comes to retail, ownership, so can you just
3 speak to SBS entertaining any of those particular
4 things?

5 GREGG BISHOP: So, we took a look at it
6 and, and obviously there's a lot of great innovative
7 ideas in, in the plan, I think we saw some of it
8 tested out in East New York, the East New York
9 rezoning where the city has the ability, where we
10 have our land, we're building affordable housing,
11 we're testing out through other.. our sister agencies,
12 affordable retail space.. [cross-talk]

13 COUNCIL MEMBER RICHARDS: Okay.. [cross-
14 talk]

15 GREGG BISHOP: I know there's another
16 Council Member who negotiated directly with the
17 developer for affordable retail space on, on a
18 project in his particular district so those ideas
19 actually.. you know we're, we're taking a look at
20 that, certainly vacancy is a challenge across the
21 city and I'm very supportive of some type of.. you
22 know some type of not only one measure to measure the
23 amount of how, how vacancies is impacting different
24 communities but also some type of penalty to ensure
25 that landlords are not necessarily hoarding

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3 properties but I also understand that landlords are
4 small businesses and they're not all the times the
5 big... [cross-talk]

6 COUNCIL MEMBER RICHARDS: Uh-huh, uh-huh...
7 [cross-talk]

8 GREGG BISHOP: ...you know bad monster that
9 folks tend to make them out to be, they are, you know
10 families who have passed properties down from
11 generation to generation and those small landlords
12 may not have the necessary tools to understand that
13 retail... the retail sector is changing and the large
14 chain that they're looking for is not coming and will
15 never come and they need to figure out how to
16 actually adapt their space to attract the smaller
17 businesses because those tend to be a better
18 customer. So, certainly we need to figure out how to
19 meet both not only the, the business owner but also
20 the landlord to really help address this issue.

21 COUNCIL MEMBER RICHARDS: Yeah and I
22 think our focus would obviously be landlords like the
23 ones you know in my district who've certainly sat on...
24 [cross-talk]

25 GREGG BISHOP: Sure... [cross-talk]

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2 COUNCIL MEMBER RICHARDS: ...you know land
3 for 40 years and has done... [cross-talk]

4 GREGG BISHOP: Right... [cross-talk]

5 COUNCIL MEMBER RICHARDS: ...very little
6 with it so... [cross-talk]

7 GREGG BISHOP: And you know we, we've
8 finally were able to do something there.

9 COUNCIL MEMBER RICHARDS: Yeah, exactly...
10 [cross-talk]

11 GREGG BISHOP: Right... [cross-talk]

12 COUNCIL MEMBER RICHARDS: So, yeah and
13 that was zoning. Can you talk about workforce one a
14 little bit, so every year I bring the same thing, I
15 have a... feel like it's a broken... I'm a broken record
16 on job retention, how are we measuring how good our
17 workforce one centers are actually doing, what are
18 the metrics that you're using especially around job
19 retention not just we got somebody a job but what do
20 those numbers look like?

21 GREGG BISHOP? Right, so I, I'll start
22 and Jackie can jump in on the retention of... the
23 retention that I know you... it's, it's a broken
24 record, it's, it's very tricky for us simply because
25 when you actually get someone a job there is nothing...

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2 we don't have another... we don't have a stick for
3 example to force that person to respond and actually
4 get it... get information to us for retention so for
5 example there are other agencies in order to get a
6 benefit you have to actually be responsive otherwise
7 you're not going to get that benefit so their data is
8 much better than ours, we are just providing job
9 placement services. So, that is... that's why retention
10 has always been... [cross-talk]

11 COUNCIL MEMBER RICHARDS: So, are there
12 any... [cross-talk]

13 GREGG BISHOP: ...a challenge for us...
14 [cross-talk]

15 COUNCIL MEMBER RICHARDS: ...mechanism
16 you're looking at and let me just get... because my
17 time is up, and I want to respect the Chair's time.
18 I'll just add also there is new funding for the
19 downtown Far Rockaway rezoning in here so if you can
20 speak to what that's being used for and then also I
21 just wanted to add some support to what Council
22 Member Carlina said, Rivera said on ensuring that
23 indigenous organizations who know the ground are
24 actually a part of this RFP process, we often see
25 RFPs go out but the larger organizations get them and

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2 we want make sure that groups who actually know

3 what's going on, on the ground would have access, you

4 know to these funds as well so I hope... [cross-talk]

5 GREGG BISHOP: Sure... [cross-talk]

6 COUNCIL MEMBER RICHARDS: ...I'm hoping

7 that that's being taken into account as, as the RFP

8 is dropped so I'll let you... [cross-talk]

9 GREGG BISHOP: So, I'll have Jackie

10 finish up on the retention conversation.

11 JACKIE MALLON: Really, really quickly,

12 we did... Gregg was speaking about individual

13 retention, job seeker by job seeker, employee by

14 employee that as, as he said is harder for us to

15 collect but we do collect the need... aggregate... or the

16 state collects it in the aggregate for us through

17 our, our joint work. In terms of the future we are

18 working with the Mayor's Office of Workforce

19 Development on a longer-term plan to collect citywide

20 data on retention for all workforce programs.

21 GREGG BISHOP: And on the, the new needs

22 so that funding is for us to do a, a commercial

23 district needs assessment which we've done across

24 different corridors and we work closely with

25 community partners in order to actually produce the

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3 report, the report actually shows the strengths,
4 weaknesses, opportunities, and threats for a
5 particular commercial corridor and then we also in
6 terms of opportunities some of that funding is
7 actually to fund the delivery of services to address
8 some of the issues that will come up through the CDNA
9 so it's a comprehensive package that we're looking
10 forward to working with you... [cross-talk]

11 COUNCIL MEMBER RICHARDS: How much is it,
12 I'm sorry?

13 GREGG BISHOP: I believe it's 500,000...
14 sorry, 560,000.

15 COUNCIL MEMBER RICHARDS: Thank you.

16 COUNCIL MEMBER GJONAJ: Commissioner I, I
17 told you I'd wait but I can't help myself.

18 GREGG BISHOP: Thank you.

19 COUNCIL MEMBER GJONAJ: Please elaborate
20 a little bit more on that vacancy penalty and
21 hoarding of property.

22 GREGG BISHOP: When you say... so, one of
23 the things that we've seen across the city for
24 example in Council Member Donovan Richard's district
25 there was one property owner that literally kept a
property vacant for almost 40 years I believe it was,

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2 she has property all across the city and just refused
3 to do anything with it in, in terms of renting it out
4 or doing anything or developing it etcetera, etcetera
5 and that serves as a blight to any commercial
6 corridor. You can imagine if you're walking down a, a
7 commercial corridor and there's a large section of
8 that corridor that's just completely empty it effects
9 the safety, the security and even the, the, the
10 viability of that commercial corridor because then it
11 impacts other stores so certainly I, I, I think that
12 we as a city needs to... we need to do something and
13 address landlords those, those type of landlords but
14 I do understand there are smaller landlords who I
15 look at as also small business owners who may not
16 even understand how to actually either, you know list
17 their properties in a way to attract the right
18 tenants who may be under the... still illusion that,
19 you know the Marc Jacobs of the world and the Polo
20 Ralph Lauren of the world are still going to come and
21 open up a store in, in their particular location
22 because that has... that's not going to happen, retail
23 has changed, consumer behavior is changing,
24 individuals are buying things online so the whole
25 consumer experience is changing so landlords... the

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3 smaller landlords need support in terms of
4 understanding how to actually do better retail
5 attraction to get the right type of business in and
6 in some cases they may not have the capital to
7 retrofit their stores to actually attract the right
8 tenants so there's, there's... I think there's, there's
9 things that we could do on both sides to really
10 address, you know both behaviors so certainly that's,
11 that's what I meant by the, the hoarding versus the
12 small landlord that needs additional support.

13 COUNCIL MEMBER GJONAJ: So, Commissioner
14 how long was that property vacant, the example that
15 you were using?

16 GREGG BISHOP: Well it's, it's no longer...
17 [cross-talk]

18 COUNCIL MEMBER GJONAJ: For a year... is
19 that what... [cross-talk]

20 GREGG BISHOP: 40, it was... [cross-talk]

21 COUNCIL MEMBER GJONAJ: 40 or four...
22 [cross-talk]

23 GREGG BISHOP: ...40 years... [cross-talk]

24 COUNCIL MEMBER GJONAJ: 40 years... [cross-
25 talk]

26 GREGG BISHOP: ...four zero.

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2 COUNCIL MEMBER GJONAJ: Okay, so my

3 question is regardless if the property owner... and we
4 still believe in property rights as long as it is not
5 an impediment on society that it is creating a haven
6 of derelicts or something that would endanger the
7 residents, we still believe in property rights and if
8 it's the vision of an investor because certainly it's
9 not like wine, a vacant store doesn't get better with
10 time, it's lost revenue and if they've convinced
11 themselves this is the proper approach and I just
12 can't imagine 40 years of anything being vacant but
13 this individual has that right, how would you
14 envision a penalty on any landlord small or large at
15 what time frame would you say okay, this store has
16 been vacant long enough, it's not enough that you've
17 lost income that you could probably never recapture
18 but we're going to really teach you a lesson by
19 hitting you with a penalty, what type of period do
20 you think would be unreasonable for a store to remain
21 vacant?

22 GREGG BISHOP: I, I, I think it's worth a

23 conversation with, with council. As, as you know
24 we're, we're not in position... if and even, even if
25 it's a penalty it's either going to be through

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2 working with council for legislation, rulemaking or
3 we have to go to the state so I think that's worth a
4 conversation but I can certainly say 40 years
5 obviously that's not necessarily a landlord that was
6 behaving in the best interest of the community so,
7 you know I, I'm, I would not be able to tell you a, a
8 year right now... [cross-talk]

9 COUNCIL MEMBER GJONAJ: That's one
10 outrageous example by the way because I can't ever
11 imagine... [cross-talk]

12 GREGG BISHOP: But no there are other...
13 there are... there are other... there are other corridors
14 where, you know property has been vacant for five,
15 eight, ten years, I mean you could talk to your
16 fellow Council Members and they'll tell you that and
17 some of them are absentee landlords, I'm not... now
18 mind you I've made a differentiation between
19 landlords who may not necessarily know that retail
20 has changed versus a landlord that is, you know in
21 Florida right now enjoying the sun and sort of not
22 really caring about the property and the impact it's
23 going to have on the neighborhood that they have the
24 property in.

25

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1

2

COUNCIL MEMBER GJONAJ: You, you know

3

Commissioner you're absolutely right but isn't it

4

ironic that the city owns more vacant property for

5

decades than any private landlord and we're not

6

looking to punish ourselves?

7

GREGG BISHOP: Well that, that is a

8

separate conversation, my, my, my lane... [cross-talk]

9

COUNCIL MEMBER GJONAJ: Oh, I see, right...

10

[cross-talk]

11

GREGG BISHOP: ...my lane is strictly on...

12

[cross-talk]

13

COUNCIL MEMBER GJONAJ: I understand

14

exactly... [cross-talk]

15

GREGG BISHOP: ...retail and commercial...

16

[cross-talk]

17

COUNCIL MEMBER GJONAJ: ...hold one stand...

18

hold the public to one standard, the private sector

19

to one standard, we hold ourselves to a separate

20

standard, I got it. I think when... I think

21

Councilwoman Rivera has a follow up question.

22

COUNCIL MEMBER RIVERA: Yeah, I just want

23

to underline what the Chairman is saying, what is... 40

24

years that's, that's an egregious example, something

25

that's more realistic for property owners, we have

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2 expectations that they're going to operate in good
3 faith and that they want these storefronts open
4 because they're good for the community, we know the
5 issues; it brings crime, it brings sanitation,
6 creates dark spaces in our communities so what is a,
7 a, a proper timeline, you're the experts in small
8 business for the city, we look to you for some of
9 these answers? So, considering all the factors, a
10 business closes, you market it, you, you, you clean
11 it out, you, you list it on several sites, you hire a
12 broker, whatever it is, what is a, a reasonable
13 timeline for us to set expectations for these
14 landlords and property owners to notify the city when
15 the, the property is vacant?

16 GREGG BISHOP: So, I, I would again say
17 that we would... it's, it's a great conversation for us
18 to have certainly we have been talking to experts in
19 the field in terms of, you know real estate, leasing
20 companies who understand like what the turnover is,
21 you know how long it takes to actually attract the
22 right client, how long it takes to retrofit, I, I
23 would not be able to give you a number now but
24 certainly we'd be happy as we advance this
25 conversation to really work together and figure out

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2 what is an appropriate time period. I, I will tell
3 you, you know in, in, in neighborhoods where
4 properties have been vacant for ten years I think
5 that is, you know some... that is probably a line that
6 we need to figure out whether we allow that happen or
7 are we... do we find a time period that's less, you
8 know but I, I wouldn't be able to, to give you an
9 exact number right now.

10 COUNCIL MEMBER RIVERA: Okay, just if..
11 just if you could think a little about it because ten
12 years, five years, that's way too long. I'm talking
13 about do we give them three months, six months, you
14 know something a little bit more drastic considering
15 the, the state of small businesses.

16 GREGG BISHOP: I think... I think we... so,
17 certainly worth a conversation, we do need to, to,
18 you know think about the smaller landlords and like I
19 said there are smaller landlords that do not have the
20 capital to upgrade their space to make it easier for
21 a business to actually occupy and how do we help
22 those landlords who are looking to actually get a
23 business but the business does not want to make the
24 capital investment because they're only getting a
25 five year lease, I mean there is an impasse that's

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3 happening in the industry right now for the smaller
4 landlords so certainly, you know it's, it is very
5 complicated and we... I look forward to working with
6 council on this.

7 COUNCIL MEMBER GJONAJ: I don't want to
8 spend too much time on this but just too many
9 questions come to mind. Vacant properties still pay
10 real estate taxes, correct?

11 GREGG BISHOP: There's still property tax
12 on... well when you say vacant properties, are you
13 talking about... I'm, I'm specifically... [cross-talk]

14 COUNCIL MEMBER GJONAJ: Brick and mortar,
15 not vacant land.

16 GREGG BISHOP: Right... [cross-talk]

17 COUNCIL MEMBER GJONAJ: ...but vacant land...
18 [cross-talk]

19 GREGG BISHOP: ...so, yeah, I'm
20 specifically talking about a mixed use building that
21 has a vacancy on the ground floor so my... yes, they'd
22 still will pay property tax on.

23 COUNCIL MEMBER GJONAJ: Right and it's my
24 understanding that although that property is vacant
25 the city values that property as if it was occupied
and that property owner pays real estate taxes on it

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2 whether it's... if it... if at... if it was actually
3 occupied and collecting the average local median rent
4 for the area so just to point out to you vacant land
5 or vacant property I should say is no direct benefit
6 to any property owner financially, they pay real
7 estate taxes on it as if it was occupied at a fair
8 market rate comparable to the next door neighbors or
9 property values within the area and revenue that
10 they'll never recapture just to point that out to you
11 so penalizing someone even after three months or six
12 months of a vacancy that will never yield them a
13 higher return or be able to recapture that lost rent,
14 penalizing these owners is probably not the best
15 thing to do.

16 GREGG BISHOP: Well I'd, I'd be happy to
17 work with you on, on what you think would be the best
18 way to encourage landlords to actually, you know...

19 [cross-talk]

20 COUNCIL MEMBER GJONAJ: Yeah, well you
21 know I, I have suggestions like maybe helping those
22 landlords by not charging them real estate taxes but
23 that's a different issue.

24 GREGG BISHOP: It's a different agency.

25

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2 COUNCIL MEMBER GJONAJ: Yeah, different
3 agency all together, we'll continue and I'm going to
4 step out for a moment.

5 CHAIRPERSON DROMM: Okay, Council Member
6 Adams and followed by Menchaca.

7 COUNCIL MEMBER ADAMS: Thank you very
8 much Mr. Chair, good afternoon Commissioner and
9 First... [cross-talk]

10 GREGG BISHOP: Good afternoon... [cross-
11 talk]

12 COUNCIL MEMBER ADAMS: ...Deputy
13 Commissioner. Thank you for your testimony here
14 today, always good to see you. I would be remiss as
15 the former Co-chair of the Jamaica NOW leadership
16 council if I didn't throw in a question or two
17 regarding that specific project to the executive plan
18 includes 50,000 dollars in fiscal 2018 and 100,000
19 dollars in fiscal year 2019 to fiscal year 2021 for
20 the Jamaica NOW action plan for the development of a
21 new storefront improvement program in downtown
22 Jamaica. This is something that's very important to
23 those of us that frequent the corridor like myself on
24 a daily basis, we've been undergoing with several
25 projects surrounding this specific action plan for

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1
2 the downtown Jamaica corridor for some years now and
3 we would like to see, and I know... I'm, I'm a former
4 Co-chair but I know that my former colleagues on that
5 council would surely like to see some more movement
6 as it comes to the action plan in Jamaica. We're
7 looking forward to it, we know that the Renaissance
8 is going to be a beautiful thing, it's much needed so
9 with that said can you provide us with any details
10 and updates on the storefront improvements?

11 GREGG BISHOP: So, one of the things that
12 we're excited about is, you know similar to the work
13 that we did in downtown Far Rockaway, you know the
14 storefront improvement program tend... is a very
15 popular program across the city. Part of this funding
16 is actually providing dedicated resources to do a lot
17 of the door to door outreach that we plan to do, you
18 know we have to not only talk to the store owners but
19 actually get them on board that the city's actually,
20 you know have this great program. There's a lot of
21 technical work that's attached to it in terms of not
22 only, you know getting them on board but also getting
23 the design together and then helping them find the
24 actual... the actual company to actually do the design
25 and, and, and installation etcetera, etcetera so a

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2 lot of that is, is part of, of this funding and then

3 certainly, you know we are excited to have worked

4 with all the organizations that's part of the Jamaica

5 action plan to help us get the word out and happy to

6 talk to you as well in terms of, you know what you

7 think we should be doing in, in that particular

8 community.

9 COUNCIL MEMBER ADAMS: Okay, terrific,

10 thanks. Do we have a time line for this.. for this

11 program and do you have a specific percentage of

12 store owners that you've already spoken with around

13 this program and this initiative?

14 JACKIE MALLON: So, by the end of this

15 year, six storefronts should be.. should be done.

16 COUNCIL MEMBER ADAMS: Six?

17 JACKIE MALLON: Yeah.

18 COUNCIL MEMBER ADAMS: By the end of this

19 year?

20 JACKIE MALLON: Uh-huh, yes.

21 COUNCIL MEMBER ADAMS: Okay.. [cross-talk]

22 JACKIE MALLON: Yes.. [cross-talk]

23 COUNCIL MEMBER ADAMS: Thank you very

24 much.

25 JACKIE MALLON: Sorry.

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2 COUNCIL MEMBER ADAMS: Thank you and it's
3 the first round.

4 CHAIRPERSON DROMM: Council Member
5 Menchaca.

6 COUNCIL MEMBER MENCHACA: Thank you to
7 the chairs and thank you Commissioner for being here
8 you're your team. My, my first set of questions is
9 something that you and I have been working on
10 regarding construction safety, a pretty massive bill
11 was passed last session that really is I think
12 testing the, the city itself in how to respond with a
13 multiagency approach, we're talking about the
14 constructions, construction safety for all. Now we're
15 in the middle of the work that the bill kind of set
16 us off into, into motion and we're working with the
17 DOB, the SBS, the task force that was assembled and
18 so what I really want to know is as we are looking
19 towards the budget and trying to figure out what
20 resources we need how, how... are we ready, do we have
21 the dollars in place not just for the construction
22 safety work that needs to happen on the ground, the
23 training that needs to happen and the infrastructure
24 but I really want to get a sense from this next two
25 minutes from you how we're thinking about this and

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2 there's an RFP out right now as well that you may or
3 may not be able to comment on, on that as... so, I want
4 to think about how SBS is thinking about this,
5 there's curriculum being developed, there are
6 organizations right now that we have identified as,
7 as folks, how confident are we that there's a
8 decision making group that's talking... I, I want an... I
9 want an opportunity that... or I want to give you the
10 opportunity to kind of talk to you... talk to us about,
11 about confidence but not just confidence how we're
12 going to land this, this is something that's new I
13 think for the city to be doing, we're developing
14 curriculum for the first time, give us a, a sense of
15 that and then I'll ask some questions right after
16 that?

17 GREGG BISHOP: Sure, so I, I think we're...
18 I'll start off and just to reiterate we're balancing
19 two major priorities, one the fact that we have an
20 aggressive timeline, actually three, one we have an
21 aggressive timeline, two we need to train over 40,000
22 individuals in almost 6,000 unique businesses in that
23 aggressive time period and three we need to reach
24 very specific communities and we have language
25 issues, we have different communities that may not

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2 necessarily trust government so we need to work with
3 different partners that could actually connect with
4 those communities all with balancing the fact that we
5 need to actually, back to number one, get this done
6 in a very quick period. So, we need to find
7 organizations that not only satisfies our focus on
8 reaching underserved communities but also have the
9 capacity to train large number of individuals very
10 quickly and correctly, right, because this is
11 construction safety. So, we want to make sure that
12 the organizations that we select sort of satisfies
13 that rubric so certainly.. you know happy to continue
14 the conversations but that sort of what you're seeing
15 is the.. you know the.. all those three things coming
16 together. I don't know if Jackie wants to add
17 anything to it.

18 JACKIE MALLON: I would also say that we
19 are trying to leverage all the assets that we have
20 to, to do this in the most efficient and effective
21 manner as well, it's building on what we have to try
22 to make it as I said as efficient as possible because
23 it's a big initiative in a short period of time.

24 COUNCIL MEMBER MENCHACA: It is and, and
25 the.. and the last comment before I hand it.. hand it

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2 over to the chairs is, is that we did build some,

3 some pressure valve releases if we need to but I

4 think... I think what's important here is that everyone

5 that we're engaging not just at the interagency level

6 but on the ground, the groups that will eventually

7 take this on that have the most expertise that might

8 not have everything in, in, in place but can bring

9 capacity to the level of, of your liking as, as an

10 agency that all things are, are taken into

11 consideration but the budget question here is whether

12 or not we have all the... you have all the resources in

13 house to be able to confidently take this RFP and

14 make it work rather than just kind of set it in

15 motion and not have... not have the internal expertise,

16 internal folks that, that aren't there yet, if we

17 need more money we want to hear about that this is

18 why I'm asking that question and we can fight for it

19 as we land this budget, that's, that's what I'm..

20 that's, that's what I'm also trying to get to?

21 JACKIE MALLON: No, very much appreciate

22 that, at this time we, we do think that, that the... we

23 have the right dollars in the budget, but we are as

24 they say driving the plane while we're building it

25

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2 and so as we refine our plan we'll certainly give you
3 an update but we, we think we're in good shape.

4 COUNCIL MEMBER MENCHACA: And that task
5 force that includes day laborers will definitely keep
6 us all accountable and MW... and the MWBE community
7 will all keep us accountable, so we'll just keep
8 talking but I'm really happy that you were able to...
9 [cross-talk]

10 JACKIE MALLON: Sure... [cross-talk]

11 COUNCIL MEMBER MENCHACA: ...kind of
12 articulate that vision and we're, we're sharing that
13 vision let's get this done, thank you.

14 GREGG BISHOP: Thank you.

15 COUNCIL MEMBER GJONAJ: Thank you
16 Commissioner. Getting back to small business first,
17 in the fiscal 2019 executive budget how much funding
18 is including for small business first initiative and
19 what is this funding being used for?

20 GREGG BISHOP: In... you said in fiscal
21 '19?

22 COUNCIL MEMBER GJONAJ: Yes.

23 GREGG BISHOP: I don't think we have... so,
24 we don't... we don't have a, a new need for SB1.

25

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2 COUNCIL MEMBER GJONAJ: But it is in your
3 budget... [cross-talk]

4 GREGG BISHOP: Correct... [cross-talk]

5 COUNCIL MEMBER GJONAJ: ...new need. We'll
6 come back to that while I'll ask Deputy Commissioner
7 a question while you look for it. So, Deputy
8 Commissioner during our last hearing which focused on
9 small business first initiative I asked about the
10 programs record of removing some of the 6,000 rules
11 and regulations facing business owners and the
12 administration identified as hurdles as the programs
13 launched specifically three years and 27 million
14 dollars in, I asked if you could name any of the
15 6,000 rules and regulations that have been removed
16 and you testified that 80 were modified and yet you
17 would get us the information of those specific 80 as
18 well as the totality of rules and regulations, when
19 can we expect this information?

20 JACKIE MALLON: So, first of all 5,300
21 rules as I said then and I'll say still is what the,
22 the, the rule review uncovered, not all applicable to
23 businesses, some just to consumers and residents and
24 the list of 80 we could deliver that to you in the...

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2 I'm not sure... I'm not sure why it wasn't already
3 delivered but in the next week for sure.

4 COUNCIL MEMBER GJONAJ: Thank you.

5 JACKIE MALLON: Sure.

6 COUNCIL MEMBER GJONAJ: Anything back on
7 the funding amount?

8 GREGG BISHOP: We're still looking for
9 that... for that... [cross-talk]

10 COUNCIL MEMBER GJONAJ: Still... [cross-
11 talk]

12 GREGG BISHOP: ...number if we don't have
13 it we'll... [cross-talk]

14 COUNCIL MEMBER GJONAJ: Okay, we'll
15 continue... [cross-talk]

16 GREGG BISHOP: ...we'll get back to you,
17 yep.

18 COUNCIL MEMBER GJONAJ: School bus
19 program, 41.8 million in fiscal 2019 and 2.2 million
20 in fiscal 2020 was added into the executive budget
21 for the school bus program, the council in prior
22 hearings has raised questions on the procurement
23 process and how it was... how it had supported just one
24 firm, Reliant Transportation and on the authority of
25 the agency to continue the program after the first

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3 year authorized by the council, do you have any
4 updates for us on the procurement process?

5 GREGG BISHOP: The procurement process
6 for... [cross-talk]

7 COUNCIL MEMBER GJONAJ: In... [cross-talk]

8 GREGG BISHOP: ...the school bus contracts?

9 COUNCIL MEMBER GJONAJ: Yes.

10 GREGG BISHOP: So, that was... that's a
11 contract, that is... that is a question for the
12 Department of Education because it's their contract.
13 The money is in our budget and we, we assume that the
14 program will look similar to the way it did last
15 fiscal year and as a reminder at the beginning of
16 every fiscal year we do a rule making process so it's
17 open to the public to comment on the program and then
18 we open it up to the companies that are eligible for
19 this grant.

20 COUNCIL MEMBER GJONAJ: In your testimony
21 you indicated under support for businesses that many
22 businesses struggle to adopt the changes in business
23 environment and the purpose of support for businesses
24 or the IBSPS... [cross-talk]

25 GREGG BISHOP: The Industrial Business
Service Providers?

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2 COUNCIL MEMBER GJONAJ: Support

3 businesses are facing issues with their leases
4 through free legal services and whatnot, not once do
5 you mention the impact of real estate taxes and water
6 and sewer rates on these small businesses being a
7 real hurdle as... on top of the rules and regulations
8 that prevent these small businesses from succeeding,
9 the rates still remains the same, 50 percent of small
10 businesses are due to close within the first five
11 years, they will never make it to their fifth year
12 which most leases are five year leases. Can you
13 elaborate a little bit more on this?

14 GREGG BISHOP: So, I... so, if the question
15 is why I didn't mention it I, I thought council would
16 appreciate the brevity of my testimony so we could
17 get into questions however there's a number of
18 challenges that small businesses face that's one of
19 the reasons why... you know I can actually spend an
20 hour talking about all our services from the
21 workshops that we have, we have programs that help
22 businesses to your point after they've been in
23 business for a year it's called fast track growth
24 venture where individuals will learn actually how to
25 grow their business, in some cases for example if, if

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3 you're a hardware store for example and you were
4 facing different challenges one of the things you
5 could do is actually start accepting packages for,
6 you know the community etcetera. There are different
7 ways you can actually look at your revenues and
8 figure out how to actually adjust it based on
9 different challenges and that challenge could be
10 increasing expenses whether it's the property tax,
11 whether it's water, whether it's workforce, etcetera.
12 We want to make sure that businesses have the
13 necessary tools to make adjustments to their
14 projections so we have a lot of workshops available
15 to businesses that they can actually use, we also
16 have our financing program where we help businesses
17 if they want to grow their business and they want to
18 borrow money we have lenders from... you know that can
19 lend 1,000 dollars to 1.2 million so we work with a
20 network of over, over 40 lenders. We have our
21 navigating government service to address some of the
22 challenges that businesses have with other city
23 agencies, we've been able to reduce, and we've been
24 able to lobby and, and get the... and the Mayor's been
25 very focused on this of reducing revenue targets from
the regulatory agencies. We've helped regulatory

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2 agencies become more consistent in their ability to..
3 in their inspections, you know I just want to remind
4 you when we, we talk about regulations we are a city
5 of 8.6 million people and when you walked into this
6 building you did not question the structural
7 integrity of this building, you just assume this
8 building would not collapse, when you had your lunch
9 you assume you wouldn't end up in the hospital, every
10 agency has a responsibility to ensure the safety and
11 security of New Yorkers we just want to make sure
12 that our businesses understand and, and we try to
13 make it easier for them to be in compliance so that
14 way they can actually operate in this city of ours.

15 COUNCIL MEMBER GJONAJ: Commissioner
16 there are inspectors that don't understand the rules,
17 the six... the 5,300 to 6,000 rules and regulations,
18 the 250 various licenses and permits and the several
19 dozen agencies and departments that oversee small
20 business, government is the problem... [cross-talk]

21 GREGG BISHOP: We... [cross-talk]

22 COUNCIL MEMBER GJONAJ: ...so simplifying
23 it by saying we will help them understand, it's my
24 understanding that when you walk into a small
25 business that seeks your assistance you walk in and

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2 you explain the top ten violations and you... [cross-
3 talk]

4 GREGG BISHOP: The most common
5 violations... [cross-talk]

6 COUNCIL MEMBER GJONAJ: ...won't look at
7 the rest of the 5,300 violations that they could
8 possibly be not compliant with, is that correct?

9 GREGG BISHOP: We look... we, we look at
10 the most common violations across multiple agencies
11 and I think that has been the, the best strategy for
12 us because that certainly has been able to save
13 businesses not only time but money.

14 COUNCIL MEMBER GJONAJ: Right, so the
15 most frequent types of violations, that doesn't... so...
16 I open up a small business, I come to you, I take you
17 up on this wonderful offer, you're going to help me
18 establish myself, give me... give a walk through free
19 of charge, explain all the conditions I have to
20 correct, you leave, the following day some inspector
21 can walk in and I can still be in violation, is that
22 correct?

23 GREGG BISHOP: Well I, I, I would say
24 that based on our initiatives, small business first
25 initiative when you look at agencies like Department

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2 of Consumer Affairs, DOB they are not only training

3 their inspectors to be... to... believe it or not

4 customer service training but they are also building

5 our programs where they're being more proactive

6 instead of punitive so they are going out... Department

7 of Consumer Affairs has a VIP program where if

8 you're... if you just get a license they actually walk

9 you through all their regulations so we're setting...

10 we certainly obviously we want to look at the most

11 common violations but we're also on the backend

12 pushing our regulatory agencies to be more business

13 friendly, is it going to happen overnight, I...

14 obviously we've been working on this for some time,

15 we continue to press, we have a working group of, you

16 know high level staffers that are looking and

17 figuring out different ways we can address this issue

18 so certainly we focus on the most common violations

19 but the other agencies are also understanding that we

20 need to be more business friendly when we work with...

21 when our inspectors go out to ensure the safety and

22 security of New Yorkers.

23 COUNCIL MEMBER GJONAJ: When you say

24 business friendly does that mean that they smile when

25 they give you a violation with a lot of zeros at the

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2 end of it or... explain more business friendly... [cross-
3 talk]

4 GREGG BISHOP: It, it, it means that in
5 certain cases some... certain agencies are looking to
6 figure out ways of... when I say be more proactive
7 where they'll actually go out... I've been out with a
8 DCA commissioner where her team they do a proactive
9 outreach in terms of looking at these are areas that
10 you... we could have actually fined you but we are not
11 going to today, we want you to correct this so
12 there's actually looking at... and that's what I'm
13 talking about more... being business friendly where you
14 actually have the ability to correct an issue before
15 you actually get the fine.

16 COUNCIL MEMBER GJONAJ: We certainly have
17 a lot more to do there, three years in and 27 million
18 dollars later. We haven't even begun to remove the
19 redundancy and outdated rules and regulations that
20 hurts small businesses... [cross-talk]

21 GREGG BISHOP: Right, I think... and you
22 were also... and just, just to be... to clarify on that
23 number one of the larger portions of small business
24 first was actually technology, one of the things that
25 we are doing is we're trying to make it more

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2 transparent for businesses to understand their
3 interaction with the... with government so on NYC dot
4 gov slash business, businesses can now log in, they
5 can create an account and, and over the past actually
6 few months we've been rolling out different agencies
7 where if you have a permit or a license with
8 particular agencies you'll be... you actually can see
9 that going forward by the end of this summer, we'll
10 add more agencies to that so there's a large
11 technology component to that price tag that I just
12 want to make sure that you're aware of.

13 COUNCIL MEMBER GJONAJ: Which is

14 wonderful, but the violations are still coming, and
15 our small mom and pops are being hurt each and every
16 day and they spend more time complying with their
17 business than actually focused and growing their
18 business and that includes consumer behavior changes
19 that are not predictable. I, I know that we have
20 several hearings today and we want to get it... as much
21 time as possible, I'm sure this will continue in the
22 days, weeks, months, and years ahead of us as we
23 continue to come up with creative ways to help small
24 business.

25 GREGG BISHOP: Thank you.

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CHAIRPERSON DROMM: Thank you Chair

Gjonaj and we do have one more question... set of questions from Council Member Levine but before I go to him I do want to say that the issue of the school bus drivers is one of major importance to me, I work... I walked on that picket line five or six maybe seven years ago and the... want to continue to make sure that the EPP rights of those bus drivers is supported and continued so, thank you. I know they're here but I, I didn't say it because they're here I said it because I deeply believe it having walked on that picket line in that cold winter time and we were lied to by the former administration about the rights of these workers, so I do remember that. Council Member Levine.

COUNCIL MEMBER LEVINE: Thank you Chair

Dromm and Chair Gjonaj, Commissioner very good to see you. I'll be brief because we're way over time. There's a... an adage that they teach you in business 101 which is if you can't measure it you can't manage it. So, my question is the extent to which we are measuring our mom and pop businesses which are vulnerable, and which are slipping through our

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2 fingers every day, how many small business retail
3 establishments do we have in New York City?

4 GREGG BISHOP: So, we... in terms of retail
5 we usually... we, we have a number where we put out
6 230,000 small businesses, the subsection of that in
7 terms of retail... we'll get you that number.

8 COUNCIL MEMBER LEVINE: Unless you're
9 going to produce a number that I haven't been able to
10 extract from, from the city behind the scenes we
11 don't actually have a census of small business
12 retail, we don't know how many small businesses there
13 are in Manhattan or the Bronx or in other boroughs
14 and we don't have it broken down by sector, we don't
15 know today how many flower shops remain or diners or,
16 or shoe stores but unless, unless the magic number is
17 about to be produced there.

18 GREGG BISHOP: So, for retail trade now
19 it, it depends on what exactly... what... because these...
20 we look at U.S. census county business patterns so
21 for 2015 we had 35,488 retail trade now that could be
22 a number of things, you were asking specifically
23 about storefronts so maybe that's why we, we, we...

24 [cross-talk]

25

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2 COUNCIL MEMBER LEVINE: Right and I want
3 to distinguish chains from local businesses... [cross-
4 talk]

5 GREGG BISHOP: Right... [cross-talk]

6 COUNCIL MEMBER LEVINE: Right and that,
7 that's where the real battle ground is, it's the
8 chainafication of New York City particularly in
9 Manhattan that is costing us our soul and in that
10 fight I don't think we're armed with data, I don't
11 think we know today how many diners there are left in
12 New York City or shoe stores or flower shops...

13 GREGG BISHOP: That's correct.

14 COUNCIL MEMBER LEVINE: And that's,
15 that's a big hole that we need to fill, we need to
16 have as policy makers accurate data in order to
17 attack these problems. Why don't we know those
18 numbers and what would it take to have that
19 information?

20 GREGG BISHOP: I think... you know in, in
21 terms of why we don't have those numbers some of...
22 some of... it's really difficult in terms of if someone
23 decides to open up a store they may not actually
24 share that information with us but you know I'm
25 certainly happy to, to continue talking to you in

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2 terms of what you think we need and... but more

3 importantly what is the, the end goal for us because

4 in certain cases what we want to do is educate our

5 business owners in terms of what type of businesses

6 they should be getting into versus... you know I know

7 sometimes we want to, you know... I don't know the last

8 time I actually bought a CD for example and if you

9 have someone that's in business selling CDs you might

10 want to say okay we need a service to actually help

11 that person now adapt to the change in that

12 particular sector that no one actually holds onto CDs

13 but now they're online so how can we use technology..

14 [cross-talk]

15 COUNCIL MEMBER LEVINE: I, I hear you

16 and... [cross-talk]

17 GREGG BISHOP: ...to help that person...

18 [cross-talk]

19 COUNCIL MEMBER LEVINE: ...we're over time

20 and I'll just close by saying I'm with you on doing

21 everything we can to support small businesses and do

22 more than we're doing but we are... we don't have a way

23 to measure our success right now when it comes to

24 neighborhood retail, small businesses and mom and pop

25 retail and I would like to work with you to solve

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3 that problem to get good data on this battle that's
4 ongoing in every neighborhood in New York City.

5 GREGG BISHOP: Thank you.

6 COUNCIL MEMBER LEVINE: Thank you, thank
7 you Mr. Chair.

8 CHAIRPERSON DROMM: Council Member that's
9 a great suggestion but I'm afraid that we'll wind up
10 passing a law that if businesses don't report the
11 business the owner will get hit with another
12 violation and that's all we need another... [cross-
13 talk]

14 COUNCIL MEMBER LEVINE: This should be
15 the... [cross-talk]

16 CHAIRPERSON DROMM: ...mandate... [cross-
17 talk]

18 COUNCIL MEMBER LEVINE: ...city's problem
19 not the small businesses problem.

20 CHAIRPERSON DROMM: Exactly. And by the
21 way Commissioner it's not for government to dictate
22 what a small business should or should not do forced
23 or whether they think CDs is something that's coming
24 back, government should create an environment for
25 business to grow, they're the risk takers, they're
the creative minds, they're the ones that come up

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3 with new and innovative concepts that certainly
4 supersede government, thank you.

5 GREGG BISHOP: And that was not my
6 intent, my intent was to help educate that business
7 owner on potential future opportunities.

8 CHAIRPERSON DROMM: Thank you very much,
9 thank you Chair Gjonaj, thank you to this panel, we
10 appreciate you coming in, we're going to take a five-
11 minute break and then we will reconvene with the
12 Committee on Economic Development. Thank you. We'll
13 now resume the city council's hearing on the Mayor's
14 executive budget for fiscal '19, the Finance
15 Committee is joined by the Committee on Economic
16 Development Chaired by my colleague and friend,
17 Council Member Paul Vallone. We just heard from the
18 Department of Small Business Services and now we'll
19 hear from James Patchett, President of the Economic
20 Development Corporation. In the interest of time I
21 will forego making any opening statement but before
22 we hear testimony I will open the mic to my Co-chair
23 Council Member Vallone.

24 COUNCIL MEMBER VALLONE: Thank you Chair
25 Dromm, good afternoon everyone, Council Member
Vallone, EDC. We want to thank our President and EDC

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1 staff for their timely responses to our questions for
2 the preliminary budget. I look forward to our
3 continued active engagement over the next few months
4 to ensure that our fiscal 2019 adopted budget meets
5 the goals the council has set up. Today we will be
6 hearing from EDC on the fiscal 2019 executive budget
7 which includes 4.4 billion in the executive capital
8 commitment plan. This represents 5.4 percent of the
9 city's total 82 billion executive commitment plan.
10 EDCs executive commitment plan for fiscal 2018 to
11 2022 is 8.29 percent more than the 4.1 billion
12 scheduled in the preliminary commitment plan, an
13 increase of 339 million. The plan has 596 million in
14 fiscal 2018 since we are bringing a renewed focus to
15 the city's capital program I'd like our President to
16 explain how accurately the plan reflects what EDC
17 will actually commit in fiscal 2018 and what measures
18 are being taken to improve the commitment rate.
19 Additionally, I'd like the President to provide
20 updates on the projects that received additional
21 funding in the executive plan including citywide
22 ferry service, Stapelton Waterfront project and the
23 new park tied to Jerome Avenue rezoning. I'd like to
24 thank James Patchett for coming here today and
25

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2 testifying, I know how sick he's had it, it's a rough
3 weekend and I'd like to thank EDC staff for
4 constantly being responsive to my requests. I'd also
5 like to thank my staff and the staff of the finance
6 division for their help in preparing for this
7 hearing. Thank you. Counsel swear in.

8 CHAIRPERSON DROMM: Thank you very much.

9 Now before we swear in let me just introduce the
10 other members of the committee who are here; Council
11 Member Richards, Council Member Adams, Council Member
12 Lander, Council Member Gibson, Koo, Powers, Williams,
13 Rivera and Rosenthal and with that I'm going to ask
14 Counsel to swear in the panel.

15 COMMITTEE CLERK: Do you affirm that your
16 testimony will be truthful to the best of your
17 knowledge, information and belief?

18 JAMES PATCHETT: I do.

19 CHAIRPERSON DROMM: Please, please begin.

20 JAMES PATCHETT: Good afternoon Chairs
21 Dromm and Vallone and members of the Finance and
22 Economic Development Committees. My name is James
23 Patchett and I am President and CEO of New York City
24 Economic Development Corporation, also known as EDC.
25 I am pleased to testify before you to discuss funding

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2 in the executive budget and some of our exciting
3 project updates since the preliminary budget hearing.

4 I am joined, joined today by my colleagues Kim

5 Vaccari our Chief Financial Officer and Lydia

6 Downing, Senior Vice President for Government

7 Relations. After my testimony we are happy to answer

8 any questions you have. EDC is a self-sustaining,

9 nonprofit organization that drives and shapes New

10 York City's economic growth. We use city resources to

11 build a bridge between city agencies, private

12 businesses and the communities that we serve. We do

13 this in three key ways. First, we own and operate

14 over 66 million square feet of real estate that we

15 are constantly investing in and upgrading to maximize

16 economic impact. Second, we build neighborhood

17 infrastructure to keep our communities affordable and

18 finally, we invest in growth industries to help

19 create good paying jobs for New Yorkers. Every single

20 day, EDC employees work on projects with the goal of

21 making the city fairer today and stronger tomorrow.

22 Most of you know about our bigger projects working to

23 achieve this, from trying to bring Amazon's second

24 headquarters and 50,000 good paying jobs to our

25 boroughs, to rezoning neighborhoods like downtown Far

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2 Rockaway that have historically not gotten their fair
3 share of investment. But there are literally hundreds
4 of EDC projects just as important as Amazon or the
5 downtown Far Rockaway rezoning that work towards this
6 mission but often don't get their moment in the sun.
7 this afternoon, I'd like to spend some time talking
8 about some of the citywide and borough specific
9 projects that are changing the lives of New Yorkers
10 from the South, South shore of Staten Island to East
11 Harlem but that don't always get the recognition that
12 they deserve. In waterfront communities throughout
13 the boroughs, too many small businesses have
14 struggled in the aftermath of hurricane Sandy. But
15 EDC has helped by playing a critical role in RISE NYC
16 which stands for Resiliency Innovations for a
17 Stronger Economy. This hurricane Sandy recovery
18 program has a 30-million-dollar budget, and both
19 provides small businesses with free resiliency
20 improvements and helps them preemptively protect
21 their assets from future storms. Right now, EDC is
22 working with 11 technology providers to provide
23 resiliency technologies to hurricane Sandy impacted
24 businesses for free. Thanks to this programming,
25 cutting edge technologies like micro grids, flood

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2 barriers and emergency communication networks that
3 might otherwise be cost prohibitive are being
4 installed at hundreds of businesses around this city.
5 On Staten Island, EDC is pleased to be working with
6 the Nicotra Group to develop another parcel at
7 Teleport, an important jobs hub on Staten Island's
8 West Shore. In October of 2017, construction began on
9 a new building that will house commercial office
10 space including medical space, a restaurant and much
11 needed community facilities. We look forward to
12 activating the rest of the parcels at Teleport and
13 continuing to create quality jobs on State Island. In
14 Queens, we have supported artists through the
15 Chocolate Factory Theater. This Long Island City
16 based non profit organization supports international
17 artists working in dance, theater and
18 interdisciplinary performance and has drawn thousands
19 of visitors every year. Last July, EDC used capital
20 funds from DCLA to help the Chocolate Factory,
21 Factory Theater produce a one story industrial
22 building in the neighborhood ensuring the group has a
23 permanent home for decades to come. In the Bronx, EDC
24 is providing design and construction services in
25 partnership with DDC to restore the Orchard Beach

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1 Pavilion. When Orchard Beach was created in the
2 1930's, it was dubbed the Rivera of New York. But
3 since then, the Bronx's only public beach has fallen
4 on hard times. EDC is now working to ensure Orchard
5 Beach is just as memorable as Brighton Beach or the
6 Rockaways. In Manhattan, we are making huge
7 investments in our most treasured assets, our city's
8 children. A few months ago, EDC closed out the
9 financing of the Madison's, Madison's Boys and Girls
10 Club of central Harlem. This 52,000 square foot
11 facility will serve 450 children every day and
12 provide them with a safe place... space to play after
13 school. Not only did we work to finance this 47-
14 million-dollar project, but we helped to negotiate
15 the sale of air rights, adding another two million
16 dollars to the nonprofits endowment. And in Brooklyn,
17 the, the IDA board recently improved... approved a
18 supermarket condo in the Cypress Hills neighborhood
19 of Brooklyn to receive fresh tax incentives. The
20 project is located in the area where over 30 percent
21 of the population is living below the poverty level
22 and there is close to 15 percent unemployment. The
23 FRESH supermarket is projected to create 18 full time
24 equivalent jobs, with wages ranging from 15 to 25

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2 dollars per hour. This month we are also launching
3 New York's first Blockchain Week, sending a clear
4 message that the city embraces cutting edge
5 innovation. Blockchain Week will draw industry
6 leaders from around the globe and include a hackathon
7 and job fair that's free to any members of the
8 public. We are excited about the potential of this
9 innovative technology and believe that New York City
10 has a real opportunity to be a leader in this new
11 area. These are just six examples of literally
12 hundreds showing how EDC is working across the five
13 boroughs to build a fairer city today and a stronger
14 city tomorrow. We are connecting more New Yorkers to
15 employment, to recreation centers, and to each other.
16 And sometimes, we all... we do all three with the same
17 project. One example of this is the ferry system, a
18 new transportation alternative that has proven to be
19 increasingly important to New Yorkers. New Yorkers
20 are increasingly turning to NYC Ferry to travel
21 across the boroughs. Longtime residents of places
22 like Astoria Houses and Red Hook Houses and newcomers
23 to neighborhoods like DUMBO and Williamsburg now have
24 better access to jobs, schools, recreation and all
25 the opportunity the city has to offer. For far too

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2 long, waterfront communities were left behind.

3 Investing in the ferry system sends an important

4 message about our commitment to make the city fairer.

5 The city's new ferry system has already proven to be

6 wildly popular, having served over three million

7 riders in it's first six months of service. With four

8 routes already in service, we will be launching two

9 brand new lines from Soundview in the Bronx and the

10 Lower East Side in Manhattan later this year. Based

11 on NYC's current ridership, EDC has revisited..

12 revised future annual ridership projections to as

13 many as nine million riders in the next five years,

14 double the original estimate of 4.6 million. In

15 preparation for summer ferry service, we are thrilled

16 about the arrival of the first three 350 passenger

17 vessels which will be deployed starting in July.

18 Though we still expect to have lines, lines on

19 beautiful days when everyone decides toto take the

20 ferry to the beach at the same time, we will be

21 moving people a lot faster. In addition to these

22 larger boats, we are reducing headways on all four

23 NYC ferry routes to an average of 25 to 30 minutes.

24 We will be... also be launching a new express service

25 to the Rockaways from Pier 11, which will be above

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2 and beyond the current levels of service to Brooklyn

3 Army Terminal. This express service will help double

4 capacity, shortening the trips during rush hours and

5 on those hot summer beach weekends. Though

6 implementing the new service is a lot of work,

7 ensuring quality customer service throughout the

8 system is also a top priority. This summer,

9 Hornblower is adding staff to popular ferry landing

10 locations like Wall Street Pier 11 and Brooklyn

11 Bridge Park Pier one to help with passenger queuing

12 and boarding. These staff will be essential to

13 keeping passengers informed about the status of the

14 next ferry departure. Like any well loved and well

15 used transit system, NYC ferry has significant

16 infrastructure needs that will require additional

17 funding. It is EDC's responsibility to ensure that

18 NYC Ferry system remains reliable and meets the

19 demands of New Yorkers we're tasked with serving.

20 That is why in the FY '19 executive budget, the

21 administration has allocated 298.9 million dollars

22 over the next five years to address critical needs

23 related to this system. This vital source of funding

24 allocated by the administration will be used to

25 achieve these two objectives. Approximately 200

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2 million of this investment will be used to purchase
3 additional boats to meet increased demand and reduce
4 our reliance on charter boats. The more boats we have
5 in the water, the more passengers we can serve and
6 the shorter their wait time. 31 million dollars will
7 be used to make improvements to our landings, allowing
8 us to accommodate more passengers in the queue. We'll
9 also be making security and technology improvements
10 that will enhance the ridership experience. In adding
11 more boats to our fleet, we'll need to build out an
12 additional homeport, and we've allocated 65 million
13 dollars for that. We've not identified a site for the
14 second homeport yet but we will be sure to engage
15 your offices as those decisions are being made. No
16 matter the size and scope of our projects, EDC is
17 proud to be building a city with more opportunities
18 for the middle class, better infrastructure in every
19 neighborhood and stronger industries that keep our
20 economy humming. Thank you for the opportunity to
21 testify. I now welcome any questions you have.

22 CHAIRPERSON DROMM: Thank you very much
23 and let me start off by asking you a couple of
24 questions about the capital commitment rate.

25 JAMES PATCHETT: Sure.

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CHAIRPERSON DROMM: In fiscal 2017 the

corporation committed 338.8 million dollars or 26.7

percent of its annual capital plan of 1.3 billion

dollars, the executive plan has 596 million in fiscal

2018, what does EDC expect to commit in fiscal 2018

and what will be rolled over?

JAMES PATCHETT: So, thank you for your

question Chair. So, a couple of things, first of all

if you look back at the history of the commitment

rate at EDC prior to my taking over responsibility it

was in the low 20 percent commitment rate and prior

to that it was in the teens. Now the reason for that

is somewhat structural and somewhat a level of focus

on this, the structural reason that our commitment

rate can never be 100 percent is because of the way

EDC does our projects. We use... we use construction

managers to do our construction projects which means

that we actually as opposed to committing all of the

funds up front to a construction project like other

city agencies we actually count them over time even

though we may be giving 100 million dollar project

that takes three years and it's 33 million dollars a

year, 33 million dollars gets counted each year as

opposed to up front if DDC were doing that project

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1 they would count all of that funding in the... at... up
2 front. So, something about it is just the calculation
3 difference about the different structural difference
4 between the way we do work versus other agencies
5 which frankly actually I think leads to us being the
6 more efficient but reflects the lower commitment
7 reflect... commitment rates. With that being said, you
8 know from our perspective we actually netted a 35
9 percent commitment rate when calculated at the end of
10 fiscal '17 relative to the final amount in the budget
11 after the mid-year adjustments that were made and for
12 fiscal... for this coming fiscal '18 we set a goal of
13 40 percent and I'm optimistic we're going to hit
14 that. Going forward we're continuing to constantly
15 try to push this up, as I said there's a structural
16 reason why it's slightly lower than other agencies,
17 but we are committed to making the commitment rate as
18 high as possible.

20 CHAIRPERSON DROMM: So, since the
21 capital... since we're very close to adoption why does
22 the executive capital plan not reflect more
23 accurately what EDC will actually commit in 2018?

24 JAMES PATCHETT: Yeah, yeah we expect to
25 commit most of what's... generally speaking we commit

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2 most of our funding, you know fairly close to the end
3 of the year as a result of the process of going
4 through the CP conversation and then getting it
5 registered with the comptrollers office so it
6 typically reflects... it typically goes up
7 significantly towards the end of the fiscal year
8 because those two processes between them, you know
9 take many months and the funding doesn't actually come
10 into our budget until July 1st.

11 CHAIRPERSON DROMM: So, the EDC's
12 executive commitment plan is 339 million more than
13 the 4.1 billion dollars scheduled... [cross-talk]

14 JAMES PATCHETT: Uh-huh... [cross-talk]

15 CHAIRPERSON DROMM: ...in the preliminary
16 commitment plan, I believe the largest variance is
17 due to additional funding added in the plan for
18 citywide ferry service... [cross-talk]

19 JAMES PATCHETT: Correct... [cross-talk]

20 CHAIRPERSON DROMM: Is that correct?

21 JAMES PATCHETT: That's correct.

22 CHAIRPERSON DROMM: So, what's the total
23 budget for the ferry service in fiscal '18 through
24 fiscal '22?

25

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1
2 JAMES PATCHETT: The total budget that we
3 have in for the ferry system is about 530 million
4 dollars that includes a mix of things, it includes
5 investments in the homeport, investments in actually
6 purchasing vessels, and in, investments in waterfront
7 infrastructure which is... generally speaking
8 waterfront infrastructure work is something we do
9 across the city and much of it we would be doing with
10 or without the ferry system because it improves... it
11 improves our waterfront areas which in many cases
12 around the city are falling into the water so it's
13 our... as the owner of much of the city's waterfront
14 assets it's our responsibility to be constantly
15 surveying them and making sure that they're kept in
16 good repair so that they don't deteriorate and
17 collapse.

18 CHAIRPERSON DROMM: So, that'll take us
19 through 2022?

20 JAMES PATCHETT: For fiscal, fiscal '23.

21 CHAIRPERSON DROMM: '23, okay. How many
22 New Yorkers are being served by the ferry service?

23 JAMES PATCHETT: So, this... you know to,
24 to date we've served close to four million riders and
25

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2 as I mentioned we expect by the time of full build
3 out to reach close to nine million New Yorkers.

4 CHAIRPERSON DROMM: And can you break it
5 down by individual routes?

6 JAMES PATCHETT: I, I... it's not... it's,
7 it's not really broken down by route in that way
8 because of the fact that so much of it is in the
9 system collectively so, you know for example a lot of
10 the infrastructure improvements are at Pier 11 which
11 serves all of the... all of the different routes and
12 Pier... and 34th Street which also serves many of the
13 routes, those two piers also serve a number of other
14 commuter ferries that come into the city from, from
15 other parts of the city as well as from New Jersey
16 and other parts in the region in Long Island so it's
17 not possible to separate it out by route.

18 CHAIRPERSON DROMM: Can you give us a
19 breakdown in terms of the cost of the... for vehicle..
20 or for vessel rehabilitation barges and the homeport?

21 JAMES PATCHETT: Sure, so within this new
22 allocation of 299 million which is in the, the
23 addition to the budget there's about 200 million
24 dollars for new vessels, about 65 million dollars for
25

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2 a second homeport and about 31 million dollars for
3 infrastructure upgrades.

4 CHAIRPERSON DROMM: And what does it cost
5 EDC per route and what are the, the customers being
6 charged?

7 JAMES PATCHETT: Right, so we charge... we
8 charge... the, the fare is pegged to the, the MTA's
9 fare so it's \$2.75 and on top of that the city
10 subsidizes the approximate subsidy is about \$6.60
11 which is approximately the same subsidy as provided
12 on commuter rail so whether that's the MTA, Long
13 Island Railroad or Metro North and it's less than the
14 subsidy per rider of express bus service which as you
15 know serves many New Yorkers across the city.

16 CHAIRPERSON DROMM: Next confirming what
17 the Speaker or... and or other members of the council
18 were reporting earlier in terms of our continued
19 support for Fair Fares and, and, and what a subsidy
20 would be there, so 660 per route and 275 is what the...
21 they're being charged so... [cross-talk]

22 JAMES PATCHETT: That's correct.

23 CHAIRPERSON DROMM: Big difference, okay.
24 The city council released a report on school planning
25 and siting called planning to learn, the school

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2 building challenge. One of the recommendations of the
3 report was to improve interagency coordination, the
4 council wants to establish a permanent formal link
5 between relevant agencies and the School Construction
6 Authority to ensure the city is able to appropriately
7 plan for and site new schools. We believe the EDC has
8 an important role to play in ensuring the new school
9 need that arises from economic development is met
10 particularly given the EDC's significant real estate
11 portfolio. What is EDC's current practice regarding
12 how it determines and accounts for new school need
13 resulting from the economic development projects?

14 JAMES PATCHETT: Absolutely, so clearly
15 schools and frankly other public infrastructure are a
16 critical part of looking at any new development
17 project so when... you know prior to any EDC project it
18 is required to go through a land use process with the
19 city council which includes obviously city SQER
20 process which is specifically laid out by law
21 evaluation of the different environmental impacts of
22 any project so that includes impacts on schools but
23 also impacts on traffic and open space and so we seek
24 to mitigate those in all possible circumstances. For
25 example, in Long Island City where we have a

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1 significant amount of... we've had a significant amount
2 of development recently, EDC worked in partnership
3 with the Mayor's Office and the SCA to create a plan
4 to create a number of new schools as a part of that.
5 So, we're absolutely committed to ensuring that, you
6 know development does not create a shortfall in local
7 school seats and we're absolutely committed to being
8 partners with the SCA and the council in making that
9 reality.
10

11 CHAIRPERSON DROMM: So, how often do you
12 meet with SCA?

13 JAMES PATCHETT: I speak with the head of
14 the SCA frequently... [cross-talk]

15 CHAIRPERSON DROMM: But meet formally to
16 discuss these plans?

17 JAMES PATCHETT: Sure, in... for every
18 project it's... so, it's, it's a combination of SCA and
19 DOA depending on the specific question but we... for
20 every project we have multiple meetings with the
21 Department of Education or the School Construction
22 Authority about the school need requirements that
23 would... that might be created by it just as we do with
24 the Department of Transportation or the Parks
25

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3 Department about the open space or transit needs that
4 would be created as a result of a project.

5 CHAIRPERSON DROMM: So, let's just take
6 one example like Willets Point...

7 JAMES PATCHETT: Uh-huh...

8 CHAIRPERSON DROMM: When you're talking
9 about 5,000 units of affordable housing there...

10 [cross-talk]

11 JAMES PATCHETT: Uh-huh... [cross-talk]

12 CHAIRPERSON DROMM: ...and only one
13 elementary school... [cross-talk]

14 JAMES PATCHETT: Uh-huh... [cross-talk]

15 CHAIRPERSON DROMM: ...how do you come to
16 that conclusion and how do you determine the impact
17 on where the kids go after elementary school?

18 JAMES PATCHETT: Right, so the, the
19 initial phase of Willets Point, I mean... you know
20 Chair Vallone obviously I'm sure has a lot to say
21 about this project as well, you know the, the initial
22 concept for this project was before, before my time
23 and was... it went through land use approval with the
24 city council under the previous administration. At
25 that time the overall agreement that was determined
specified a number of schools and it reflected the

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3 environmental impact statement and so consistent with
4 what was originally envisioned which was open space,
5 a school and approximately 875 units of affordable
6 housing this administration was able to deliver on
7 all of those commitments in the first phase which
8 includes over 1,000 units of affordable housing so it
9 meets the commitments that were a part of the overall
10 discussion previous with the previous administration
11 in each of those three categories in just the first
12 phase alone. As it relates to subsequent phases which
13 could bring thousands more housing units or other... or
14 other amenities to the community that's the subject
15 of an... a working group that's in the process of being
16 set up which Chair Vallone will certainly be a member
17 of which will help to lay out a vision for what the
18 rest of Willets could be and also obviously we'll
19 look at the issues of schools, open space, and other
20 matters that are of concern to the community.

21 CHAIRPERSON DROMM: I really, really urge
22 you to look at that process because our community is
23 district 21 Councilman district 21... [cross-talk]

24 JAMES PATCHETT: Uh-huh... [cross-talk]

25 CHAIRPERSON DROMM: ...in my council
district are overwhelmed right now... [cross-talk]

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2 JAMES PATCHETT: Yeah... [cross-talk]

3 CHAIRPERSON DROMM: ...and in desperate
4 need of seats so I'm going to continue to press you
5 on this... [cross-talk]

6 JAMES PATCHETT: Okay... [cross-talk]

7 CHAIRPERSON DROMM: ...and I want to know
8 if EDC would be willing to work with SCA in a
9 formalized process to ensure that new economic
10 development projects include schools as appropriate
11 and that SCA's own projections about each school seat
12 need incorporated relevant information from EDC
13 development?

14 JAMES PATCHETT: We are absolutely... I
15 mean there is a... there is a formalized process
16 through the city's CEQR process, but we're absolutely
17 committed to working with you and the SC... [cross-
18 talk]

19 CHAIRPERSON DROMM: What, what process
20 did you say?

21 JAMES PATCHETT: CEQR, City Environmental
22 Review, what does the Q stand for? Quality
23 Environmental Quality Review... [cross-talk]

24 CHAIRPERSON DROMM: CQ... CQR?
25

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1 SMALL BUSINESS, ECONOMIC DEVELOPMENT AND AGING

2 JAMES PATCHETT: What's that... CEQR, yes...

3 [cross-talk]

4 CHAIRPERSON DROMM: CEQR...

5 JAMES PATCHETT: And there's also a state
6 SEQR which... where the S stands for state, sound the
7 same, trying to teach my son this, it's very
8 confusing, three year olds cannot get it but more
9 importantly we are... we're absolutely committed to the
10 formal process that exists and we would... we agree
11 with you that school seats are a really important
12 issue to every community and we would be thrilled to
13 coordinate more proactively with... in coordination
14 with your office or the council at large to ensure
15 that we're addressing it appropriately.

16 CHAIRPERSON DROMM: Would it be
17 appropriate for EDC to establish a fund for new
18 schools similar to other funds that are used,
19 Neighborhood Development Grant funds for new schools?

20 JAMES PATCHETT: Well, you know schools
21 are separately funded through the School Construction
22 Authority which has it's own budget so I'm not sure
23 if it's appropriate for EDC to set up it's own fund.
24 The theory has always been that the neighbor... the
25 Neighborhood Development fund which is intended to

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2 address community impacts was separate from school
3 needs and that school needs would be addressed
4 through the SCA's budget much as the needs for sewer
5 infrastructure are addressed through DEP's budget
6 because they all have their own charter mandated
7 separate budget lines that are self funded through
8 their own bond offerings.

9 CHAIRPERSON DROMM: Okay, im going to
10 turn it over to Chair Vallone.

11 COUNCIL MEMBER VALLONE: Thnak you Chair
12 Dromm. Good afternoon President. So, in following
13 the, the questioning that our Finance Chair, you
14 think you'll find the success of the EDC is what
15 leads to most of the questions from the council
16 members as to how we can channel that throughout the
17 city on a better path and I think since we've started
18 working together in, in that I think the plan for,
19 for this year going forward is to generate further
20 success... [cross-talk]

21 JAMES PATCHETT: Yeah... [cross-talk]

22 COUNCIL MEMBER VALLONE: ...through
23 cooperation of the council members that are here and
24 I think looking at the annuoncement of the additional
25 339 million from the preliminary budget to the

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2 executive budget is an example of not doing that
3 because it involved things that we were all very
4 passionate about; expanding the ferry routes... [cross-
5 talk]

6 JAMES PATCHETT: Uh-huh... [cross-talkk]

7 COUNCIL MEMBER VALLONE: ...talking about
8 additional seats in schools, talking about bringing
9 small business projects and job growth. As excited as
10 we are to see it in the budget that process needs to
11 be further evaluated working with the finance chair
12 and for us as to how that's developed. So, in
13 determining the additional 339 million what projects...
14 how did you come to that decision and which projects
15 are going to get the additional funding?

16 JAMES PATCHETT: Right, so, you know it's
17 ultimately... you know we present our own budget needs
18 to OMB and the Mayor as to how those... how the
19 specific needs are allocated funding, you know I
20 can't... I can't speak in detail of that because it's
21 obvious... [cross-talk]

22 COUNCIL MEMBER VALLONE: See the council
23 wasn't in that sentence... [cross-talk]

24 JAMES PATCHETT: We, we, we present them
25 to the, the Mayor and OMB and, and obviously then

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2 there's a process with the city council which this is
3 a part of so, the... as, as, as related... but those,
4 those are a wide range of projects, you know well
5 above and beyond the things that were funded. The...
6 you know the... I can speak specifically to the things
7 that were funded so as it relates to the, you know
8 the ferry system, you know my view is this was... this
9 was an important funding because in order to set the
10 stage for... or this to continue to be a transit system
11 that's successful riders have to be able to rely on
12 it so we can't... we have to be ahead of the ball in
13 planning, we have estimates that show that we're
14 going to have nine million riders so we have to be in
15 a position where we have the infrastructure to
16 support those people. And what you don't... what I...
17 what you wouldnt want to have is a transit system that
18 is overwhelmed by the ridership and therefor unable
19 to... unable to manage, manage it on a go forward basis
20 so we're planning in advance, we're ready for it and
21 we know we'll have the infrastructure to support it
22 that's why, you know I thought it was important to
23 add this funding. The... you know the other elements of
24 funding that were included are some, some elements of
25 the Neighborhood Development fund that came out of

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2 the... that were... that were allocated as a result of
3 the rezoning of Jerome Avenue and also there was 60
4 million dollars that you alluded to that was
5 allocated to the Stapleton waterfront initiative
6 which was... came out of the housing infrastructure
7 fund. The housing infrastructure fund is another fund
8 that sits on EDC's balance sheet which is allocated
9 to make affordable housing projects possible, so it
10 was something that was set aside as part of the
11 Mayor's housing plan back in 2014 and as projects
12 become ready but for the need for infrastructure
13 investment there's a fund of about half a billion
14 dollars that's available to be used to make those
15 sites ready for affordable housing developments.

16 COUNCIL MEMBER VALLONE: Do we have a
17 breakdown of those different funds?

18 JAMES PATCHETT: Yeah, the... yes, there's
19 the, the Neighborhood Development fund is laid out of
20 700 million dollars that's in our budget about 270
21 million is allocated to specific projects across four
22 areas, it's reflected in the budget and so it's
23 balance... it's... between downtown Far Rockaway, East
24 Harlem, East New York and Jerome Avenue. We're
25 expecting some additional funds for Jerome Avenue to

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2 be added to this as well and then, you know as we go
3 forward and there are additional rezoning's added
4 we'll be in partnership with the council and, you
5 know leaders like Council Member Gibson will be
6 identifying projects that are the priorities of
7 local communities and making important investments in
8 those communities as a part of our rezoning efforts.

9 COUNCIL MEMBER VALLONE: Well, I mean you
10 just mentioned the Jerome Avenue and that..

11 JAMES PATCHETT: Yes.. [cross-talk]

12 COUNCIL MEMBER VALLONE: ...that's a good
13 example so it says in the executive plan 25.7 million
14 was transferred from the neighborhood development
15 fund which you just mentioned to the Department of
16 Parks... [cross-talk]

17 JAMES PATCHETT: Uh-huh... [cross-talk]

18 COUNCIL MEMBER VALLONE: ...for a budget to
19 a new park tied to Jerome Avenue rezoning.. [cross-
20 talk]

21 JAMES PATCHETT: Uh-huh... [cross-talk]

22 COUNCIL MEMBER VALLONE: ...so the benefit
23 of that is clear but how that project was chosen and,
24 and whether it's done through the five boroughs
25 equally is not clear, so do we have similar projects

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2 SMALL BUSINESS, ECONOMIC DEVELOPMENT AND AGING
3 throughout the five boroughs that are... because I'm
4 sure every Council Member would love to have the
5 Parks Department work with you... [cross-talk]

6 JAMES PATCHETT: Uh-huh... [cross-talk]

7 COUNCIL MEMBER VALLONE: ...on so many of
8 these type of projects?

9 JAMES PATCHETT: Right, well so the, the
10 Neighborhood Development fund is specifically
11 allocated for areas where the city is pursuing a
12 neighbor... and area wide rezoning and you know in, in
13 the case of the parks projects that you identified
14 those were identified in partnership with Council
15 Member Gibson and Council Member Cabrera as priority...
16 being priorities for that neighborhood, you know part
17 of the city's commitment is that when we're doing,
18 you know a, a large scale land use project... process
19 that we acutally put dollars behind the
20 infrastructure that's necessarily to support the
21 additional growth that's happening in those areas,
22 you know it's, it's... [cross-talk]

23 COUNCIL MEMBER VALLONE: So, is there
24 additional funds in thawt fund for future projects in
25 the Neighborhood... [cross-talk]

JAMES PATCHETT: Absolutely... [cross-talk]

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COUNCIL MEMBER VALLONE: ...Development...

[cross-talk]

JAMES PATCHETT: ...there's another... so,

it... there's another as I said 430 million dollars

that remains in that fund for... if we were to do arewa

wide rezonings in other areas and just as to your

point about overall, you know by borough I can tell

you EDC's budget from a capital fund perspective it's

broken down across all of the boroughs, you know it

does... it's not exactly equal by borough but I will

tell you the, the... our citywide... we have about 32

percent of our capital budget goes into citywide

projects so that... projects that impact the entire

city, it's 20 percent in Brooklyn and five percent in

Staten Island but everything else is in between so

it's not as though it's 80 percent in Manhattan and

20 percent every where else collectively, it is

actually quite... fairly tight range between five

percent in Staten Island, nine percent in Queens, 12

percent in the Bronx, 13 percent in Manhattan and 20

percent in Brooklyn.

COUNCIL MEMBER VALLONE: Does every

rezoning project get automatically tagged for a

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3 neighborhood development fund as the coordination or
4 does there have to... [cross-talk]

5 JAMES PATCHETT: Yes... [cross-talk]

6 COUNCIL MEMBER VALLONE: ...certain
7 requirments?

8 JAMES PATCHETT: For eveyr area wide
9 rezoning, yes.

10 COUNCIL MEMBER VALLONE: So, would
11 Willets Point fall into that category?

12 JAMES PATCHETT: Willets Point would,
13 would not fall into that area however... just because
14 it has been... it was... there were a series of
15 commitments made by the previous administration which
16 this administration is commited to following through
17 on including the funds for the school that were part
18 of phase one and whatever future elements are
19 identified as subsequent projects or subsequent
20 priorities of the community however... [cross-talk]

21 COUNCIL MEMBER VALLONE: But in that
22 pahse there's two park on... there are two additional
23 sites to be determined for park... [cross-talk]

24 JAMES PATCHETT: Yeah... [cross-talk]

25 COUNCIL MEMBER VALLONE: ...projects.

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1
2 JAMES PATCHETT: Yeah, yeah the housing
3 infrastructure fund which is another element that I
4 mentioned absolutely could... is an available source of
5 funding for Willets Point and could be used to
6 create... you know create the possibility, you know
7 through open space or other infrastructure needs that
8 are necessary to make housing possible there. And I
9 also add that... [cross-talk]

10 COUNCIL MEMBER VALLONE: So, there,
11 ther'es additionl... and I think that's the important
12 part, I think for us as council embmers to see the
13 additional avenues that are possible for... [cross-
14 talk]

15 JAMES PATCHETT: Yeah... [cross-talk]

16 COUNCIL MEMBER VALLONE: ...all these
17 separate projects that each one of us have in our...
18 [cross-talk]

19 JAMES PATCHETT: Uh-huh... [corss-talk]

20 COUNCIL MEMBER VALLONE: ...in our
21 different districts and we'll... we're going to turn it
22 over to the council members for their questions but...
23 [cross-talk]

24 JAMES PATCHETT: Okay... [cross-talk]

25

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2 COUNCIL MEMBER VALLONE: ...just to follow

3 up on Chair Dromm's question about educational

4 capacity. Willets keeps coming up because it's a

5 perfect example of an undefined yet defined site for

6 the use of those types of scenarios, you have

7 districts 21, 24, 25 all surrounding that project

8 that are in the top three overcrowded school zoning

9 areas and, and I... we see an opportunity there for EDC

10 to work with SCA and not just the Queens delegation

11 but, but children throughout Queens and I don't think

12 it's even individually that we particularly care

13 which kids we just want as many school seats as

14 possible and the, the first part of that included

15 four floors of an apartment building to me that's not

16 the type of forward thinking we want EDC to come up,

17 it should not be thrown into an affordable housing

18 project when you have the space for an entire campus

19 that can really do and I know there's phase one and

20 there's phase two and there's future phases but to

21 ignore the, the educational needs that Willets Point

22 provides when you finally have an area with... where

23 square footage is such a, a demand in Queens to me I

24 think we need to do better there.

25

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2 JAMES PATCHETT: You know and you've... you
3 have been a very clear advocate on behalf of the
4 school system for your community and the city broadly
5 and I absolutely recognize the importance of this, I
6 mean not just from the community's perspective but
7 also the economy's perspective, our kids do need...
8 obviously need to be well educated in order for them
9 to, you know succeed in life and get good jobs so
10 we're committed to... [cross-talk]

11 COUNCIL MEMBER VALLONE: What separate
12 site was identified I believe and they removed it
13 from the floor to it's own additional school now
14 separate and apart from the rest of the project?

15 JAMES PATCHETT: Can, can you ask the
16 question again, I'm sorry... [cross-talk]

17 COUNCIL MEMBER VALLONE: So, the, the
18 school that was originally planned... [cross-talk]

19 JAMES PATCHETT: Uh-huh... [cross-talk]

20 COUNCIL MEMBER VALLONE: ...for the four
21 stories I believe now has it's own individual site..

22 JAMES PATCHETT: Uh-huh... [cross-talk]

23 COUNCIL MEMBER VALLONE: ...is that
24 correct?

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1
2 JAMES PATCHETT: I... yeah, I'm... I don't...
3 is that something you... we're in conversation with SCA
4 about?

5 COUNCIL MEMBER VALLONE: I'm, I'm, I'm
6 being told that I think that's what being developed,
7 I just... [cross-talk]

8 JAMES PATCHETT: Well, I mean I think
9 we're... the, the... I think the important part of that
10 is that it remains... the, the details of the plan for
11 the school remain flexible and part of the discussion
12 with you and the, you know other elected officials to
13 ensure that it accommodates your needs, it, it
14 wasn't... it wasn't a fixed plan, here's both the
15 grades that it serves and the exact layout of the
16 space.

17 COUNCIL MEMBER VALLONE: Well I think
18 that's just a... it's a good site for all of us to kind
19 of look at as to the, the growth and the potential
20 that we... [cross-talk]

21 JAMES PATCHETT: Yeah... [cross-talk]

22 COUNCIL MEMBER VALLONE: ...could use there
23 and just on the ferry wide service, so the 339
24 million I think at one of our most previous hearing
25 we were talking about the need for expanded ferry

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2 service however the Council Members with the release
3 of the executive budget are very concerned about
4 Fair, Fair share on the service in reduction of rides
5 and in using the money for the ferry, I believe the
6 ferry system is a... is a viable alternative for a lot
7 of the members in the city that can't use the subway
8 system however we didn't address some of the areas
9 that we wanted to address... [cross-talk]

10 JAMES PATCHETT: Uh-huh... [cross-talk]

11 COUNCIL MEMBER VALLONE: ...which is
12 basically the rest of Queens outside of... [cross-talk]

13 JAMES PATCHETT: Yeah... [cross-talk]

14 COUNCIL MEMBER VALLONE: ...the Astoria
15 stop is there... is there talk of expansions to the
16 rest of Northeast Queens and the waterfronts, we have
17 City Field Marina, we have Bayside Marina, we have
18 many more stops along the... [cross-talk]

19 JAMES PATCHETT: Yeah... [cross-talk]

20 COUNCIL MEMBER VALLONE: ...way but again
21 it's not in the plan.

22 JAMES PATCHETT: Right, so we had... first
23 off, I mean there are... there are site... there are
24 stops currently in... two stops in Long Island City and
25 one in Astoria so there are three stops in Queens

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1 right now. So, I, I guess I would say two things
2 about that, the first is that you, you're... it's... my
3 view is it's absolutely essential for the existing
4 system to have the resources it needs in order to
5 function before we talk about expansion, we now have
6 those so we're in good shape now. What we have said
7 from the outset and I think it continues to be our
8 commitment and is the Mayor's commitment is after we
9 have launched the full system which is final,
10 finalizing this summer because we're launching two
11 additional routes this summer; Soundview... the
12 Soundview route in the Bronx and the Lower East side
13 route both of which are also relative transit
14 deserts, after we've completed that we will be
15 completing an evaluation of additional expansion
16 locations and we'll absolutely look at those
17 Northeast Queens locations that you mentioned because
18 I completely agree with you, you know I understand
19 the need to fund the subways and I agree with it 100
20 percent but that doesn't mean that we have to accept
21 that the subway is the only way of transit anyone is
22 ever going to be able to get around on so I think
23 investing in something like the ferries as a great
24

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2 alternative and compliment to the subway is extremely
3 important.

4 COUNCIL MEMBER VALLONE: Plus, I, I don't
5 think we've yet to hear anybody say darn a ferry stop
6 opened at the bottom of my block...

7 JAMES PATCHETT: Yeah... no, haven't yet to
8 hear that, yeah.

9 COUNCIL MEMBER VALLONE: But what I'd
10 like to do because we are on quite a tight schedule
11 and we've been running behind I'd like to turn it
12 over to our Council Members or... Chair Dromm.

13 CHAIRPERSON DROMM: Just one follow up
14 question with the SCA issue. It's a pervasive problem
15 for me having been the former chair of the Education
16 Committee to say that the decisions in terms of what
17 schools will go there are up to the individual
18 council members, I think we need some sort of a
19 citywide plan to address these needs... [cross-talk]

20 JAMES PATCHETT: Uh-huh... [cross-talk]

21 CHAIRPERSON DROMM: ...because what I find
22 has happened especially and I'll use Willets Point as
23 again, again as an example because it's the one I'm
24 most familiar with, yes, a school, an elementary
25 school for 480 or so students who'll go there but

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2 what happens to those kids when they go to junior

3 high or too high school and so there needs to be a

4 comprehensive overall citywide plan and that's why I

5 really wanted to follow up with this idea of, you

6 know regular meetings with SCA because one school at

7 that Willets Point site to me, I'm not the Council

8 Member from that district but to me it doesn't seem

9 like it's going to be sufficient to meet those needs

10 because I know those kids are going to be pushed into

11 I61 and 61 is already crowded as well so... [cross-

12 talk]

13 JAMES PATCHETT: Right... [cross-talk]

14 CHAIRPERSON DROMM: Not to belabor the

15 point just to make sure that we're all on the same

16 page in regard to my thinking on that.

17 JAMES PATCHETT: For sure...

18 CHAIRPERSON DROMM: So, Council Member

19 Lander.

20 COUNCIL MEMBER LANDER: Thank you Mr.

21 Chair. I have two different kinds of questions. Let

22 me ask the first and if it takes too long I'll wait

23 for the second round. So, at the preliminary budget

24 hearing I asked you about our friends at Amazon and,

25 and... [cross-talk]

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2 JAMES PATCHETT: Yep... [cross-talk]

3 COUNCIL MEMBER LANDER: ...their... and the
4 city's proposal to... and you... and I was encouraged by
5 your answer that the city would like to have them
6 come and create jobs here but was not offering any
7 discretionary tax breaks that we were pitching what's
8 great about our city and... but we were not going to
9 start bidding for their affections and giving away
10 our tax space to address all the issues of
11 infrastructure and affordability that they would
12 bring. Have you seen what they've done in Seattle
13 over the last couple of days, our friends at Amazon?

14 JAMES PATCHETT: Over the last couple of
15 days?

16 COUNCIL MEMBER LANDER: Yeah, last week.

17 JAMES PATCHETT: What specifically do you
18 have in mind?

19 COUNCIL MEMBER LANDER: So, the Seattle
20 city council members... [cross-talk]

21 JAMES PATCHETT: Yeah, oh yeah... [cross-
22 talk]

23 COUNCIL MEMBER LANDER: ...proposed a very
24 thoughtful tax on the city's... [cross-talk]

25 JAMES PATCHETT: Yes... [cross-talk]

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1

2

3

COUNCIL MEMBER LANDER: ...highest
grossing... [cross-talk]

4

JAMES PATCHETT: Yeah... [cross-talk]

5

6

COUNCIL MEMBER LANDER: ...highest income
businesses to address their crisis of homelessness
and affordable housing... [cross-talk]

8

9

JAMES PATCHETT: Yes, I thought you meant
what Amazon had done but yes, I'm familiar with that...

10

[cross-talk]

11

12

COUNCIL MEMBER LANDER: Well it is what...
so, do you know what Amazon did in, in response to
the city council's proposal?

14

JAMES PATCHETT: I don't.

15

16

17

18

COUNCIL MEMBER LANDER: They, they ceased
construction on their current project that they have
underway on Seattle issuing like a... like we know how
to govern Seattle better than you do city council...

19

[cross-talk]

20

JAMES PATCHETT: Uh-huh... [cross-talk]

21

22

23

24

COUNCIL MEMBER LANDER: ...and if you dare
even consider proposing some additional taxes to pay
for addressing homelessness and affordable housing
we're going to like threaten to strike your city...

25

[cross-talk]

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2 JAMES PATCHETT: Uh-huh... [cross-talk]

3 COUNCIL MEMBER LANDER: ...and I think it's
4 pretty clear that not only are they trying to
5 threaten the Seattle city council they are trying to
6 send a message to... [cross-talk]

7 JAMES PATCHETT: Uh-huh... [cross-talk]

8 COUNCIL MEMBER LANDER: ...city's building...
9 bidding on HQ2... [cross-talk]

10 JAMES PATCHETT: Uh-huh... [cross-talk]

11 COUNCIL MEMBER LANDER: ...how they think
12 about the relationship between their business model
13 and, and the city government so... [cross-talk]

14 JAMES PATCHETT: Yeah... [cross-talk]

15 COUNCIL MEMBER LANDER: ...I wondered if
16 you had a perspective on this?

17 JAMES PATCHETT: Sure, yeah... no, I, I, I
18 didn't see that specifically, but I did see the plan
19 and I saw that they were not excited about it. Look I
20 think... I think, you know as, as I said fundamentally
21 this conversation about Amazon has been focused on
22 ensuring that if they decide to come to New York City
23 that they're going to be committed to hiring New
24 Yorkers and New Yorkers of all backgrounds, I mean to
25 me it remains a great opportunity, New York City's

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2 great untapped talent base, you know the technology
3 industry broadly is not nearly as diverse as it
4 should be, what better opportunity to diversify your
5 technology talent then to... then to come to New York
6 City and, and, and grow your company. So, I think
7 it's a great opportunity but, you know it's not lost
8 on me the, the, the, you know potential risks
9 associated with... must be my illness... so anyway it is
10 not lost on me the risks associated with Amazon, the...
11 you know the possibilities but you know we're
12 committed as the city to if they decide to come to
13 New York City to making the necessary investments to,
14 you know ensure that communities have the ability to
15 handle the change, you know investments in
16 infrastructure, investments in open space, whatever
17 it is in terms of the impacts. I would also add that,
18 you know Amazon is a... you know I think... you know
19 Amazon would be a very different factor in New York
20 City than it is in Seattle, I mean New York City is,
21 you know growing to be nine million people, it's a
22 much smaller percentage of the city overall but it
23 still is something we need to take seriously and I...
24 and I recognize your concerns, it's something we'll

1 COMMITTEE ON FINANCE JOINTLY WITH COMMITTEE ON
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3 take seriously as a part of that conversation...

4 [cross-talk]

5 COUNCIL MEMBER LANDER: I'm just... I, I
6 thought your answer at our prior hearing was a very
7 good one and at that moment what I said afterwards
8 was I don't want us giving away our tax... [cross-talk]

9 JAMES PATCHETT: Yeah... [cross-talk]

10 COUNCIL MEMBER LANDER: ...break... our tax
11 space to this company but if they'll come here with
12 the pitch that you guys have made and create jobs
13 here that seems good... [cross-talk]

14 JAMES PATCHETT: Yeah... [cross-talk]

15 COUNCIL MEMBER LANDER: Their behavior in,
16 in Seattle last week really makes me reevaluate that...
17 [cross-talk]

18 JAMES PATCHETT: I understand... [cross-
19 talk]

20 COUNCIL MEMBER LANDER: ...its of course
21 fine for them to show up at city council, it's even
22 fine for them to like encourage others to show up and
23 say we think your progressive business tax proposal
24 is a bad idea, that's how we have public policy
25 debates and they're a major player but for them to
like dramatically halt construction... [cross-talk]

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2 JAMES PATCHETT: Uh-huh... [cross-talk]

3 COUNCIL MEMBER LANDER: ...mid project and

4 like seek to bring their corporate power to bear to

5 dictate public policy through threats and bullying it

6 just says to me I... this isn't a company that we want

7 that they don't think of themselves as a partner...

8 [cross-talk]

9 JAMES PATCHETT: Uh-huh... [cross-talk]

10 COUNCIL MEMBER LANDER: ...I don't see

11 evidence that they're interested in helping us invest

12 in our infrastructure and helping us invest in our

13 affordability crisis so the last weeks experience is...

14 that they've had in Seattle just led me to change my

15 opinion and, and I think I've gone from if they'll

16 come without us offering subsidies great to I don't

17 think these folks are the kind of partners that we

18 want in job creation so I appreciate your just

19 keeping a, a good eye and just making sure before you

20 would make any, you know deal with them... [cross-talk]

21 JAMES PATCHETT: Uh-huh... [cross-talk]

22 COUNCIL MEMBER LANDER: ...that you would

23 talk to your colleagues in Seattle on the... [cross-

24 talk]

25 JAMES PATCHETT: Of course... [cross-talk]

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1
2 COUNCIL MEMBER LANDER: ...economic
3 development side and the Mayor's side and, and see
4 whether this is the kind of partner that we... that we
5 want for our city... [cross-talk]

6 JAMES PATCHETT: Yeah, great point,
7 absolutely, thank you.

8 COUNCIL MEMBER LANDER: Thank you...
9 [cross-talk]

10 CHAIRPERSON DROMM: Council Member Adams.

11 COUNCIL MEMBER ADAMS: Thank you very
12 much Mr. Chair. Just piggy backing on some questions
13 that my colleague just asked and hello Mr. Patchett
14 so nice to see you again... [cross-talk]

15 JAMES PATCHETT: Good to see you too.

16 COUNCIL MEMBER ADAMS: Thank you for all
17 you do. How does EDC see its role in generating
18 stronger job growth in New York City?

19 JAMES PATCHETT: Is that better... okay,
20 thank you, yeah, I mean as... you know as I said, you
21 know as I said my vision is that it's our
22 responsibility... the Mayor talks about making the city
23 fairer, the fairest big city in America, my belief is
24 EDC's role is to make the city fairer today and
25 stronger tomorrow that means addressing the issues of

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2 inequality that have been a result of our amazing
3 economic growth creating job opportunities and
4 training pathways to all New Yorkers to really create
5 real wage earning career creating opportunities but
6 at the same time being... thinking forward about the
7 future not assuming that we're always going to be in
8 a time of great economic growth but instead preparing
9 ourselves for the fact that someday it might be the
10 80's again in New York City, it might be a time when
11 no one wants to be in New York City and that's why
12 we're focused on diversifying the economy making sure
13 we're in as many industries as possible and making
14 sure we're always at the forefront of every industry
15 that's out there.

16 COUNCIL MEMBER ADAMS: Thank you very
17 much. Does EDC have a breakdown, a gender breakdown
18 that can be shared?

19 JAMES PATCHETT: Gender... in terms of..
20 well I can tell you at our staff level we're
21 slightly, slightly over half female.

22 COUNCIL MEMBER ADAMS: Okay and just one
23 final question about the budget... [cross-talk]

24 JAMES PATCHETT: Uh-huh... [cross-talk]

25

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1
2 COUNCIL MEMBER ADAMS: ...is the agency's
3 head count going to go up with the increase in
4 capital budget?

5 JAMES PATCHETT: So, we don't receive any
6 funding from the city for our head counts so we're
7 not seeking any funds associated... from the city
8 council for, for, for head counts and I don't... I
9 don't foresee a direct head count increase associated
10 with the capital funds we're discussing.

11 COUNCIL MEMBER ADAMS: Okay, thank you
12 very much for your testimony.

13 JAMES PATCHETT: Thank you.

14 CHAIRPERSON DROMM: Council Member...
15 Council Member Rivera.

16 COUNCIL MEMBER RIVERA: Hi there... [cross-
17 talk]

18 JAMES PATCHETT: Hello... [cross-talk]

19 COUNCIL MEMBER RIVERA: Thank you for
20 being here. I just want to clarify my comment
21 earlier, I think people are excited about the ferry
22 it's just now that with these historically
23 underserved waterfront communities many residents,
24 you know want to be prepared and are wary of the
25

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3 oncoming traffic that is suddenly going to become...

4 [cross-talk]

5 JAMES PATCHETT: Uh-huh... [cross-talk]

6 COUNCIL MEMBER RIVERA: ...a part of the
7 just everyday life and some of the strains on
8 infrastructure so people just want to... [cross-talk]

9 JAMES PATCHETT: Right... [cross-talk]

10 COUNCIL MEMBER RIVERA: ...feel respected
11 after years of being neglected, it's understandable
12 but I'm excited for it. So, thank you for a page and
13 a half on the ferry at the very least, seems like a,
14 a budget priority for your agency and you mentioned
15 things like, you know the... these waterfront
16 communities that have been underserved and it creates
17 a fairer city, so I want to ask... you know when we're
18 talking about waterfront communities you mentioned
19 RISE NYC... [cross-talk]

20 JAMES PATCHETT: Uh-huh... [cross-talk]

21 COUNCIL MEMBER RIVERA: ...and here it says
22 it is a 30 million dollar... it has a 30-million-dollar
23 program budget... [cross-talk]

24 JAMES PATCHETT: Uh-huh... [cross-talk]

25 COUNCIL MEMBER RIVERA: ...so I'd love to
know what that provides in terms of some of the small

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3 business services because though the lower East side
4 in my district wasn't as visibly devastated as a
5 community as Far Rockaway, the economic devastation
6 in terms of what the businesses lost in their
7 basements and being closed for over a week, up to two
8 weeks was really hard on the local economy. So, what,
9 what does that get us?

10 JAMES PATCHETT: Right, so this is really
11 about... by the way thank you for your comments about
12 the ferry, I also see your biker... [cross-talk]

13 COUNCIL MEMBER RIVERA: Thank you for
14 following me on Twitter at Carlina Rivera.

15 JAMES PATCHETT: I appreciate follow
16 backs. Alright, so, so RISE... so RISE NYC is, is
17 extremely... you know I think it's an important program
18 because it's, it's about helping businesses that were
19 impacted by hurricane Sandy prepare for the
20 inevitable next storm, it's about technologies that
21 are going to help them prepare. We're focused
22 particularly on three technologies; energy
23 technologies which are, you know basically ways of
24 staying up and running with your energy system during
25 a storm or in the aftermath of a storm, telecom
networks, same concept which is keeping your, your

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3 phones functioning during and after a storm so
4 technologies like wireless mesh wi-fi networks and
5 handheld devices that you can use during a storm even
6 if towers are down for cell phones and then flood
7 protection so things that will... you know small
8 projects in, innovative technology... technological
9 projects that will help small businesses prepare for
10 storms within the confines of a building envelope.

11 COUNCIL MEMBER RIVERA: And what are the
12 numbers like in terms of your outreach to small
13 business, how many have you been in touch with or
14 connected with or how many have you set up some of
15 these protocols and processes since you've
16 established the program?

17 JAMES PATCHETT: Right, so right now
18 with... currently we have 270 businesses that are
19 enrolled as a part of the project.

20 COUNCIL MEMBER RIVERA: And that's in
21 which neighborhoods?

22 JAMES PATCHETT: It's all across all five
23 boroughs I... [cross-talk]

24 COUNCIL MEMBER RIVERA: You said 270?

25 JAMES PATCHETT: 270.

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2 COUNCIL MEMBER RIVERA: Okay, great. And

3 then I just want to also... for... my last question is

4 about, about the ferry again to go back to it, I

5 appreciate the 275 and the consistency with the MTA,

6 I think that's really important and you've heard from

7 my colleagues at how much we support Fair Fares...

8 [cross-talk]

9 JAMES PATCHETT: Uh-huh... [cross-talk]

10 COUNCIL MEMBER RIVERA: ...in, in, in this

11 time and how we're really going hard so you mentioned

12 these routes and again I'm excited for it but what

13 about the discounted fares and the reduced fares, is

14 that something that will eventually be implemented

15 and what is the time line on that for seniors and

16 people with disabilities?

17 JAMES PATCHETT: Right, no it's a great

18 question. So, I think... you know we've been... we spent...

19 we're a year... literally a year into this system, we

20 are pegged to MTA fares, we provide a monthly

21 discounted fare for seniors just as the... as the MTA

22 does and it's the same discounted fare that the MTA

23 provides on a monthly basis. On a daily basis fare we

24 have not yet been able to provide the discounted fare

25 not... we, we, we... not because we don't intend to but

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2 simply because we don't have the infrastructure set

3 up to verify at each individual passenger basis

4 whether or not someone is in that category, we're

5 focused on trying to solve it but it's, it's, it's

6 kind of complicated because we have... our system is

7 primarily vending machines and via app and so trying

8 to verify someone's age through that technology is,

9 is challenging but we're working on it and we

10 certainly do want to match the MTA in that regard

11 also.

12 COUNCIL MEMBER RIVERA: So, reduced fare

13 is set up and ready to go for ferry NYC?

14 JAMES PATCHETT: You're talking about...

15 [cross-talk]

16 COUNCIL MEMBER RIVERA: NYC Ferry...

17 [cross-talk]

18 JAMES PATCHETT: ...senior fares, senior

19 fares.

20 COUNCIL MEMBER RIVERA: Senior fares.

21 JAMES PATCHETT: Yes.

22 COUNCIL MEMBER RIVERA: Okay. Thank you.

23 COUNCIL MEMBER VALLONE: Well just

24 following up on Council Member Rivera's question,

25 the, the process is a bit convoluted for seniors

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2 though, isn't it, we're trying to make that a little
3 more user friendly, there's an online monthly
4 application... [cross-talk]

5 JAMES PATCHETT: Yes... [cross-talk]

6 COUNCIL MEMBER VALLONE: ...can't we just
7 get seniors a discounted card so they don't have to
8 go through that?

9 JAMES PATCHETT: For the... for the... well
10 yes, exactly... we're, we're certainly... we'd hope to
11 have a... you're exactly right, the process with the
12 MTA is challenging, we would like to be able to have
13 a similar process that is less challenging for the
14 ferry system.

15 COUNCIL MEMBER VALLONE: So, that's
16 hopeful?

17 JAMES PATCHETT: That's hopeful. I'm...
18 that's a yes positively inclined.

19 COUNCIL MEMBER VALLONE: And I think
20 something that deserves a shout out that you had in
21 your testimony that I have seen for the first time,
22 you put in Manhattan the EDC just closed out
23 financing for the Madison, Madison Boys and Girls
24 Club, 52,000 square foot facility... [cross-talk]

25 JAMES PATCHETT: Uh-huh... [cross-talk]

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1
2 COUNCIL MEMBER VALLONE: ...47 million-
3 dollar project and sale of air rights that I think is
4 a perfect example of what we like to grow and want to
5 do... [cross-talk]

6 JAMES PATCHETT: Yeah... [cross-talk]

7 COUNCIL MEMBER VALLONE: I don't think
8 there's a council member who wouldn't want a similar
9 project to work with a brand community center or a
10 struggling one that needs some additional finances.
11 Is, is that an example of more things to come that we
12 can see through the EDC?

13 JAMES PATCHETT: Absolutely, yeah, we, we
14 absolutely have... you know that's, that's an example
15 of using a lot of our different tools that we have;
16 new markets tax credits which is a... which is a, a
17 source of funding that's available through the...
18 through the federal government that EDC has, has
19 received an allocation of as well as our build NYC
20 fund which is a tax exempt financing model for
21 community facilities, we are absolutely committed to
22 creating more of... [cross-talk]

23 COUNCIL MEMBER VALLONE: Are there...
24 [cross-talk]

25

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1
2 JAMES PATCHETT: ...those projects across
3 the city... [cross-talk]

4 COUNCIL MEMBER VALLONE: ...current
5 projects that we're scoping out or beginning to look
6 at for the boroughs in that type of... [cross-talk]

7 JAMES PATCHETT: Yeah, absolutely, we'd
8 be happy... we should talk more about potential...
9 [cross-talk]

10 COUNCIL MEMBER VALLONE: Yeah, I, I think
11 those are ones that we... [cross-talk]

12 JAMES PATCHETT: Yeah... [cross-talk]

13 COUNCIL MEMBER VALLONE: ...we're going to
14 have I think almost every one of us has a. an
15 incentive... [cross-talk]

16 JAMES PATCHETT: Yep... [cross-talk]

17 COUNCIL MEMBER VALLONE: ...that we'd like
18 to look at or... [cross-talk]

19 JAMES PATCHETT: Uh-huh... [cross-talk]

20 COUNCIL MEMBER VALLONE: ...partnership
21 with you on and one of the other initiatives that you
22 launched this year was the life sciences initiative...
23 [cross-talk]

24 JAMES PATCHETT: Yes... [cross-talk]

25

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1
2 COUNCIL MEMBER VALLONE: What is the
3 funding for in the fiscal 2019 plan because you had...
4 I think you had launched it with 500 million with
5 the... [cross-talk]

6 JAMES PATCHETT: Uh-huh... [cross-talk]

7 COUNCIL MEMBER VALLONE: ...general
8 estimate... [cross-talk]

9 JAMES PATCHETT: Yep, so that's, that's
10 the... still the funding that we have targeted towards
11 it, you know this is being financed through some,
12 some city capital funding which remains in our
13 budget, there's no change to that but also a
14 commitment of E... our own EDC funds which we're using
15 for a variety of things including the internship
16 program which we've talked about in the past, you
17 know so we're actually... I can give you a little
18 update on that. Yeah, I mentioned before that we were
19 targeting to have up to 100 interns per year so fare
20 to date actually we have... we have placed I think over
21 50 interns and... [cross-talk]

22 COUNCIL MEMBER VALLONE: This is for the
23 summer intern... [cross-talk]

24 JAMES PATCHETT: This is... for this, this
25 very... [cross-talk]

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COUNCIL MEMBER VALLONE: ...program...

[cross-talk]

JAMES PATCHETT: ...summer and we're

expecting... let's see, I have... okay, so I have 42

students who already accepted internships for this

summer and we're on track I think to get over 100

interns for this so we're... for this summer so we're

actually ahead of schedule because we thought we'd be

ramping up for a while so I'm optimistic that we're

going to actually beat our projections... [cross-talk]

COUNCIL MEMBER VALLONE: When is the cut

off for students on that?

JAMES PATCHETT: You mean... [cross-talk]

COUNCIL MEMBER VALLONE: To apply and or

be considered for summer... [cross-talk]

JAMES PATCHETT: We actually already have

530 applications, so we have a lot... we, we actually

can still accept some applications but, you know it's

going to be this summer, so it needs to be relatively

soon but right now we're in the process of matching

people.

COUNCIL MEMBER VALLONE: Okay and I

believe we're been joined by Council Member Menchaca

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who had a few questions and then that would be the last of our questions.

COUNCIL MEMBER MENCHACA: Thank you to the Chairs and welcome.

JAMES PATCHETT: Hi.

COUNCIL MEMBER MENCHACA: Hi.

JAMES PATCHETT: Hi.

COUNCIL MEMBER MENCHACA: So, my first question, I'm truly excited about this morning, I'm really excited also about the BQX and thank you so much, we received your letter kind of finalizing a number that we had asked at the previous budget hearing, so I want to see if you can expand on it, it looks like seven millions dollars was used in self-funds... [cross-talk]

JAMES PATCHETT: Uh-huh... [cross-talk]

COUNCIL MEMBER MENCHACA: ...so talk to us a little bit about what that means exactly to determine both the feasibility and the route of the BQX... [cross-talk]

JAMES PATCHETT: Uh-huh... [cross-talk]

COUNCIL MEMBER MENCHACA: ...and... well I'll start there.

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1
2 JAMES PATCHETT: Okay, sure, so, so self-
3 funds means EDC funding that we receive from our
4 revenues so we have a... you know as we... as we have a
5 lot of revenues across the board from leasing our
6 properties and we dedicate those to economic
7 development initiatives across the city as well as
8 investments in local communities where those assets
9 are served, you know for... as, as you well know since
10 you have a lot of assets in our... in your community
11 that are EDC assets, you know we'll often dedicate,
12 dedicate specific funds to, to particular projects or
13 priorities of the community as a part of a... of a new
14 lease but... in addition to that we have a source of
15 funds that we use citywide to invest in different
16 priorities so we used about seven million dollars of
17 those funds towards the development and the proposals
18 for BQX which include an analysis of the... you know
19 what was engine... what was possible engineering wise,
20 an analysis of the financials and the possibility of
21 do... providing revenue for it as well as quite a bit
22 of environmental testing across the city to look at
23 what was... you know what was underground in the entire
24 length of the route and then of course some... you know

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3 traffic impacts, other issues that are associated
4 with any analysis at this point in time.

5 COUNCIL MEMBER MENCHACA: So, it sounds
6 like you're ready to present how real is the
7 feasibility report that we haven't yet received...

8 [cross-talk]

9 JAMES PATCHETT: Yeah... [cross-talk]

10 COUNCIL MEMBER MENCHACA: ...how, how, how
11 ready is that and when can we see and expect that?

12 JAMES PATCHETT: Right, yeah, I mean
13 we're, we're, we're very close, we've done a lot of
14 the work, I mean I think it is... you know as you know
15 it's a very complicated project because it's 17
16 miles... 16, 17 miles across the whole city which is,
17 you know several hundred years old and what's under
18 the street is complicated and what's... you know and
19 different... when you... if you have a turn here or there
20 it has a very different impact on traffic so I think,
21 you know we're very close to being able to present
22 the results but we're not quite there.

23 COUNCIL MEMBER MENCHACA: Okay. Thank you
24 and I know there's a lot of stuff happening in the
25 district right now but maybe what I can ask awaiting,
awaiting more kind of official news specifically from

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2 Sunset Park how, how do you think about the, the, the

3 kind of larger... the larger effort around capital

4 improvments like you just announced on the ferry...

5 [cross-talk]

6 JAMES PATCHETT: Uh-huh... [cross-talk]

7 COUNCIL MEMBER MENCHACA: ...and, and

8 really understanding how all of that connects to job

9 growth... [corss-talk]

10 JAMES PATCHETT: Uh-huh... [cross-talk]

11 COUNCIL MEMBER MENCHACA: ...and, and I

12 feel like that's one of those things that's missing

13 with the ferry is, is.. and, and maybe it's just me

14 but can you kind of make the conncection between

15 massive investment in something like NYC Ferry, job

16 intense discussions, policy investment, SBMT all that

17 work and where that ocmes together?

18 JAMES PATCHETT: Sure, absolutely. No, I

19 thnk it's actually a really great question so I'd

20 say... well a couple of things, I mean as you know one

21 of the stops on the ferry system is at the Brooklyn

22 Army Terminal which is a... yeah, which is... which is...

23 [cross-talk]

24 COUNCIL MEMBER MENCHACA: That's what I

25 took to get here today.

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2 JAMES PATCHETT: That's great, no I know,
3 I love your videos. So, the... so, I think that the...
4 you know the... it's an example of, of making, mkaeing
5 industrial areas more accessible for workers, you
6 know and I think what we've found is that a lot of
7 people who are commuting to work in those places, you
8 know it shortens the amuoont of tiem it takes them to
9 get to them which makes them more viable job centers
10 but also makes people's lives better on the other
11 side. We're adding a stop to the, the... there'll be
12 another... an additional stop in the Brooklyn Navy Yard
13 next year which is also an important industrial job
14 center. I think it's, it's really about both, I mean
15 fundamentally transportation is about connecting
16 where people live to where people work and that's
17 what this overall system is about. If you look at
18 what's happened in the Rockaways whioh I actually
19 failed to mention is the fourth stop in Queens, the,
20 the, the Rockaways, I mean the explosion of small
21 businesses that has happened out there as a result of
22 the investment in the ferry system is really
23 substantial and I think, you know all of these
24 infrastructure investments whether you can directly
25 tie them to job growth or it's more of a holistic

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3 economic development plan for the city really goes
4 broadly to support the economic development and
5 growth of the city.

6 CHAIRPERSON DROMM: And we've been joined
7 by... thank you Council Member Gjonaj, Council Member
8 Menchaca so we have done well in keeping into our
9 allotted times so Council Member you are the last of
10 our questions.

11 COUNCIL MEMBER GJONAJ: Thank you Chair.
12 I'm very interested and curious into your projections
13 for the citywide ferry service, do you feel that it
14 is living up to its expectations?

15 JAMES PATCHETT: Yeah, I feel... you know I
16 feel it's exceeding expectations as I... you know as I
17 mentioned previously, you know we're anticipating up
18 to nine million riders, our original projection was
19 4.6 million riders, so we really far exceeded our
20 original anticipation... expectations it's clearly a
21 very popular system and people want to have
22 additional alternatives and a way to get to work.

23 COUNCIL MEMBER GJONAJ: So, why wouldn't
24 be... why wouldn't we aggressively be persuading
25 expansion of our ferry service in particular to
places like Queens, the Rockaways and... [cross-talk]

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2 JAMES PATCHETT: Right... [cross-talk]

3 COUNCIL MEMBER GJONAJ: ...that little
4 corner of the city called the borough of the Bronx
5 which actually has the perfect name for the
6 expansion, Ferry Point Park.

7 JAMES PATCHETT: Oh, yeah. I love that.

8 COUNCIL MEMBER GJONAJ: Yeah, so do I.

9 JAMES PATCHETT: Yeah, yeah, I love that.
10 Right near the Trump National Golf Course. So, the...
11 so, the... I think the... so, the, the... I think... we are
12 actually expanding it to the Bronx this summer, so we
13 have two additional routes that we're launching this
14 summer, one is in Soundview in the Bronx and the
15 other is... [cross-talk]

16 COUNCIL MEMBER GJONAJ: It's the only one
17 by the way, it will be the only one in the borough..
18 [cross-talk]

19 JAMES PATCHETT: The only one in the
20 Bronx, that's correct.

21 COUNCIL MEMBER GJONAJ: Yeah.

22 JAMES PATCHETT: And also, on the Lower
23 East Side of Manhattan both of which are transit,
24 transit underserved areas and we are commit... so and
25 after that we are absolutely committed to evaluating

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1 what's possible in terms of expansion. I think we've
2 seen from the experience of the system as you alluded
3 to that it's popular and it's successful and we need
4 to evaluate other alternatives and places where we
5 might be able to grow it but ultimately that's a
6 budgetary decision that, you know the council will
7 make in partnership with the Mayor.
8

9 COUNCIL MEMBER GJONAJ: What, what is the
10 total number of routes that we have?

11 JAMES PATCHETT: We have four running
12 right now, we're adding two more this summer.

13 COUNCIL MEMBER GJONAJ: No, total number
14 of ferry routes?

15 JAMES PATCHETT: Six.

16 COUNCIL MEMBER GJONAJ: Six is in total?

17 JAMES PATCHETT: Yes.

18 COUNCIL MEMBER GJONAJ: Okay. It wouldn't
19 cost much... [cross-talk]

20 CHAIRPERSON DROMM: That was the math
21 portion... [cross-talk]

22 COUNCIL MEMBER GJONAJ: ...investment...
23 [cross-talk]

24 JAMES PATCHETT: What's that?
25

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CHAIRPERSON DROMM: That was the math
portion of our hearing.

JAMES PATCHETT: Yeah.

CHAIRPERSON DROMM: It got to six...

COUNCIL MEMBER GJONAJ: The expansion
wouldn't be as, expensive as the initiation in
ferries coming to point A havng that ferry travel to
point B to return... [cross-talk]

JAMES PATCHETT: Uh-huh... [cross-talk]

COUNCIL MEMBER GJONAJ: ...to the
destination would probably be a lot less expensive
know that there is transportation deserts that exist
like in the borough of the Bronx and they go back to
Ferry POInt Park area where you have to take a car to
a bus, so you can take the bus to the train... [cross-
talk]

JAMES PATCHETT: Yeah... [cross-talk]

COUNCIL MEMBER GJONAJ: ...is a disservice
and unjust for Bronx sites... [cross-talk]

JAMES PATCHETT: Right, no... [cross-talk]

COUNCIL MEMBER GJONAJ: ...that's 17
percent of the population for the city of New York
that is being underserved and in a budget of 89
billion dollars... [cross-talk]

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2 JAMES PATCHETT: Uh-huh... [cros-talk]

3 COUNCIL MEMBER GJONAJ: ...what would the
4 cost factor be for expansion of a ferry to the other
5 corner of the borough of the Bronx?

6 JAMES PATCHETT: You know so I think... I,
7 I hear... I hear your point about the relative... you
8 know if, if... sorry, certainly the need we've seen...
9 you know as, as Chair Vallone mentioned and Chair
10 Dromm prior to your arrival that, you know absolutely
11 there are other parts of the city including Northeast
12 Queens certainly Staten Island, other parts of the
13 city including... [cross-talk]

14 COUNCIL MEMBER GJONAJ: I'm fighting for
15 the constituents of the... [cros-talk]

16 JAMES PATCHETT: No, I know... [cross-talk]

17 COUNCIL MEMBER GJONAJ: ...borough of the
18 Bronx right now... [cross-takl]

19 JAMES PATCHETT: No, and I'm... and, and
20 also our members of the Bronx... [cros-talk]

21 COUNCIL MEMBER GJONAJ: ...those other
22 boroughs have great representatives.

23 JAMES PATCHETT: Everyone is well
24 represtned.

25

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1
2 COUNCIL MEMBER GJONAJ: While you think
3 about it let me ask you something else because I
4 believe that you're... [cros-talk]

5 JAMES PATCHETT: I don't... but I can... I
6 don't need a... I'm sorry, I, I can answer your
7 question, sorry. The, the... so, the, the... we have... so,
8 not withstanding the fact that, you know there's a
9 lot of need across the system, you know I think the
10 question of whether it would cost more or less to
11 have an additional service is really the, the purpose
12 of following up on this study once we've completed
13 this year's analysis so we'll be... we'll, we'll be
14 launching two more routes as I mentioned this summer
15 after that we are committed to a study that will
16 evaluate all of the potential arewas of the city...
17 [cross-talk]

18 COUNCIL MEMBER GJONAJ: But why do we
19 need a study you just admitted to it being
20 successful, it's... and it's... [cross-talk]

21 JAMES PATCHETT: To determine the cost...
22 [cross-talk]

23 COUNCIL MEMBER GJONAJ: ...living up to and
24 beyond your expectations, we know the demand is
25 there.

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2 JAMES PATCHETT: Well because really it
3 varies by location and, and the actual cost is driven
4 by ridership and the length of the route... [cross-
5 talk]

6 COUNCIL MEMBER GJONAJ: Right... [cross-
7 talk]

8 JAMES PATCHETT: ...and so it really,
9 really obviously a denser route that's closer in is
10 cheaper per person than a route that's further out
11 with less ridership and we need to evaluate those and
12 there were obviously places across the city that are
13 advocating for, you know expansion in their
14 neighborhood and once we have all of the information
15 we'll be able to have that conversation in detail.

16 CHAIRPERSON DROMM: So, maybe you can
17 follow up with Council Member on... [cross-talk]

18 JAMES PATCHETT: I'd be happy to.

19 CHAIRPERSON DROMM: ...on this because I
20 think there's... [cross-talk]

21 COUNCIL MEMBER GJONAJ: And I... [cross-
22 talk]

23 CHAIRPERSON DROMM: ...Council members
24 that... [cross-talk]

25

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1
2 COUNCIL MEMBER GJONAJ: I just want to
3 end with this and thank you Chair for indulging me,
4 the home port... [cross-talk]

5 JAMES PATCHETT: Yes... [cross-talk]

6 COUNCIL MEMBER GJONAJ: ...you have yet to
7 make a decision...

8 JAMES PATCHETT: That's correct.

9 COUNCIL MEMBER GJONAJ: Maybe that's the
10 solution, if we bring the home port to the borough of
11 the Bronx technically we'll have ferries there then
12 it's a lot easier for the expansion and I have some
13 great locations for you to consider.

14 JAMES PATCHETT: Absolutely, we'd, we'd...
15 we're still open to all possibilities... [cross-talk]

16 COUNCIL MEMBER GJONAJ: I hook it by
17 crook I'm getting you guys there.

18 JAMES PATCHETT: Alright, I love it...
19 [cross-talk]

20 CHAIRPERSON DROMM: Well... [cross-talk]

21 JAMES PATCHETT: Dedication.

22 COUNCIL MEMBER VALLONE: Thank you
23 President Patchett and on be... as Chair of EDC and
24 joining with Chair of Finance let's be clear we are
25

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unified in trying to bring Amazon to this city..

3 [cross-talk]

4 JAMES PATCHETT: Yeah... [cross-talk]

5 COUNCIL MEMBER VALLONE: ...but I
6 understand the relations to make sure it's best for
7 the city but to distance from previous comments we
8 will want to... [cross-talk]

9 JAMES PATCHETT: Yeah... [cross-talk]

10 COUNCIL MEMBER VALLONE: ...we work with
11 you and want to make sure that this bid is as strong
12 as possible.

13 JAMES PATCHETT: Great, thank you..

14 [cross-talk]

15 COUNCIL MEMBER VALLONE: Appreciate that.
16 Thank you, thank you Chair.

17 CHAIRPERSON DROMM: Good, thank you very
18 much and I thank this panel for coming in, we're
19 going to take a five-minute break and then we're
20 going to have our committee on aging hearing. Okay,
21 we will now resume the City Council's hearing on the
22 Mayor's executive budget for fiscal 2019. The Finance
23 Committee is joined by the Committee on Aging chaired
24 by my colleague, Council Member Chin. We just heard
25 from the Economic Development Corporation and we will

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2 now hear from Donna Corrado, Commissioner of the
3 Department for the Aging. In the interest of time I
4 will forego making an opening statement but before we
5 hear testimony I will open the mic to my colleague...
6 my Co-chair Council Member Chin.

7 COUNCIL MEMBER CHIN: Thnak you Chair
8 Dromm, good afternoon. I'm Margaret Chin, Chair of
9 the Committee on Aging and I wanted to welcome some
10 of my colleagues who's on the Committee on Aging;
11 Council Member Ayala, Council Member Vallone, Council
12 Member Diaz who's here with us. Well welcome to the
13 fiscal 2019 executive budget hearing for the
14 Committee on Aging held jointly with the Committee on
15 Finance chaired by Council Member Danny Dromm. Today
16 we will hear testimony from the Department for the
17 Aging also referred to as DFTA on it's proposed 345
18 million dollar budget for fiscal 2019 and general
19 agency operation. Since 2015, DFTA's budget has grown
20 by 26 percent, last year the council along with
21 advocates launched the year of the senior, the
22 council worked tirelessly and negotiated with the
23 administration to baseline nearly 23 million into
24 DFTA's budget. The council's approach at the fiscal
25 2019 preliminary budget hearing was to continue oru

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1 collaboration with administration and help every
2 senior in New York City live with dignity, security
3 and health nevertheless I cannot help but be
4 disappointed in the lack of progress we have made on
5 furthering senior priority this fiscal year. The FY
6 2019 preliminary budget only included one new need
7 for DFTA and the fiscal 2019 executive budget for
8 DFTA did not have one single new need included, how
9 is this possible? DFTA's fiscal 2019 executive budget
10 is still over 20 million dollars less than it's
11 fiscal 2018 adopted budget, a gap that is primarily a
12 result of the absence of one time council support. In
13 fiscal 2018, the council supplemented 36... 31.6
14 million dollars of DFTA's budget, DFTA as the mayoral
15 agency cannot depend on council to fund core services
16 and program in perpetuity, we need to have a serious
17 conversation today in regard to which council
18 initiatives need to be baselined. Before I discuss
19 what council priorities are missing in DFTA's budget
20 I want to acknowledge that the administration renew
21 it's commitment to the 14 NYCHA based senior social
22 clubs at over three million dollars for fiscal year
23 2019 only. While I am relieved that these NYCHA
24 senior centers will continue to operate this upcoming
25

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1
2 fiscal year a more long term solution is needed to
3 address the future of these centers rather than one
4 time addition to support these senior centers every
5 budget. So, what is the fiscal 2019 budget missing?
6 For starters, in it's preliminary budget response the
7 council called upon the administration to invest 11.6
8 million dollars to create universal free senior lunch
9 just like we ensure our children attending public
10 school have access to nutritious food we need to do
11 the sme for our seniors. Seniors on tight budgets
12 should never feel coerced to make a donation for a
13 meal at New York senior centers. Moderate incomes..
14 moderate investments in health, fitness and nutrition
15 can yield enourmous savings in senior's health care
16 costs yet there is not a penny in additional funding
17 for DFTA's food program in this executive budget. I
18 look forward to continuing this discussion and
19 finding out more about DFTA's plan to improve the
20 reach and quality of this nutrition program.
21 Furthermore, ongoing concern about home care and case
22 management wait lists were not addressed in the
23 executive budget, I call on the administration to
24 reestimate the cost of providing these core senior
25 services for each financial plan release as it does

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1
2 for other city agencies, place additional funding
3 inot the budget when there is a need. I'ts not right
4 for frail or low income seniors to languish on wait
5 lists for the care they need now, niehterr is it
6 right for service providers to have to wait until the
7 budget is adopted to know if wait lists will be
8 addressed. Finally, we are strongly advocating for
9 OMB and DFTA to release the next phase of it's ten
10 million dollar senior center model budget quickly.
11 Let's put five million into the senior center budget
12 in fiscal 2019 and another five million in fiscal
13 2020 to continue the progress we have made so far and
14 set the bar for the next neighborhood senior center
15 RFP. I do not believe that the budget we will discuss
16 today makes seniors a top priority, however there's
17 still time for us to change that. I look forward to
18 working with the administration to make sure that the
19 fastest growing sector of New York's population gets
20 the attention it deserves. Before I introduce the
21 Commissioner of the Department for the Aging I'd like
22 to thank the Committee staff for their work in
23 preparing for this hearing Daniel Kroop our Finance
24 Analyst, Dohini Sompura, our... the Unit Head, Counsel
25 Kaitlyn Fahee and Nuzhat, Shadori [sp?] and Policy

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2 Analyst Emily Rooney And Kaleema Johnson and we've
3 also been joined by council Member Treyger. We will
4 now hear from DFTA Commissioner Donna Corrado.

5 CHAIRPERSON DROMM: Just before we do I
6 just want to say we've been joined by Council Member
7 Adams and Gibson and Rose as well and I'm going to
8 ask Counsel to swear in the Commissioner.

9 COMMITTEE CLERK: Do you affirm that your
10 testimony will be truthful to the best of your
11 knowledge, information and belief?

12 DONNA CORRADO: I do. Good afternoon
13 Chairperson Dromm, Chin and members of the Finance
14 and Aging Committee. I am Donna Corrado, Commissioner
15 of the New York City Department for the Aging. I am
16 joined this afternoon by Sasha Fishman, Associate
17 Commissioner for Budget and Fiscal Operations. Thank
18 you for this oportunty to discuss DFTA's executive
19 budget for fisal year '19. The budget projects 345.4
20 million in funding, which includes allocations of 147
21 million to support senior centers, 38 million for
22 home delivered meals, 37 million for case management,
23 30 million to support home care for homebound seniors
24 who are not Medicaid eligible, seven million for NORC
25 programs and eight million for care giver services.

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1
2 The administration has made major investments in
3 aging services including an increase of more than 50
4 percent in baseline funding since last year of the
5 prior administration representing an overall increase
6 of 78 million. This enhanced funding benefits DFTA
7 sponsored services, such as our senior centers, case
8 management, elder abuse programs, caregiver services
9 and home care. DFTA is grateful for the ongoing
10 support of the city council. In fiscal year '18 the
11 council allocated nearly 30 million to DFTA programs.
12 This level of support makes a significant impact on
13 the services that our community-based partners in the
14 DFTA network provide in the DFTA network. Through the
15 close partnership of the administration and the
16 council, DFTA has been able to address the needs of
17 the growing population of older New Yorkers. Last
18 March, during DFTA's testimony before the Aging
19 Committee on fiscal year '19's preliminary budget, I
20 announced that the administration added an additional
21 ten million in baseline funding for senior centers in
22 fiscal year '18 which will increase in fiscal year
23 '19 and go up to 20 million by fiscal year '21. These
24 funds were designated to help create parity in our
25 senior center budgets and provide adequate funding

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2 for enhanced staffing and programing. I will discuss

3 updates since fiscal year '19 preliminary budget

4 hearing. DFTA and the Mayor's Office of Management

5 and Budget, with input from our network of providers

6 and other stakeholders, conducted an analysis, a

7 thorough analysis of the existing line item budgets

8 and spending patterns across our portfolio of 249

9 senior centers. As a result, we identified several

10 characteristics that exemplify high quality programs,

11 highlighting strong leadership and a rich array of

12 health and education programming. We then compared

13 existing budgets to the funding patterns that support

14 the key attributes of a high quality program and

15 calculated the need for each center based on where

16 their current budgets compare to the model budget.

17 The key objective of the model budget has been to

18 achieve a more equitable distribution of available

19 funds among, among our senior centers by creating a

20 floor whereby centers will receive funding to address

21 fixed costs associated with staffing and programming

22 that exist regardless of a center's size. The model

23 budget reflects that a requisite amount of funds are

24 needed to provide threshold levels of quality

25 program, programming and to pay competitive wages to

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1 attract and retain high quality staff. The network of
2 249 senior centers was divided into five groups based
3 on their average daily participants. In recognition
4 of the fact that there are certain costs that vary
5 based on the size of the center such as the need for
6 modestly more staff to run a very large center
7 compared to a very small one. At the same time, as
8 referenced earlier, the model accounts for certain
9 fixed costs for running a center, irrespective of
10 average daily participants. The resulting amounts
11 given to each center were divided between an amount
12 for program staff and another for programming, based
13 on each center's area of need. However, funding
14 remained flexible across line items, with certain
15 parameters, thus allowing centers to identify their
16 most critical needs and submit proposals accordingly.
17 In March, 223 senior centers were notified of the
18 amounts they will receive for both fiscal years '18
19 and '19. Nearly all of the centers receiving the
20 funding have submitted their proposals for use of the
21 funds. Depending on individual urgent needs, a number
22 of centers have proposed that some of the funds
23 allocated to them be used for the purposes other than
24 prescribed by the model. Centers were also permitted
25

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2 to propose one time needs for the fiscal year '18
3 allocation. These contract amendments are well
4 underway. The current funding level of eight million
5 for caregiver programs include an additional four
6 million in baseline funding for fiscal year '18 to
7 support caregivers. This was a major investment by
8 the administration which doubles DFTA's existing
9 federal allocation for caregiver services. The
10 additional caregiver funding is intended to provide
11 support to caregivers and care receivers with the
12 creative flexibility that they need to access
13 services while ensuring the quality of care by
14 selected service providers. Existing caregiver
15 program contracts have been amended to include this
16 funding and all of these contracts are now
17 registered. Through the additional investment of four
18 million dollars for caregiver services, we project
19 that the number of people served by the respite...
20 served by respite care will increase approximately
21 1,200 to 2,100 individuals annually. Also, the cap on
22 the number of respite care hours for each caregiver...
23 for each caregiving family has been raised from 288
24 hours per year to 500 hours per year. As a result of
25 this increased funding, caregiver programs are in the

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2 process of hiring additional staff and have been
3 responding to respite requests from current and new
4 caregiver clients. An example of respite requests
5 made possible through the new funding includes home
6 care put in place by the caregiver program so that a
7 daughter can attend a training to learn about
8 dementia behaviors and how to safely care for a
9 parent for example. Another program was able to
10 provide assistance with paying for burial expenses
11 given that the caregiver had stopped working in order
12 to care for her mother. In addition a caregiver media
13 campaign launches today, which will appear in buses,
14 subways, bus shelters and the Staten Island Ferry
15 terminals and other various digital formats. I've
16 shortened this testimony to not repeat what was
17 really explicated in the... in the preliminary budget
18 hearing. So, in conclusion I thank you for this
19 opportunity to testify about our executive budget, I
20 look forward to continuing the partnership with the
21 city council in serving older New Yorkers and I am
22 pleased to answer any questions you may have.

23 CHAIRPERSON DROMM: Thank you

24 Commissioner. Let me start off with a little bit of
25 talking and discussion about the council initiatives.

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2 The council provided almost 21 million dollars for
3 citywide senior services in fiscal 2018, if the
4 council doesn't continue to fund these initiatives
5 for the upcoming fiscal year how would that impact
6 DFTA sercvies?

7 DONNA CORRADO: If they did not fund many
8 of the, the contracts that are disresionary in
9 nature obvoiulsy those services would... would not
10 exist and seniors would be impacted but let's
11 understand that many of the disresionary contracts
12 DFTA has no way of procuring that funding so even if
13 we wanted to we couldntd necessarily fund those
14 contracts without going through an RFP process for
15 example so in all likelihood we would try to fill any
16 gaps that those, those cuts would incur but in all
17 honesty many of those council initiatives are funding
18 that we could not procur.

19 CHAIRPERSON DROMM: I have to say when I
20 was first elected to the council and found out how
21 much senior funding is dependent on disresionary
22 money, money it was kind of shocking, shocking to me
23 to, to... just to learn that. Which initiatives in
24 particular if they weren't to be funded in fiscal
25

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3 2018 you think would have the most impact on the
4 seniors if they weren't continued?

5 DONNA CORRADO: There's a number of
6 senior centers that are, are run by just... by council
7 members such as yourself in certain areas so those
8 centers would really struggle and we would have to do
9 everything that we can that's possible to reroute
10 those seniors and, and transport them to other senior
11 centers in the neighborhood which may or may not be
12 as you know most appropriate for some of them.

13 CHAIRPERSON DROMM: Uh-huh especially for
14 the LGBT ones and I think that's the one you're
15 making the reference to which is the Queens center
16 for gay seniors... [cross-talk]

17 DONNA CORRADO: Uh-huh... [cross-talk]

18 CHAIRPERSON DROMM: ...in Jackson Heights
19 and as a result of a, a council initiative I think we
20 put in 1.5 million dollars and divided it between the
21 three boroughs so that we could have those centers,
22 do you provide any additional support to those
23 centers, what do you do in terms of that?

24 DONNA CORRADO: Well the, the council was
25 very generous in supporting the LGBT center in every
borough and that was something that councilman Torres

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3 initiated, and we basically have been supporting and
4 building those centers and those opportunities
5 throughout the boroughs and connecting also with
6 existing LGBT centers such as SAGE and really growing
7 those centers and looking at the opportunities with
8 other DFTA initiatives. For example, there's a center
9 in Brooklyn that now we're integrating geriatric
10 mental health services and expanding as we... as we go
11 along but certainly when the RFP is issued that is a
12 consideration and we hope to expand the LGBT
13 allocation of centers that we fund.

14 CHAIRPERSON DROMM: And I'm glad that you
15 recognize too the special needs of the LGBT
16 communities because one of the big fears that I have
17 for myself is going to a center when I get... when I
18 retire from the council and not being able to feel
19 comfortable in a center. Do you provide training to
20 non-LGBT senior centers about how to work with LGBT
21 seniors?

22 DONNA CORRADO: Yes, SAGE has a contract
23 both of... through federal funding and through DFTA
24 funding that they... that they train other centers in
25 how to deal sensitively with the LGBT community.

CHAIRPERSON DROMM: Have we... [cross-talk]

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1
2 DONNA CORRADO: But that's been across
3 the board for a number of years.

4 CHAIRPERSON DROMM: Have we started to
5 collect demographic data including demographic data
6 for LGBT seniors?

7 DONNA CORRADO: That's a question for
8 Michael I don't know if it's in our... in our database
9 but I know that our intergovernmental people are in
10 conversation with people at city hall about how to
11 collect that data and whether or not we should... we
12 should be doing that.

13 CHAIRPERSON DROMM: Well I know the
14 administration should have already had a report to me
15 on that data collection so hopefully that's going to
16 come through really soon because I'm very upset that
17 it, it has not materialized, it was... [cross-talk]

18 DONNA CORRADO: What's that... [cross-talk]

19 CHAIRPERSON DROMM: ...a law written and
20 then passed and signed by the Mayor and I don't
21 believe that it's your agency that's holding it up, I
22 know some of the other agencies are and so hopefully
23 we can get that data as soon as possible.

24 DONNA CORRADO: Okay.
25

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2 CHAIRPERSON DROMM: Thank you. the

3 council did also provide 1.5 million to support

4 senior centers for immigrant populations in fiscal

5 2018, has DFTA discussed with OMB to baseline this

6 funding and create a funding stream within DFTA

7 budget that supports senior centers that are not

8 currently supported by DFTA but primarily served

9 immigrant populations?

10 DONNA CORRADO: So, currently we serve

11 immigrant populations in our 250 senior centers as

12 you know and we're in ongoing conversations with OMB

13 about funding immigrant centers.

14 CHAIRPERSON DROMM: Okay and just... I

15 understand that staff just received the data, the

16 demographic collection today, this morning so I'm,

17 I'm glad that we, we've, we've gotten that data. With

18 home... with... in regard to home care workers at the

19 preliminary budget hearing you testified to a lack of

20 staff at home care agencies who were able to take

21 cases, what is the average salary of home care

22 worker?

23 DONNA CORRADO: The average... they're,

24 they're basically hourly employees so their funded

25 and we are just a small piece realize that a home

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2 care agency has many contracts, they have Medicaid
3 contracts, they have private pay contracts and they
4 have... we're probably the smallest portion which is
5 ISEP home care and then that's augmented by city tax
6 levy monies but my understanding is it ranges between
7 13 and 13.50 per hour.

8 CHAIRPERSON DROMM: Uh-huh. Do you
9 believe that the salary level should be raised in
10 order to attract more people?

11 DONNA CORRADO: I, I think it's in
12 general a much more complicated issue, so I think
13 that there are many reasons and it's not only the
14 salary... [cross-talk]

15 CHAIRPERSON DROMM: Do they get vacation?

16 DONNA CORRADO: For their long-term care
17 workforce I think it, it's really based on the
18 sponsoring agency or the, the... actually we, we have
19 one private home care agency that's not necessarily a
20 non for profit but the... it really depends on, on
21 what, what they offer.

22 CHAIRPERSON DROMM: So... but I think that
23 most of them do not offer... [cross-talk]

24 DONNA CORRADO: So, if they're... if
25 they're salaried employees then they most likely

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3 would get vacation, if they're just hourly or per
4 diem most likely they do not.

5 CHAIRPERSON DROMM: They do not, right
6 okay. Alright, thank you. I'm going to turn it over
7 to Chair Chin and she'll follow up with some
8 questions.

9 COUNCIL MEMBER CHIN: Thank you Chair.
10 I'm going to start a couple of questions and then
11 I'll pass it on to my colleagues. Commissioner, in my
12 opening remarks I talked about getting the, the
13 funding for the, the model budget sooner because
14 we're talking about 20 million by fiscal 2021, I mean
15 now that we've started that process what is the
16 obstacle to expediting, why couldn't we put five
17 million this year and then five million next year so
18 that we'd get up to 20 by 2020?

19 DONNA CORRADO: So, it's a... it's a
20 process and it's... even though we've amended money to
21 budgets we... it's a process and it probably will take
22 a year for agencies to staff up and to get the
23 resources that they need so I'm, I'm confident that
24 baselining money in, in fiscal year '19 and '20 will
25 bring us to where we need to go and then we can ramp
up from there so for all practical purposes when it..

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1 when you speak about implantation often times things
2 take a lot longer than we anticipate.

3
4 CHIN: I know because the model budget
5 took a while.

6 DONNA CORRADO: It did. But we did a good
7 job so it's a... you know a little extra time but we
8 know that we, we did a good job in terms of our
9 analysis and it wasn't a quick and dirty, it was a
10 very thorough analysis.

11 COUNCIL MEMBER CHIN: Yeah, but I think
12 we also need some flexibility but we will go through
13 that with you... [cross-talk]

14 DONNA CORRADO: Uh-huh... [cross-talk]

15 COUNCIL MEMBER CHIN: ...after today's
16 hearing because there are centers that's been funded
17 by the council in the last session for the past four
18 years because they needed more funding and they
19 overserve and every year the council have put in
20 discretionary funding for these centers and now they
21 are supposedly been getting... should be getting more
22 funding from the model budget and some of the centers
23 that I looked at they're not getting the same amount
24 of money that the council discretionary is giving
25 them so we're concerned that they might not have

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2 enough actually to meet their, their budget and also
3 because the model budget right now do not included
4 costs for food and food service workers for the
5 center and that's why we've put in 11.6 million
6 dollars in our council response to the executive
7 budget because of the increase to the cost of home
8 delivered meals and congregate meals and... but that's
9 not even... we didn't get a response back.

10 DONNA CORRADO: Right, so that's

11 something that we did not factor into the model
12 budget but it's not something that we're ignoring,
13 it's something that we're in the... currently analyzing
14 and going to work towards developing a model of how
15 we can better procure food, how we can use technology
16 in order to deliver food and home delivered meals. As
17 you know we've been engaged with a consultant for a
18 while and now will continue that relationship with
19 the consultant to really bring our whole food service
20 component into this century and also along with the
21 citywide efforts on how best to procure food, how to
22 serve food and how we can be more cost effective,
23 have the food taste better, give more choice, make it
24 more culturally appropriate and really contain costs
25 and have the centers be more accountable. So, that's

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2 our mission for the next year and we hope to do that,
3 it's not that we didn't, you know, know that that was
4 an issue, it certainly... it certainly is, I think we
5 can do better in, in every which way but our senior
6 center model budget really as I said was based on
7 programming and staffing so I think it's a good start
8 in the right direction and, and the other component
9 is not being ignored.

10 COUNCIL MEMBER CHIN: Well the, the thing
11 though the food costs has gone up, right, because
12 what the advocates are telling us is that the
13 national to average to national cost for a home
14 delivered meal is about 11.6... point 06... \$11.06 a meal
15 and the average reimbursement by DFTA right now is
16 about \$8.50 and so even one of the centers were
17 getting less than eight dollars per hour... [cros-talk]

18 DONNA CORRADO: So... [cros-talk]

19 COUNCIL MEMBER CHIN: ...per meal... [cros-
20 talk]

21 DONNA CORRADO: ...there's a... there's a
22 variable reimbursement which is one of the issues
23 that we're going to try to address so it's an average
24 reimbursement but the reimbursement rate is actually,
25 you know very wide depending on the center so we're

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2 going to try to make that more... make more sense of it

3 and do it in a more equitable and fair way to

4 distribute the funds for food but ther'es no doubt

5 that we need to do a better job with that.

6 COUNCIL MEMBER CHIN: But while we are

7 preparing to do that analysis the cost of meals are

8 going up and the center has to account for it and

9 they are running in deficit because they don't have

10 enough money to support... [cross-talk]

11 DONNA CORRADO: So, I'm, I'm not... [cross-

12 talk]

13 COUNCIL MEMBER CHIN: ...the meal... [cros-

14 tlak]

15 DONNA CORRADO: ...I, I respectfully

16 disagree with the deficit aspect of it, we don't see

17 that, everybody's covering their costs as it relates

18 to meals and... [cros-talk]

19 COUNCIL MEMBER CHIN: But that's... [cros-

20 talk]

21 DONNA CORRADO: ...and... [cros-talk]

22 COUNCIL MEMBER CHIN: ...the... that's,

23 that's related to the, the discredionary funding that

24 the council provides every year becsume some of these

25 centers they overserve and they have extra costs and

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then we are the ones that is supplementing them..

[cross-talk]

DONNA CORRADO: And, and I do admit that in the senior center model budget there were certain centers that were outliers that didn't necessarily fit neatly into one of our categories because they are overserving in a... in an extraordinary way those are outliers and we will be dealing with them separate from the, the model senior center budget exercise but we will be taking care of those centers. No senior will go without a meal that I can guarantee you.

COUNCIL MEMBER CHIN: Well I hope so because, you know we wanted to... that's what I... in my opening remark I, I talked about, you know DFTA not putting forth any kind of new needs, I mean we want to expand even the sixth meal because right now seniors are only getting one nutritious meal five days a week, home delivered meals five days a week and some are getting an extra day because of the funding that the council put in and finally last year was baselined.

DONNA CORRADO: Right... [cross-talk]

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2 COUNCIL MEMBER CHIN: But we need to

3 continue to expand that because we have seniors who
4 are suffereing, who don't have the resources and you
5 see them at the center where they eat half their
6 lunch and they take half home and they need that
7 support so that's why we need to look at how do we
8 make sure that all the seniors who really need a
9 nutritious meal gets it and meanwhile the competition
10 out there is these social adult day cares that
11 offering everything for free including transportation
12 and free meals. So, Council Member Dromm talked about
13 earlier the, the LGBT center, we also have centers
14 that serve immigrant populations and hopefully in the
15 next RFP they will be included but we need to start
16 building up the rousources so that they could be
17 adequately funded according to the model budget,
18 right, because right now... [cros-talk]

19 DONNA CORRADO: Though according to the

20 model budget and there's more work being done in
21 terms of looking at the demographics and our
22 distribution of senior cetners so by the time we do
23 issue an RFP for 250 senior centers they may be
24 distributed very differently throughtout the city,
25 you know for all practical purposes it's not always

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2 easy to move, it's not just like in a monopoly board,
3 there are facility issues and whatnot but there are
4 certainly communities that have changed over the
5 years where they were a large number of seniors for
6 example in one community that may now have been
7 gentrified in the last couple fo decades when we
8 really haven't analyzed it in a very long time so we
9 may need more cetners in a certain area and fewer
10 centers in other areas so we're going to be looking
11 how we distribute those centers at the time of the
12 RFP and that work is now ongoing.

13 COUNCIL MEMBER CHIN: So, are you

14 anticipating in the next RFP that we will have less
15 senior centers?

16 DONNA CORRADO: No, I said they will be

17 distributed differently so we will either have the,
18 the same or more but they may not be all in the same
19 place now. For example, we have certain communities
20 that have a saturation of senior centers and very few
21 seniors and then we have communities that are
22 underserved so we now have to... you know we have to
23 look at that, that's the responsible and fair way to
24 do this.

25

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2 COUNCIL MEMBER CHIN: Okay, I, I'm glad
3 to hear that you said we could have more because I
4 don't want to hear shrinking because... especially
5 while the private sector is opening up, you know
6 these social adult day care programs all over the
7 place especially immigrant community and now there
8 are more of them, there are over 300 something versus
9 249 senior centers.

10 DONNA CORRADO: So, I would make the
11 argument that it's quality over quantity but at this
12 time I'm not, you know prepared to say one way or the
13 other way there will be more or fewer but certainly
14 our aspiration is to make every center a good center
15 with a facility that's really worthy of the seniors
16 that they serve.

17 COUNCIL MEMBER CHIN: Well yeah, I agree
18 with you on that but I just wanted to make sure that
19 each center will get the adequate funding and
20 resources they need now and that's why I think that
21 we want you to work with us to really allocate... you
22 know advocate for the money for the meal program
23 because this is to cover the increase that the center
24 needs for their reimbursements for home delivered
25 meals and for congregate meals and htat's why we put

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2 it... the council put it into the, the budget response.

3 I'm going to allow my colleague to ask osme questions

4 before I continue. Okay, Council Member Adams.

5 COUNCIL MEMBER ADAMS: Good afternoon.

6 DONNA CORRADO: Good afternoon.

7 COUNCIL MEMBER ADAMS: Thnak you so much

8 for your time today and your testimony thus far, we

9 really appreciate you being here. I, I am just

10 curious to find out the relationship between DFTA and

11 NYCHA, I have... I have a couple of NYCHAs in my

12 district but in looking at South Jamaica Houses

13 specifically we had a senior center there that

14 unfortunately closed, I was told that it was in very

15 nice condition and NYCHA seems to blame DFTA, I don't

16 know whether or not DFTA will blame NYCHA so we'll

17 find out but NYCHA blames DFTA in taking funding away

18 from this particular senior center due to a lakc of

19 participation somehitng that the seniors and the non

20 senior tenants dispute greatly, I don't know if

21 you're aware of this situation or not... [cros-talk]

22 DONNA CORRADO: I, I think that, you know

23 it predates me but I'm aware that at least 50 senior

24 centers will close that were underutilized and... wait...

25 I guess it was about ten years ago, the economic

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3 crisis really forced DFTA to look at the number of
4 centers and those centers that were underutilized
5 were closed way back when and most likely they were
6 the centers that were struggling along and, and DFTA
7 had to make that difficult decision and that funding
8 cut at the time. I... you know it's not necessarily a
9 blame game, what we try to do and you did bring this
10 to our attention is to look at other resources in the
11 community and certainly there are other senior
12 centers in South Jamaica that, you know we can make
13 arrangements for seniors to be transported... [cross-
14 talk]

14 COUNCIL MEMBER ADAMS: I've heard that
15 before... [cross-talk]

16 DONNA CORRADO: ...to... [cross-talk]

17 COUNCIL MEMBER ADAMS: ...also... [cross-
18 talk]

19 DONNA CORRADO: ...and, and, and actually
20 there are some that are even underutilized that would
21 really welcome new members so we can, you know have
22 further conversations around that but in general we
23 have 95 senior centers in NYCHA developments and we've
24 had, you know somewhat of a... of a, a good relationship
25 in terms of, of supporting those centers and some...

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2 there are some very good NYCHA senior centers and,

3 and... yo know due to the, the disinvestment in NYCHA

4 facilities that's been an ongoing concern but we've

5 been managing to date to really strengthen our

6 ability to address those issues be it NYCHA, be it

7 DFTA, we try to get things done and it... and it hasn't

8 necessarily been an easy road but we, we do the best

9 we can.

10 COUNCIL MEMBER ADAMS: I appreciate that,

11 I appreciate your response very much. So, what

12 exactly is the process for capital requests for DFTA

13 senior centers in NYCHA buildings and do the

14 providers send the request directly to NYCHA or does

15 DFTA forward the requests to NYCHA?

16 DONNA CORRADO: I mean it, it generally

17 emanates from the council member and it's... do we...

18 right, most of our capital projects originate with

19 either the borough president or the council member

20 and I guess it goes through the regular process of,

21 of asking for funds and if they're allocated DFTA

22 doesn't necessarily manage capital projects we would

23 then allocate the money to one of the, the other

24 agencies that actually do the capital projects and

25 manage those projects such as DDC and in many cases

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3 we've worked with NYCHA and, and it was the housing
4 authority for example that would oversee the project
5 so it depends on where those funds are emanating from
6 but we don't necessarily fund capital projects.

7 COUNCIL MEMBER ADAMS: Okay, thank you
8 Commissioner, I just wanted to just close by saying
9 I, I think that it's a... it's a shame to close senior
10 centers anywhere and the fact that we have to move
11 seniors from their place of residence elsewhere I
12 think is very debilitating for some of them to move
13 around to other places, it causes apathy for the
14 places that they love to visit so I just really,
15 really hope that we can get a grip on this issue.
16 Those of us that love our seniors as you do so very
17 much I consider them the gem... the gems of my
18 community and I always say I want to be you one day,
19 so I thank you Commissioner for your great work and
20 your testimony today.

21 DONNA CORRADO: Thank you.

22 CHAIRPERSON DROMM: Okay, we've been
23 joined by Council Member Deutsch and Eugene and now
24 we'll hear from Council Member Gibson followed by
25 Ayala.

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2 COUNCIL MEMBER GIBSON: Thank you Chair

3 Dromm and thank you Chair Chin. Thank you so much

4 Commissioner for being here to you and the DFTA team.

5 I'm grateful that we have champions like Margaret

6 Chin that really declare every year being the year of

7 the senior because without that we would not have a

8 lot of the services that we're talking about today.

9 So, in light of what council member Adams has said in

10 terms of the capital improvements and infrastructure

11 work that needs to be addressed at some of our senior

12 centers that are in NYCHA your response is concerning

13 to me because there should be a better process and

14 some sort of a standard operation already in place to

15 figure out how we can best look at, assess and

16 inspect our senior center conditions in NYCHA not

17 just when a council member calls or the borough

18 president calls or when a senior complains but there

19 has to be a better process so I would love to talk to

20 DFTA offline about that because we have to make sure

21 that there at least is a process in place to address

22 the ongoing capital needs, a bathroom and other

23 renovations that are necessary. I wanted to ask again

24 and every year I get this opportunity, every year I

25 will keep doing it but in the executive budget

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2 there's 3.1 million dollars that the administration
3 is going to pay once again to keep the 14 senior
4 centers in NYCHA operating for yet another fiscal
5 year and we've asked NYCHA and DFTA to try to have
6 some sort of a conversation about what the future
7 lies in store for these centers. I represent two of
8 those 14 so it's personal for me and these centers
9 are very small, seniors are not coming out because
10 there's no food program, no programs, the programs
11 that my two centers have today are because I give
12 them funding to implement them but I, I want to
13 understand what are we doing with these centers,
14 what can we do and how can the city council be
15 supportive of that ongoing effort?

16 DONNA CORRADO: So, these centers have
17 been run by NYCHA and continue to be run by NYCHA so
18 city council is funding NYCHA to actually directly
19 operate those 14 centers... [cros-talk]

20 COUNCIL MEMBER GIBSON: Right... [cros-
21 talk]

22 DONNA CORRADO: ...and we have been in
23 conversations with NYCHA, our bureau of community
24 services management staff along with high level
25 people at NYCHA about the disposition of those 14

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1 senior centers and the possibilities, DFTA... we took
2 over 17 of those sites, these 14 were not viable
3 senior centers and did not necessarily and I know
4 every senior if it's one senior that's served that
5 important and that's not what I'm saying but they did
6 not necessarily meet the standards of a DFTA senior
7 center so those 17 centers that we took over we made
8 them social clubs so they have some relationship with
9 a sponsoring agency that runs some type of programming
10 and many of them have meals, those NYCHA facilities
11 that had the potential to operate a robust senior
12 center with more and more programming those... a number
13 of them did take off with additional support from
14 DFTA and additional support from a sponsoring agency
15 but I really think we've met the level of what we can
16 do to run a really good center and many of those 17
17 are not up to par and really have become problematic
18 for various reasons for the sponsoring organizations
19 and in many cases they're, you know drawing the
20 sponsoring agency's attention away from their other
21 senior centers so... another concern of mine for the 14
22 centers if we were to take them over and we wouldn't
23 have sponsoring agencies willing to give it a shot or
24 to, to try to get those senior centers off the ground
25

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2 for various reasons however my staff is still in
3 discussions with NYCHA staff about how we can serve
4 those seniors in those 14 centers so that's an
5 ongoing conversation and I'd like to continue that
6 conversation because I think ther'es other thigns
7 that we can do to serve those seniors and serve them
8 well.

9 COUNCIL MEMBER GIBSON: Okay, thank you
10 for that, I appreciate that, to be continued, while
11 they're small they are viable and they need services
12 so I just need everyone to essentially keep talking
13 and find common ground and get these senior centers
14 up and running... [cross-takl]

15 DONNA CORRADO: Uh-huh... [cross-talk]

16 COUNCIL MEMBER GIBSON: ...I represent
17 Highbridge Gardens and Sedgwick and while I'm in the
18 city council we are going to give those seniors more
19 than what they have been given today, that is my
20 request, that is my demand and whatever I can do from
21 the council to support the efforts as I already fund
22 NYCHA to provide services there I will continue to do
23 that but what I don't want to hear is a disruption in
24 services and seniors being told that their center is

25

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3 going to close, we're not having that conversation
4 and we're going to... [cross-talk]

5 DONNA CORRADO: We're not... [cross-talk]

6 COUNCIL MEMBER GIBSON: ...move forward...

7 DONNA CORRADO: And can I just make
8 things... one thing clear for the record, during this
9 administration we have not closed one senior center
10 so let's just put that on, on... [cross-talk]

11 COUNCIL MEMBER GIBSON: Noted... [cross-
12 talk]

13 DONNA CORRADO: ...the record.

14 COUNCIL MEMBER GIBSON: Absolutely, I
15 appreciate that, thank you so much Commissioner and
16 thank you Chairs.

17 DONNA CORRADO: Thank you.

18 CHAIRPERSON DROMM: Council Member Ayala
19 followed by Rose.

20 COUNCIL MEMBER AYALA: Thank you. Good
21 afternoon. So, my question is really around the
22 senior housing component and obviously the city
23 council commends the administration on any new senior
24 housing development but the concern is for me, I'll
25 speak specifically about Millbrook Houses in the
South Bronx where we are developing as we speak a

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2 brand new 100 percent affordable senior housing
3 development that was... that... actually that plan came
4 about with a promise for a new state of the art
5 senior center that would be in this beautiful new
6 building, the nonprofit group that took over does not
7 have the resources to provide this new service and
8 this new enhanced senior center and I wonder has
9 there been any conversation between the
10 administration and DFTA as we're continuing to build
11 new senior housing to incorporate contracts to serve
12 as building... there?

13 DONNA CORRADO: So, the answer is yes,
14 we've been in conversation and for all practical
15 purposes as new senior housing goes up we don't
16 automatically fund the senior center because we just
17 don't have that funding but there are... where there
18 are opportunities to move centers that are already
19 existing in the area, for example in sub par
20 facility, you know not as nice as a brand new housing
21 with, with beautiful community space we will cease
22 that moment so let's have a conversation offline or
23 maybe we can get together and, and talk about if
24 there's any opportunities to move an existing center
25 into that brand new space and realize that there are

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3 senior housing buildings going up in every.. in pretty
4 much every borough and all of them has the aspiration
5 to have a senior center in their senior housing
6 building which we all know is a wonderful oportuntity
7 but we don't necessarily promise that we're going to
8 give tehm a contract to run a senior center so..
9 [cross-talk]

9 COUNCIL MEMBER AYALA: No.. [crops-takl]

10 DONNA CORRADO: ...that's.. [cross-tlka]

11 COUNCIL MEMBER AYALA: I'm happy to have
12 the conversation, I don't think that that's something
13 that doable in that specific community because there
14 are no other senior centers, we're actually in
15 construction but there was.. because this was an end
16 fill project in NYCHA there was a promise for a new
17 senior center, state of the art senior center in this
18 new building and so that's why.. [cross-talk]

19 DONNA CORRADO: Right, that was my..
20 [cross-talk]

21 COUNCIL MEMBER AYALA: That's my concern..
22 [cross-talk]

23 DONNA CORRADO: Right.. [cross-talk]

24 COUNCIL MEMBER AYALA: ...though as we're
25 building on public land and we're promising that in

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2 lieu of this new development we're also going to
3 benefit by bringing in these additional resources and
4 then there's no money behind that, that's alarming to
5 me.

6 DONNA CORRADO: Dually noted.

7 CHAIRPERSON DROMM: Okay, Council Member
8 Rose.

9 COUNCIL MEMBER ROSE: Thank you. Thank
10 you, Commissioner. To what extent has DFTA explored
11 accessing Medicaid for administrative funding for
12 case management services and if so what is the goal,
13 what amount are you looking at and how... [cross-talk]

14 DONNA CORRADO: So, we've been at various
15 fits and start... have been... had... in discussion with,
16 with the state office for the aging and the director
17 of Medicaid and, and their office to access
18 administrative funds, so far, we have not been
19 successful but those conversations have taken place
20 and it's something that, you know we hopefully down
21 the line as they figure out... [cross-talk]

22 COUNCIL MEMBER ROSE: Can you elaborate...
23 [cross-talk]

24 DONNA CORRADO: ...how to do this... [cross-
25 talk]

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2 COUNCIL MEMBER ROSE: ...why you haven't
3 been successful, what, what are the impediments to
4 that conversation?

5 DONNA CORRADO: So, I guess they're
6 unwillingness to, to give us administrative dollars
7 for case management services as it relates to
8 Medicaid, a lot of that is around documentation,
9 around, you know how do they know whether or not a
10 case and who's tracking what is actually billable by
11 Medicaid and who's doing what so I can explore it
12 further... [cross-talk]

13 COUNCIL MEMBER ROSE: Do most of the
14 social adult day services access Medicaid?

15 DONNA CORRADO: They are paid through
16 Medicaid through Medicaid managed care and also
17 through long term care programs so it's Medicaid but
18 it's Medicaid managed care so the manage care company
19 gets a capitated rate to serve a senior, they
20 get a monthly rate and out of that rate if the care
21 plan calls for social adult day programming then they
22 would pay the social adult day program, the, the
23 manage care company and.. [cross-takl]

24 COUNCIL MEMBER ROSE: Indirectly.. [cross-
25 talk]

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2 DONNA CORRADO: ...and that's not an avenue
3 that we could pursue. It's an avenue that... well we
4 don't directly run any social adult day programs, our
5 sponsoring agencies very often have contracts as well
6 with, with managed long term care companies and they,
7 they are under contract so if they serve a client
8 that's in their... in, in their program then yes, they
9 would get reimbursed from the managed long term care
10 company.

11 COUNCIL MEMBER ROSE: The Chair of this
12 committee I think very... more than adequately
13 addressed food but I, I've often read that SNAP is an
14 underutilized benefit here in New York City, do you
15 know... do you have any figures on how many seniors are
16 enrolled in SNAP currently versus the total number
17 that are eligible?

18 DONNA CORRADO: So, I don't... I don't have
19 those figures but I can get them to you, I don't have
20 an updated figure but we've done a lot of work and
21 I've heard that quite often over the years those
22 numbers I know have improved the last time I looked
23 at it and we've done a lot of work at the Department
24 for the Aging in order to help enroll seniors in SNAP
25 through various efforts with other city agencies and

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3 through data matches and, and working with Single
4 Stop for example and with the Medicaid data trust so
5 that we can identify people who are eligible and
6 enroll them so that's... there's been a, a, a huge
7 effort citywide not just at the Department for the
8 Aging but HRA and other agencies as well.

8 COUNCIL MEMBER ROSE: Thank you.

9 DONNA CORRADO: You're welcome... [cross-
10 talk]

11 COUNCIL MEMBER ROSE: Thank you
12 Commissioner, thank... [cross-talk]

13 DONNA CORRADO: You're welcome... [cross-
14 talk]

15 COUNCIL MEMBER ROSE: ...Chair.

16 COUNCIL MEMBER CHIN: Thank you,
17 Commissioner I just wanted to follow up, when you
18 were answering Council Member Rose's question there
19 are about nine social adult day cares, originally it
20 was ten that the city council fund with descretionary
21 funding but an ordinary senior center would not be
22 able to access any of that social adult day... [cross-
23 talk]

24

25

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2 DONNA CORRADO: If they... if they had a, a
3 program and... that they were running they would be
4 able to go into contract with... [cross-talk]

5 COUNCIL MEMBER CHIN: Yeah, if they have
6 a... [cross-talk]

7 DONNA CORRADO: ...with a managed care...
8 [cross-talk]

9 COUNCIL MEMBER CHIN: ...program... [cross-
10 talk]

11 DONNA CORRADO: ...companies and, and even
12 private pay clients, people who are not eligible for
13 Medicaid and have a, a different payment arrangement
14 so a different business model that yes they could
15 conceivably run a social adult day program, it's very
16 difficult to do for our senior centers, they... you
17 know we're building capacity for them to run... [cross-
18 talk]

19 COUNCIL MEMBER CHIN: Right now, we have...
20 [cross-talk]

21 DONNA CORRADO: ...a good senior center...
22 [cross-talk]

23 COUNCIL MEMBER CHIN: ...about nine...
24 [cross-talk]

25 DONNA CORRADO: ...right.

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1
2 COUNCIL MEMBER CHIN: Right now, we have
3 about nine of them... [cross-talk]

4 DONNA CORRADO: We have nine programs...
5 [cross-talk]

6 COUNCIL MEMBER CHIN: ...that DFTA oversees
7 that the council provides discretionary funding for...
8 [cross-talk]

9 DONNA CORRADO: Right... [cross-talk]

10 COUNCIL MEMBER CHIN: ...that there... they
11 have the, the social adult day program... [cross-talk]

12 DONNA CORRADO: Uh-huh... [cross-talk]

13 COUNCIL MEMBER CHIN: ...the problem with
14 that is that some of them are telling us they're not
15 getting the referrals from the long term MLTC but
16 that was one of the discussions we had at the...
17 [cross-talk]

18 DONNA CORRADO: And... [cross-talk]

19 COUNCIL MEMBER CHIN: ...last council
20 hearing on social adult day that DFTA should look at
21 helping some of our senior centers to really develop
22 these programs so that they can access the Medicaid
23 dollars that these private social adult day cares are
24 taking.

25

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1
2 DONNA CORRADO: Where there's an ability
3 for certain senior centers and there are not many
4 that have A, the capacity to do this and B, have the
5 space in their facilities to run a social adult day
6 program and compete with the private market, they've
7 been doing that and some of them... I know I started
8 and opened three social adult day programs in my day
9 and over the years had to reduce the number of days
10 and hten, yoi know it's, it's complicated and it's...
11 and it's a... it's a, a business risk for a not for
12 profit to run a social adult day program, when you're
13 trying to run a senior center as well in the same
14 facility but it can be done but then again do we... you
15 know do we want to run a senior center, I think we,
16 we need to do a better job of having reltationships
17 with the better social adult day programs and I know
18 you'll have concern, I have concern, we have to weed
19 out the bad actors but of the 365 registered social
20 adult day programs there are a fair number of them
21 that do a good job and actually serve the senior
22 population that they're meant to serve and serve them
23 well so I think that it's a fine balancing act and we
24 don't necessarily need to reinvent the wheel but I
25 thikn we have to be able to... we do a better job of

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1 SMALL BUSINESS, ECONOMIC DEVELOPMENT AND AGING

2 finding out what those better programs are, doing a

3 better job of assessing our seniors and the ones that

4 are totally appropriate for social adult day access

5 the services at the level that they need. I think

6 there's room for both and I don't necessarily want

7 to, you know... and this is my opinion, recreate the

8 social adult day network by ceding social adult day

9 programs that then don't have the capacity to either

10 A, compete with the private market or B, to run a, a

11 good center without... with the proper staffing and the

12 proper support that they need in order to run a good

13 social adult day program.

14 COUNCIL MEMBER CHIN: Well I think in our

15 last hearing I, I raised to DFTA to really look at

16 helping senior centers that have the capacity, that

17 is something that we wanted to, to build because

18 something is happening with the private market, we

19 don't know where the good ones are and a lot of the

20 ones that we see in the neighborhood are not serving

21 the population that they're serving so I think that

22 is something that we've talked about it for more than

23 five years and we got to... in this five years they

24 have grown tremendously and now there's more of them

25 than our senior centers... [cross-talk]

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2 DONNA CORRADO: Right... [cros-talk]

3 COUNCIL MEMBER CHIN: ...so we really have
4 to, to tackle that... [cross-talk]

5 DONNA CORRADO: And, and they're meant to
6 serve different populations as you know, a social
7 adult day program is a different population than our
8 senior center and, and hopefully there's that... you
9 know... [cross-talk]

10 COUNCIL MEMBER CHIN: Yeah, that, that...
11 [cross-talk]

12 DONNA CORRADO: ...sometimes it's a fine
13 line... [cross-talk]

14 COUNCIL MEMBER CHIN: ...supposed to be the
15 case but some of them that we went to visit or we see
16 they are the seniors that should be going to a
17 regular senior center but they're not so, we will
18 continue on that but the, the question on the
19 caregiver, the eight million how much are, are you
20 allocated to do the advertisement outreach campaign
21 out of the, the eight million... [cross-talk]

22 DONNA CORRADO: Is it 300... [cross-talk]

23 COUNCIL MEMBER CHIN: ...dollar budget?

24 DONNA CORRADO: 300,000 or 350... 350,000
25 for a caregiver campaign that we launched today.

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1
2 COUNCIL MEMBER CHIN: Is htat going to be
3 reoccurring every year or is... [cross-talk]

4 DONNA CORRADO: So, we're going to
5 evaluate the effectiveness of this one, one-time
6 infusion... [cross-talk]

7 COUNCIL MEMBER CHIN: Uh-huh... [cross-
8 talk]

9 DONNA CORRADO: ...but we're... it's not
10 baselined for next year, so it was a one-time
11 allocation for, for the marketing campaign.

12 COUNCIL MEMBER CHIN: Okay. We also
13 talked about it in the... in the April hearing, now how
14 many of the 249 senior centers in DFTA's network are
15 at or above the target utilization rate of 95 percent
16 and how many are below that utilization rate because
17 in the last hearing we were hearing that the average
18 daily participation rate which you said is a better
19 judge of senior center utilization and it's different
20 from the senior center utilization rate reported in
21 the MMR?

22 DONNA CORRADO: So, we, we have better
23 indicators now and you'll see that in the MMR for
24 this fiscal year that the average daily attendance is
25 a better indicator than the average daily meal

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2 participation which is when we say utilization that's
3 what they're looking at. So, that's a better
4 indicator of whether or not people are coming to our
5 center and we'd encourage them to come to participate
6 in activities, they may or may not stay for a meal
7 but we wanted to capture the fact that they are
8 coming to the center.

9 COUNCIL MEMBER CHIN: So, do you have any
10 data in terms of the 249 centers?

11 DONNA CORRADO: So, out of the 249
12 centers 50 of them are at or above their meals
13 utilization rate that was set so we, we fund them
14 and, and according to their contract they have to
15 meet 95 percent levels so only 50 of them meet that
16 95 percent for meal utilization.

17 COUNCIL MEMBER CHIN: So, you mean that
18 almost 200 do not meet... [cross-talk]

19 DONNA CORRADO: They may be at 90
20 percent, they may be at 80 percent but only 50 out of
21 the 249 are at or above the 95 percent utilization.
22 So, can I just say one thing, sometimes those levels
23 are not necessarily reflective of the capacity of the
24 center and not necessarily reflective of the, the
25 number of meals that, that conceivably they should be

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2 serving and it was more a function of I'm going to
3 say I'm going to... you know serve 100 meals because
4 that will make me more competitive in, in the
5 proposal process so we hope to fix all of that as we
6 issue an RFP and make it much more realistic.

7 COUNCIL MEMBER CHIN: Now when you talk
8 about RFP now on the... on the food part again DFTA
9 said that you're going to complete your food service
10 analysis by the end of the year, by December but you
11 already are issuing an RFP for home delivered meals?

12 DONNA CORRADO: No, we're issuing an RFP
13 on... I'm refer... referencing the RFP in 2021 when we
14 issue for our senior center portifolio, for the
15 neighborhood senior centers.

16 COUNCIL MEMBER CHIN: So... but right now
17 you are relaeasing an RFP for home delivered meals?

18 DONNA CORRADO: No, we are not.

19 COUNCIL MEMBER CHIN: You're not?

20 DONNA CORRADO: Not now.

21 COUNCIL MEMBER CHIN: It was just put on
22 the accelerator last week, RFP for home delivered
23 meals?

24 DONNA CORRADO: Was it?

25 [off-mic dialogue]

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1
2 DONNA CORRADO: That was an extension of
3 existing contracts.

4 COUNCIL MEMBER CHIN: Oh, okay.

5 DONNA CORRADO: So, that gives us some
6 planning time.

7 COUNCIL MEMBER CHIN: Okay. A question on
8 transportation, that was one of the... DFTA's vision
9 strategy for caregivers, includes a focus on access
10 to transportation services so... and there's no
11 additional funding that was included in the executive
12 budget because the four million for caregiver support
13 was mainly focused on respite care, so was there any
14 resources put into transportation for caregivers?

15 DONNA CORRADO: I think there's, there's...
16 there is an opportunity to expand the transportation
17 services if that's what caregivers need, there's
18 supplemental services category that would fall so
19 they can expand transportation under that category if
20 that's needed but we also... DFTA has built up its
21 capacity to provide transportation throughout the
22 city through its transportation program so they can
23 also access that service.

24 COUNCIL MEMBER CHIN: Okay, because that
25 was in one of your vision strategies for caregivers.

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DONNA CORRADO: Right...

COUNCIL MEMBER CHIN: That's why we
asked. I guess one other question is wait lists.
According to DFTA there's about 1,000 seniors on wait
lists for case management even though there was a
certain amount of money baselined last year but there
was no new money put in, how are you going to be able
to resolve the wait list question for case management
which is 1,000 seniors and then home care there's
200 seniors waiting for home care services?

DONNA CORRADO: Right, so 200 seniors
waiting for home care as I said during the
preliminary budget hearing is, is again any one
senior that's waiting for a service is one too many
but it's, it's a more an indication I think of the
long term care workforce shortage and difficulties in
serving certain communities than it is necessarily
that we don't have the home care hours because we do,
there are hours that, that we hope to give out and we
sort of opened the spicket thanks to the generosity
of the council and the administration and last year's
budget so I think as those hours are filled those
people will be coming off of the wait list and it's
just a matter of, of being able to hire home care

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2 workers and direct care staff. And the case
3 management agencies as you know they've gotten 7.3
4 million in fiscal year '18... [cross-talk]

5 COUNCIL MEMBER CHIN: Uh-huh... [cross-
6 talk]

7 DONNA CORRADO: ...so they are still
8 staffing up, they're doing a better job with
9 retaining staff, the turnover rate has improved by 50
10 percent, the retention rate has improved by 50
11 percent so we're hoping as we staff up those case
12 manager programs those wait lists will be reduced as
13 well so they're on wait lists for assessment to case
14 management, so we were trying to... it's a balance
15 between maintaining the caseloads and maintaining a
16 quality program.

17 COUNCIL MEMBER CHIN: So, are there
18 caseloads still, one... [cross-talk]

19 DONNA CORRADO: Ones a 65 still.

20 COUNCIL MEMBER CHIN: So, we're, we're
21 having an increase to caseload?

22 DONNA CORRADO: We have an increase to
23 caseload but as you know more, more people are
24 requesting case management services so we're, we're,

25

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2 we're dealing with that, it's... and it's always... it's
3 always a balancing act.

4 COUNCIL MEMBER CHIN: So... [cross-talk]

5 DONNA CORRADO: So, it's not... what I'm
6 saying is it's always an issue, it's always a concern
7 just by relative, relative to the changing
8 demographic, there's a need for services, we're
9 staffing up, we still have additional capacity within
10 our programs and as we hire and train up new workers
11 they'll be able to handle those cases.

12 COUNCIL MEMBER CHIN: So, you don't think
13 that we need additional resources?

14 DONNA CORRADO: At the moment I do not, I
15 think we need to look at it and see where we are and,
16 and closely monitor it for the next year but I think
17 we're okay with the resources we currently have.

18 COUNCIL MEMBER CHIN: Now going back to
19 the, the number of home care workers, there's not
20 enough home care workers to meet the demand so what
21 supports are needed to increase the number of home
22 care workers?

23 DONNA CORRADO: So, that's a... you know
24 that's a national issue it's not just the Department
25 for the Aging issue and it's something that we're

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2 working with the state agencies and you know part of
3 a committee that's actually looking at how we can
4 boost up the long term care work force in general but
5 it's going to require a lot of work around... and, and
6 an... and an effort to pay home care workers more
7 money... [cross-talk]

8 COUNCIL MEMBER CHIN: Yeah... [cross-talk]

9 DONNA CORRADO: ...to work with the whole
10 workforce and, and unions and all of that about, you
11 know educating and creating a career ladder for home
12 care workers, paying them better and really valuing
13 the contribution of women and, you know changing to
14 some immigration policies which was really the feeder
15 system for the long term care workforce so it's, it's
16 complicated but it's certainly something that... is
17 something that needs to be addressed.

18 COUNCIL MEMBER CHIN: Yeah and we have to
19 work together on it, definitely increasing wages...
20 [cross-talk]

21 DONNA CORRADO: Uh-huh... [cross-talk]

22 COUNCIL MEMBER CHIN: ...so that there's
23 less... for... more people will be attracted to come into
24 the field and training and, and one of the other
25 issues is transportation where home care workers

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3 cannot travel that far to take care of a client and
4 we have heard from constituents who live in... you know
5 in some of the places where public transportation are
6 not that accessible they can't even get... pay home
7 care attendant to come and, and help take care of
8 their elderly parents so that, that issue really have
9 to drill down on and, and work on. Okay, so one last
10 question. For the home delivered meal RFP contract
11 when is that extension until, when is that contract
12 because you said that's an extension contract?

12 DONNA CORRADO: Till when...

13 [off-mic dialogue]

14 DONNA CORRADO: Turn you mic on... [cross-
15 talk]

16 CHAIRPERSON DROMM: Need your mic.

17 DONNA CORRADO: When it's red, yeah,
18 you're on.

19 CHAIRPERSON DROMM: And, and we need your
20 name... [cross-talk]

21 SASHA FISHMAN: It's... I, I... [cross-talk]

22 CHAIRPERSON DROMM: And we need your
23 name... [cross-talk]

24 SASHA FISHMAN: ...I believe it was a 12
25 month... [cross-talk]

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CHAIRPERSON DROMM: ...for the record...

[cross-talk]

SASHA FISHMAN: ...extension right now.

COUNCIL MEMBER CHIN: So, how long is the
extension until?

SASHA FISHMAN: Until June 30th, 2019.

DONNA CORRADO: '19.

COUNCIL MEMBER CHIN: So, it's just an
extension for a year?

SASHA FISHMAN: Yes, for now, yes.

COUNCIL MEMBER CHIN: And then what's
going to happen, you're going to redo a new RFP?

SASHA FISHMAN: There, there might be
another extension negotiated acquisition, I'm not
sure at this... 12 months away, more than 12 months
away.

COUNCIL MEMBER CHIN: So, the next real
RFP and the next RFP for the senior centers will be
2021?

SASHA FISHMAN: For the senior centers,
yes.

COUNCIL MEMBER CHIN: Related to that is
that... because I have a lot of colleagues who's been
asking about the NORC program, Naturally Occurring

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2 Retirement Community program, I know the council have
3 funded a couple in the last session and the AARP
4 right now is also advocating for six million dollars
5 budget to start some NORC program in a different part
6 of the city where there is none at all.

7 DONNA CORRADO: So, if there were more
8 money allocated to NORC programs they would have to
9 be RFP'd because we haven't issued an RFP in a number
10 of years so that would be a procurment which would
11 take at least 18 months but there was some confusion
12 I... and I was listening to the last hearing around the
13 state not funding NORC programs which actually in
14 their adopted budget they did come through and fund
15 the NORC programs that were being cut from funding so
16 they funded the original NORCs that had already had
17 existing contracts and then they, they allocated an
18 additional two million dollars for new NORC programs
19 so the state has been stepping up as it... as it
20 relates to funding NORC programs.

21 COUNCIL MEMBER CHIN: So, there will be
22 two million in a new RFP?

23 DONNA CORRADO: At the state, for a
24 state... the state funds many of the NORC programs in
25 New York City as well as... [cross-talk]

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2 COUNCIL MEMBER CHIN: But we have seven
3 million... in your testimony we said that there's seven
4 million dollars for NORC programs?

5 DONNA CORRADO: For NORC R... we also have
6 an, an existing portfolio of NORC programs, yes.

7 COUNCIL MEMBER CHIN: So, seven million
8 and there's one million that the council put in...
9 [cross-talk]

10 DONNA CORRADO: Right, that we would
11 have... [cros-tlak]

12 COUNCIL MEMBER CHIN: ...discretionary...
13 [cros-talk]

14 DONNA CORRADO: ...no way of procuring if
15 it was baselined so it cannot be baselined.

16 COUNCIL MEMBER CHIN: Yes... [cross-talk]

17 DONNA CORRADO: Because... [cross-talk]

18 COUNCIL MEMBER CHIN: ...but if that money
19 was put in then you have nine million, if you put
20 that all together then you could redo... are you
21 planning to do a new RFP for NORC?

22 DONNA CORRADO: At the moment, no because
23 the state has, has really filled that, that gap.

24 COUNCIL MEMBER CHIN: But there's still a
25 great need for NORCs throughout the city which the

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2 state has... that two million doesn't make a dent for
3 the state.

4 DONNA CORRADO: It doesn't make the... a
5 dent for the state but, you know there one could
6 argue that you can have a NORC in every building but
7 it's... [cross-talk]

8 COUNCIL MEMBER CHIN: Yeah... [cross-talk]

9 DONNA CORRADO: ...not... it's not easy to,
10 to, to you know get a NORC up and running, right, so
11 we are also looking at diffferent arangements other
12 than NORCs and we could call them different things,
13 village to village models and we've been really
14 working with the, the village to village people and,
15 and finding ways to promulgate that model as well so,
16 you know NORCs is one way but it's not the only way
17 to serve seniors and as you know a case management
18 programs and our senior centers and our portifolio of
19 services serves everyone in the community and not
20 necessarily everybody having a NORC in their building
21 may not be the practical way to address an entire
22 city so... [cross-talk]

23 COUNCIL MEMBER CHIN: Well there are
24 communities where there are not that many senior
25

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2 centers or programs so I think... I mean going forward...

3 [cross-talk]

4 DONNA CORRADO: Uh-huh... [cross-talk]

5 COUNCIL MEMBER CHIN: ...DFTA's budget is
6 still less than half a percent, half of one percent
7 of the city's budget so I think there's a lot of room
8 for expansion especially the senior population is
9 growing by leaps and bounds and that's why I
10 encourage DFTA to really look at new needs and be...

11 [cross-talk]

12 DONNA CORRADO: Yep... [cross-talk]

13 COUNCIL MEMBER CHIN: ...kind of proactive
14 in terms of... [cross-talk]

15 DONNA CORRADO: Uh-huh... [cross-talk]

16 COUNCIL MEMBER CHIN: ...seeing where we
17 can create programs to meet the needs of the growing
18 senior population and not just sort of kind of just
19 handle what you got, you got to like think about what
20 more you can do and then we can work with you to
21 advocate for more resources, more staff so that we
22 can meet the needs of our growing senior population.

23 DONNA CORRADO: Agreed. Thank you.

24 COUNCIL MEMBER CHIN: Thank you.

25

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2 CHAIRPERSON DROMM: Thank you very much

3 and finally let me just say if we ever do go to an

4 RFP for NORCs please make sure that what hapend the

5 last time doesn't happen again with three NORCs were

6 left out and we wound up having to fund them, one of

7 those NORCs was in my district, one of htem was in

8 Council... former Speaker Melissa Mark-Viverito's

9 district and another was in former Council Member

10 Will's district so that if we ever go to that route

11 that all the existing NORCs are able to share in that

12 RFP and get that funding. But anyway I will now... I

13 want to thank the panel for coming in, thank you

14 Commissioner for being here and this is going to

15 conclude the hearing for today. This Finance

16 Committee will resume it's executive budget hearings

17 for fiscal 2019 tomorrow on Tuesday, May 8th at 10

18 a.m. in this room, tomorrow the Finance Committee

19 will hear from the Office of Managemtn and Budget

20 with regards to the capital budget, the Department of

21 Finance, the Department of Parks and Recreation, the

22 Department of Information Technology and

23 Telecommunications, and the Department of Youth and

24 Community Development. As a reminder the public will

25 be invited to testify on Tuesday, May 24th, the last

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2 day of the budgeted hearings at approximately three
3 p.m. in this room. For any member of the public who
4 wishes to testify but cannot make it to the hearing
5 you can email your testimony to the Finance Division
6 at Finance testimony at council dot NYC dot gov and
7 the staff will make it a part of the official record.
8 Thank you and this hearing is now adjourned.

9 [gavel]

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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

June 14, 2018