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COMMITTEE ON PUBLIC HOUSING

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON PUBLIC HOUSING

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October 30, 2018
Start: 10:17 a.m.
Recess: 3:58 p.m.

HELD AT: Council Chambers - City Hall

B E F O R E: Alicka Ampry-Samuel
Chairperson

COUNCIL MEMBERS:
Diana Ayala
Laurie A. Cumbo
Ruben Diaz, Sr.
Mark Gjonaj
Carlos Menchaca
Donovan J. Richards
Rafael Salamanca, Jr.
Ritchie J. Torres
Mark Treyger
James G. Van Bramer

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COMMITTEE ON PUBLIC HOUSING

A P P E A R A N C E S

Maria Guzman
Harborview Terrace

Lisa Kenner
Van Dyke Houses

Karen Leader
Cooper Park Residents Council

Charlene Nimmons
Wyckoff Gardens

Stanley Brezenoff
NYCHA's Interim Chair and CEO

Sideya Sherman
Executive Vice President for Community
Engagement and Partnership

Gale Brewer
Manhattan Borough President

Matthew Charney
Director of New Construction for Real Estate
Development, New York City Housing Authority

Gregory Floyd
President of Teamsters Local 237

Joshua Barnett
Local 375 with DC 37

Margaret Massa
NYCHA resident at Ocean Bay

Dena Davis
Westside Federation for Seniors and Supportive
Housing

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COMMITTEE ON PUBLIC HOUSING

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

- Crystal Glover
Washington Heights East Harlem
- Michael Kornspun
Senior Developer for Penrose
- Gregory Morris
President and Executive Director of Stanley
Isaacs Neighborhood Center
- Lucy Newman
Legal Aid Society
- Victor Bach
Community Service Society
- Michelle Mulcahy
Enterprise Community Partners
- Paula Segal
Community Development Project
- Justin La Mort
Mobilization for Justice
- Katelyn Hosey
LiveOn NY
- Yoselin Maria Perez
Ocean Bay
- Iris Collado
- Lolita P. Miller
Resident and Council Treasurer of Ocean Bay RAD
Program
- Manuel Martinez
South Jamaica Houses Tenant Association

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COMMITTEE ON PUBLIC HOUSING

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Michael Higgins
FUREE

Karen Blondel

J.T. Falcone
United Neighborhood Houses

Rachael Fee

Patrick Lee
Trinity Financial

Dr. John Derek Norvell

Holly Chu
Gale Brewer, Manhattan Borough President

Simon Bacchus
Arker Companies

Robert Madison
Jacob Riis Neighborhood Settlement

Kevin Norman
Director of Public Housing Teamsters Local 237
New York Housing Conference

Rachael Fee
Executive Director New York Housing Conference

Joshua Barnett
Design Department of Capital Projects Division

Fetner
Fetner properties regarding Holmes Towers

1
2 CHAIRPERSON AMPRY-SAMUEL: The hearing is
3 coming to order. [GAVEL] Good morning and thank you
4 all for being here today. I am Council Member Alicka
5 Ampry-Samuel and I am Chair of the Committee on
6 Public Housing. I am joined by Council Member Diana
7 Ayala, Margaret Chin, Ruben Diaz, Sr. and Council
8 Member Donovan Richards and I am also joined by
9 Public Housing Committee Madiba Dennie, Counsel, Jose
10 Conde, Senior Legislative Policy Analyst, Terzah
11 Nasser with the Infrastructure Division, as well as
12 Nathan from Finance and Lisa Lashley from Community
13 Engagement.

14 In May of 2014 the City of New York launched a
15 plan to create and preserve 200,000 affordable
16 housing units and made another commitment in November
17 of 2017 to an addition to 100,000 affordable units by
18 2026, bringing the grand total to 300,000 newly
19 created and preserved affordable housing units.

20 In May of 2015, the City announced a plan to
21 stabilize NYCHA's financial crisis by introducing a
22 ten-year plan that would improve the quality of life
23 for residents, known as (NextGen). The plan was to
24 create an operating surplus of over \$200 million and
25 reduce NYCHA's capital needs by \$4.6 billion.

1
2 Most of, if not all of, this ten-year plan
3 included leasing land to private companies while
4 NYCHA maintained land ownership, converting NYCHA's
5 Section 9 to Section 8 unit-based vouchers,
6 renovating resident apartments to create safer more
7 up to date amenities and units while ensuring and
8 protecting rights of current residents. Some of the
9 plan included new building construction that would
10 integrate low income units with affordable and or
11 market-rate units with a portion of revenue pouring
12 back into NYCHA to help increase its revenue.

13 NextGen NYCHA seemed to cure two crises faced by
14 the City, NYCHA's surmounting capital needs cost to
15 its significantly distressed units and developments
16 and the City's need for more affordable housing units
17 because of its growing population.

18 I want to be clear, there have been
19 extraordinary measures taken by the City and by this
20 Council in holding everyone accountable and the City
21 Council is not just about talk. We also are about
22 action. We fought tooth and nail and applied
23 pressure and advocated to secure \$500 million to
24 support new senior housing new construction on NYCHA
25 land. Nonetheless, here we are three short years

1 later after the first NextGen NYCHA announcement to
2 receive information regarding issues concerning site
3 selection, finance structures, property management,
4 update and status of the selected developers and
5 development plans already in place. Its impact on
6 neighborhoods, plans for good jobs with prevailing
7 wages during development and opportunities for
8 building service jobs after completion, affordability
9 structures, and resident engagement.
10

11 This particular hearing was previously
12 scheduled for June of this year but because of the
13 announcement of the Consent Decree, it was deferred.
14 Then it was scheduled for October 3rd, but we deferred
15 it for another four weeks. Given the amount of time
16 that NYCHA has prepared and reviewed all of their
17 development deals, I have every expectation that
18 questions asked during this hearing will be answered
19 fully or there will be an immediate follow up during
20 this session.

21 We often become caught up in the political
22 rhetoric, personal agendas, letter of the law,
23 numbers, processes and just the business of the day
24 but we overlook the fact that these plans and
25 concepts have effects on real live human beings.

1
2 That broken front door to the development creates
3 unsafe situations for residents and potentially leads
4 to crime. That broken boiler prevents heat from
5 getting to homes that are supposed to be healthy safe
6 havens to families. The holes in the walls of
7 community centers that leak when it rains, causes
8 small children and our seniors who attend day
9 programs to get sick. The un-plastered walls, the
10 moldy apartments, the loose tiles, the leaky roofs,
11 everything that is wrong with NYCHA, I mean from the
12 very top of this executive level, to the very bottom
13 of a building where you see rat nests that are
14 prevalent in many NYCHA developments, it all has an
15 implication on the residents. The nearly half a
16 million New Yorkers who call NYCHA home.

17 So, while we sit here and discuss plans and
18 projections, I hope we all consider that we have the
19 luxury of just talking about the issues and the
20 atrocities, not actually having to live them. It is
21 my hope and prayer that this hearing causes immediate
22 and timely action that continues to grow to the best
23 interests of the residents who existed long before
24 the need for fancy power point presentations and
25

1
2 press conferences about affordable versus market rate
3 units.

4 With that, let's hear from our first panel of
5 residents. Karen Leader of Cooper Park Residents
6 Council, Maria Guzman from Harborview Terrace,
7 Charlene Nimmons from Wyckoff Gardens, and Ms. Lisa
8 Kenner from Van Dyke Houses and we have also been
9 joined by Council Woman Inez Dickens and - oh, I'm
10 sorry. I apologize. We've been joined by Council
11 Member Inez Barron and Council Member Carlos
12 Menchaca.

13 I wouldn't normally do this, I'm just going to
14 put the timer on because of everything that we will
15 be hearing today and so many people have asked to
16 testify and so I'm just going to put a two minute
17 timer on the clock, just to makes sure that we have
18 some level of organizations but I know this is about
19 the residents and what's happening in your home and
20 so I just want you to know that we want to hear from
21 you but we do have a timer, so just try to stick to
22 it if you can, okay. Thank you and we will start
23 from Ms. Charlene Nimmons.

24 CHARLENE NIMMONS: Good morning. I want to say
25 that I am not the President, but my president did ask

1 me from Wyckoff Gardens to come here to speak on her
2 behalf, Ms. Bell. We have been going through what we
3 call Infill, we refuse to change the name to NYCHA
4 NextGen. That's their concept. The building on our
5 parking lots is really disrespectful. They have not
6 really spoken to the residents in the way in which we
7 feel they should have. When we first got approached
8 in Wyckoff, we said that we did not support this idea
9 but we did sit at the table to make sure that they
10 couldn't just do whatever they wanted to do and we
11 recommend to the residents you know, when it's
12 happening, even if you do not approve, you need to be
13 in the room so that you can express that you do not
14 support this initiative. However, if something goes
15 forward, you are at the table to make sure that your
16 voice is heard. The problem is that when you sit at
17 the table, they take the information that you
18 recommend that would happen and they add it to the
19 RFP, so it appears that this is what the residents
20 want, and it is not necessarily true.

22 We think that it is a better way to do
23 things for the simple fact the money that you are
24 raising, that NYCHA is raising, is not enough. When
25 you talk about Wyckoff Gardens, the money that's

1 coming in is not going to even meet the mark we had
2 said, that we have \$40 million in need but you're
3 only going to put \$18.7 million dollars. So, we're
4 going to be right back where we started years down
5 the road when we don't have any more parking lots to
6 sell. We need to be clear that there are HUD
7 regulations that are in place that give residents the
8 first opportunity to make an offer on those
9 properties and you know, but NYCHA says that's not
10 true. Read 24CFR970 and it talks about how there is
11 an opportunity for residents to give. Once we find
12 out about it in 30 days, we can make an offer, excess
13 land or dwellings. We also need it to be clear that
14 you can't look at residents as not being able to
15 preserve their homes as well. If we can do it in
16 partnership, great but if not, okay, let's move on.

18 We really need it to be understood that there
19 will not be enough money to take care of our homes
20 and privatizing our land is not the answer. When you
21 talk about RAD, I'm going to jump, because I know you
22 said that we had limited time. When you talk about
23 RAD, again there's another, that 24CFR970 and also in
24 section 18, clearly, we are not preserving public
25 housing. Let's stop saying that because RAD does not

1
2 preserve public housing. RAD takes away public
3 housing because then it becomes Section 8. So,
4 public housing is Section 9 and Section 8 is Section
5 8 and you are not preserving public housing. If you
6 are leasing the land, the dwelling itself is owned by
7 the developer. The developers are coming in, they're
8 not being respectful. I've been working with many
9 leaders, Lisa Kenner, Mill Brook Houses, TA, across
10 the board. Brooklyn, Bronx, all over and whats
11 happening is the money that's coming in is not enough
12 to meet the needs of the issues that are in the
13 housing units. So, that myth that they are raising
14 money to preserve public housing is just not true and
15 there's also in 970 where it talks about relocation,
16 we should not be doing in place rehab, it's not safe.
17 We already go through issues when they do rehab on
18 our properties already. When you do brick work, when
19 you do all those types of things. When you're
20 removing asbestos, we still live in those dwellings
21 and you cannot say that is safe and there's an
22 environmental protection piece that's in 970 that's
23 supposed to protect the residents. We are not
24 following that. We also need to know that these
25 plans were not approved by HUD yet. This is a

1 process that goes through and then they submit it to
2 HUD for approval and HUD is not on our side either
3 and it's not just because of President Trump. They
4 weren't on our side all the way back for years.
5 Cuomo used to be the HUD secretary, let me not go
6 down the list but everybody, they know that we have
7 been suffering and I believe that is done on purpose
8 because now, you can use the excuse to sell off the
9 properties or to give to privatize our properties
10 which are friends, the developers and it's got to
11 stop.
12

13 CHAIRPERSON AMPRY-SAMUEL: Thank you.

14 MARIA GUZMAN: Good Morning. My name is Maria
15 Guzman, and I have been the president of the
16 Harborview Houses for over 18 years. We have two
17 buildings, one a family building and the other a
18 senior building, for a total of 376 families. I am
19 here to support the original and signed Hudson Yards
20 agreement which provided for the construction of a
21 100% affordable residential building within the
22 Hudson Yards confinement, that would have been 250
23 plus units.

24 The land available for this project is the
25 parking lot and our basketball court. We along with

1 community board 4 elected officials, Clinton Housing
2 Development Corporation, Housing Conservations
3 Coordinators and many other community groups have
4 been working on this new proposal for the last 14
5 years.
6

7 These are the highlights of our agreement, the
8 one we support not the one that is being proposed
9 now. 100% affordable housing development with
10 preference to Harborview, CB4 and Amsterdam Houses
11 residents. The new building would be esthetically
12 similar to Harborview. The developer would agree to
13 do upgrades at Harborview like: new outdoor lighting
14 to match the lighting of their new building; The
15 replacement of the children's play area; new gardens;
16 redesign of all open spaces. The Harborview Tenants
17 Association would also have a public meeting space
18 which is something we do not have now because NYCHA
19 refuses to let us use their community center. In
20 addition, the agreement provides for the current
21 number of Harborview parking spaces to be reallocated
22 parking in the new building for the existing tenants
23 that are there now. Harborview garbage would be
24 merged out of sight in the new building for safety
25 reasons.

1
2 I have pictures of the proposals we have been
3 working on and I am happy to share them with any of
4 you upon request.

5 I want to thank you for your time, and I am
6 looking forward to the completion of this new
7 project, but I don't want to leave without pointing
8 out that the new proposal that is being offered now
9 by the City is asking for 500 plus market rate units
10 on top of our already existing supposedly affordable
11 units. We are not in favor of more market rate.

12 Harborview is located in mid-town Manhattan. We
13 are surrounded by luxury and market rate units that
14 are now empty. We do not need any more market rate.
15 We do need affordable housing for all the other
16 people in our community and please note that the area
17 median income in our community is extremely high
18 already. That would make all of those apartments out
19 of reach for all of our residents. 500 plus market
20 rate units is not what we want. We want the original
21 signed agreement. The agreement was signed by Mayor
22 Bloomberg, and this was a done deal. Proposals were
23 already submitted, developers were, I assume, already
24 interviewed and we were almost in the process of
25 breaking ground and then the city took 14 years of

1
2 our hard work and just said, sorry, maybe next time
3 but you know what? There is no next time because we
4 have no more land. Thank you.

5 CHAIRPERSON AMPRY-SAMUEL: Thank you.

6 KAREN LEADER: Good morning. My name is Karen
7 Leader. I am a resident of Cooper Park Houses which
8 is one of the developments targeted for NYCHA's
9 NextGen 50/50 Project. I am also the secretary on
10 our executive board. I am here on behalf of Cooper
11 Park Residents to express our request to you
12 regarding NYCHA's NextGen proposals.

13 We are asking that each of you city officials
14 here today strongly advocate on behalf of NYCHA's
15 residents regarding all NextGen projects.

16 While we realize that you can't vote on NYCHA's
17 infill or privatization schemes under the current
18 law, we know that you have the power to change that.
19 We are asking that you change the law, to one that
20 would require a special permit for any new
21 construction on NYCHA's properties, to go through the
22 ULURP process. This would allow you to then vote
23 down any proposed construction or development to take
24 place in the event that goals that our community
25

1 identifies aren't met by the proposals that NYCHA
2 and/or the developers create.

3
4 It appears that NYCHA is simply checking off
5 boxes as much as HUD requires them to. However, they
6 missed a box in the case of Cooper Park Houses being
7 included in their NextGen project.

8 In our case, NYCHA omitted Cooper Park Houses
9 from its draft and instead of correcting their
10 mistake by including us in their next draft, they had
11 the audacity to bypass the draft process and instead
12 we were squeezed into their Final Annual Plan for
13 2018. Because of this, not only did they fail to
14 comply with HUDs requirements, where they were
15 required to inform residents about any planned
16 demolitions, any sale or lease of land or any plans
17 to build additionally, residents were not afforded
18 the opportunity to respond to the draft when it came
19 out, which took away our opportunity to present our
20 concerns, our comments, our questions and our
21 suggestions.

22 We are also asking that each of you insist that
23 before NYCHA begins any of their Community Engagement
24 Processes and in the cases where it has begun that it
25 be stopped. NYCHA is in need of improved management

1 and at the very least, the very step that NYCHA
2 should take in any of its proposed infill projects is
3 to hire experts to complete a thorough Environmental
4 Review that would allow them to identify any and all
5 negative impacts that buildings on any given site
6 would have on residents and on our environment as a
7 whole. This should especially be done before RFP
8 goes out. Along with this, developers must be made
9 aware of these impacts and address them before any
10 development begins. We are also asking that you see
11 to it that NYCHA sits down with its residents and
12 responds with copies of all written reports, which
13 will expose any and all environmental impacts.

14
15 Next, when NYCHA sets aside a certain number of
16 units to be affordable, the fact remains that in New
17 York City, the government will allow the units to
18 cost up to \$3,000.00 per month. At this rate the
19 promise that NYCHA makes that we, residents will have
20 preference to 25% of these affordable units., it's
21 not practical. We are citizens, veterans, working
22 parents, and tax payers yet; we are being
23 disqualified from even applying for these affordable
24 units. We would like to know that each of you here
25 today would guarantee us that this percentage is not

1
2 only increased additionally, we need you to make sure
3 that NYCHA honors their word and offers the
4 affordable units at a range that would allow low-
5 income families to respond to.

6 Additionally, we need you to stand besides us,
7 using you power as our representatives and force
8 NYCHA's hand in being transparent. NYCHA knows the
9 capital repairs amount needed at each development,
10 yet they are allowing private developers to suggest
11 to them what the ground lease payment should be.
12 NYCHA should be asking for a least $\frac{3}{4}$ of what the
13 capital needs amount is at each of these proposed
14 infill projects.

15 Additionally, whomever these professionals are
16 that aren't asking for annual payments in addition to
17 lump sum payments for the duration of the 99 years,
18 should be fired. We thought the goal of NextGen was
19 to create revenue to reinvest back into our
20 developments and across NYCHA. Please note that this
21 is continuously being done off the backs of the poor
22 and not from the pockets of the developers who stand
23 to make a substantial amount of money yearly. We
24 need you to ensure residents that you will insist
25 that the ground lease payments are at least $\frac{3}{4}$ of the

1
2 amounts needed to cover each of the infill projects
3 capital repairs amounts and that annual payments are
4 mandated for all infill projects.

5 I'll end with this; don't let it be said that
6 while you are listening to us today, that you are not
7 hearing nor addressing our valid concerns, our
8 comments, our questions with your hearts, your pens,
9 your votes and your voices. Don't let it be said
10 that you too are simply checking off boxes as anyone
11 who puts his hand to the plow and looks back is not
12 fit for the kingdom, or should I say, fit for a
13 Council seat. It is minutes to midnight and it's
14 time that each of you Elected City Officials to
15 honestly do your share and each year, each of your
16 fiscal years, you support those in your district
17 living in public housing by including substantial
18 amounts of your annual budgets towards NYCHA's
19 deficits. Thank you.

20 LISA KENNER: That's a hard one to follow
21 behind. I had to say that. Good morning. My name
22 is Lisa Kenner and I am the resident and Association
23 President of Van Dyke houses. I just want to read a
24 quote first because this started me this morning.
25 "Our lives begin to end the day we become silent

1 about things that matter." Dr. Martin Luther King
2 Jr. I'm going to tell you, I've been harassed,
3 strident, slandered because I chose to stand up for
4 where I live at and I'm going to tell you, I'll die
5 standing up for where I live at.
6

7 A couple years back Camber came, and we had the
8 piece of land there on Mother Gaston between the
9 library and there were only two cars parked there and
10 housing said, this area is unutilized. So, yes, it
11 was unutilized, and I feel like this, I have a place
12 to stay, a lot of people have a roof over their head,
13 other people need a roof over their head. So, it was
14 just sitting there but the thing that got me was how
15 do you sell a piece of property for \$1.8 million?
16 And being that I'm not really knowledgeable about
17 things but you live and learn. I have learned, and
18 this was when John Rea [SP?] was the Chair, this is
19 when all this started with the selling of the land.
20 So, they cut the ribbon in 2018 but the \$1.8 million
21 and I know our Council Woman was sitting at the table
22 because she worked for NYCHA at that time and we had
23 five residents that came and we demanded that that
24 \$1.8 million stay, in which I think they could have
25 sold it for more in which they probably did but just

1
2 told me about \$1.8 million. But the thing is that we
3 wanted to make sure that the place looked decent
4 because how are you going to build a building and
5 everything around it is falling down or broken?

6 So, we set at the table and talked about
7 painting the buildings, the elevator doors. People's
8 apartments haven't been painted in 25 years. Water
9 and soap couldn't even get it clean. So, it went on
10 but the manager that sat with us, she wanted to do
11 what she wanted to do. That's a different story but
12 the thing was that we didn't get all - we didn't know
13 what the money was being spent for and I think
14 underneath HUD regulations said that we are supposed
15 to be at the table. That's our home. What got me,
16 August the 21st, I finally got papers talking about
17 the Camber building, where the money went and things
18 like that and I was shocked to see that \$17,474.00
19 went to buy furniture for the management office. Now
20 I got people in my development that got holes in the
21 walls, plaster falling off, mold on the wall,
22 cabinets falling off and the management office gets a
23 luxury bathroom, they got a TV sitting up there and I
24 got people that got holes in their walls. As we
25 speak, I still have people that got holes in the

1 walls and plastering, and they have children. When I
2 CC everybody, I CC everybody and I had sent it to
3 everybody what they worked, ticket numbers, and I had
4 followed up on it last night and still nothing has
5 been done but yet, you let the management spend
6 \$17,474.00 of the money and I want to put that out
7 there because I think it's very unfair. If that's
8 the case, we could have taken the \$17,000.00, put a
9 new building there, I could had made sure everybody
10 had shades, looking decent on that side. You know,
11 it don't make no sense, you waste money, very much
12 but the thing now, they want to take two more pieces
13 of land, two parking lots between 429 Dumont and 393
14 Dumont and when they first said it, I said, look,
15 don't come back here no more and coming to get no
16 more land but in the RFP, it was supposed to be one
17 parking lot which was 429, as slick as they are, they
18 put in two.

19
20 One thing I can say about Trinity Finance,
21 they're very decent people that what I've seen. I
22 sat down at the table with them, these are the new
23 developers who are supposed to come. They're more
24 transparent then housing. They make sure they sit
25 down, but my thing is that I said, well, how much

1 money - I really got an answer last week from
2 Trinity, but how much is this building going to cost?
3 They said it's going to be \$36 million. I said, \$36
4 million but yet, that man over there told me that we
5 are going to get \$2 million to fix the AMP Theater,
6 so I said, well how much is the development fee and I
7 brought Charlene to the meeting because when somebody
8 knows a little bit more than you, you have to bring
9 them with you. I am not all that, but I know if I
10 don't know, somebody knows. I brought Charlene to
11 the meeting and then Trinity said they were paying
12 \$36 million. So, I said, well, how much is the
13 development fee? They said, oh, about \$12 or \$10
14 million. Now, they're going to try and give us \$2
15 million and they're going to keep the other \$10
16 million. I don't think so. I was so glad that this
17 hearing was coming because to me, shame on you all
18 because if anything, we could take \$5 million,
19 because I could fix the AMP Theater, I could fix the
20 multipurpose football field, baseball field, where
21 our kids will stay out of trouble. Everybody's
22 saying, oh, the kids get in trouble and this and
23 that, and we had a multipurpose field where they have
24 some staging area sitting there now with some cars
25

1 and trucks and everything on there and they think
2 they're not going to fix it and they got more cracks.
3 So, I said, now, I got my letter because they sent me
4 a letter that said, they'll give \$2 million. No, you
5 have to come back to the table because you can't just
6 leave no \$2 million dollars at Van Dyke. If you're
7 getting \$12 million, you better try to leave \$5
8 million or \$6 million and take the other \$5 million
9 and do something in the community. But see, this is
10 - I'm so glad that you all had this meeting. I am so
11 glad. So, to put it out on the table, because when
12 Mr. Crowley [SP?] made the deal, he was gone. Ms.
13 **[Inaudible 32:27]** she made the deal, she is gone. I
14 don't even know who is in the part of it. I know Mr.
15 Williams -I can't say nothing about Mr. Williams, but
16 he is just following, going along you know, because
17 he got a job and the other man, Matt, you know, their
18 going along because they got the job, but you can't
19 give Van Dyke \$2 million.

20
21 You know, we may be low-income people but we're
22 not poor people and people who always say, oh, their
23 poor, no, we're not poor, we're low-income. A lot of
24 people - everybody has been low-income once upon a
25 time, but we got a spirit, that's our home and if I

1
2 go back home and talk about retaliation, that's
3 alright because I would be emailing everybody. You
4 know, because they had to retaliate. They do little
5 things, but you know, that's the part about being the
6 president, just like you all know about being a City
7 Council person. When you're trying to do things,
8 people are going to come after you. The only thing
9 about with us, we're not paid. This is a bank-less
10 job. I want people to know, we are not paid but this
11 is our home and I'm trying to pave the way for the
12 next generation because I do want to sit down but I'm
13 not sitting down and letting housing get away with
14 anything and some of them do need to be fired. You
15 know, some of them - You know, they just switch them
16 around when their doing wrong things, they just
17 switch them.

18 You know, like even - and I was reading the 24
19 and it was saying about, if you have over a certain
20 amount, 250 residents, that you're supposed to have
21 x, y, z maintenance workers. Now we got 3,999
22 residents in Van Dyke on the books, but we got about
23 only six maintenance people. They are killing them.
24 I have to say this. You know, they're human beings.
25 I remember when we first started, we used to have 13

1
2 but now six and we got 1,603 apartments. That's not
3 rational. You got to think about the people to.

4 So, I'm saying to housing, we need some more
5 maintenance people because I don't want my people,
6 the workers, to drop dead because they over work. But
7 I also wanted to say that the Mayor - talk about two
8 cities, two tales in two cities, he is trying to make
9 two cities in public housing. You say one thing and
10 do another thing. You know, and housing has to go
11 with it because he's the Mayor. I don't have to go
12 with it. I'm a citizen. I'm a citizen, I don't have
13 to go with what he says about this with two cities,
14 and what I mean by that, he gives us new doors - new
15 doors are put up but then the [inaudible 35:32] are
16 not working and I put in tickets and I told them.
17 Now, you don't have to be a scientist, if Verizon
18 says, switching over to files before they put the new
19 doors in, shouldn't they talk to files to switch over
20 to make sure things were right, so the intercom could
21 be working. Then we got all these people walking in
22 and out the building and if not that, we got people
23 pulling the door because they can't get in the
24 building because the intercoms are not working, and
25 I've been saying this, and I have tickets, and I

1
2 call, but nobody listens. So, I thank you. I have
3 more to say but I thank you.

4 KAREN LEADER: Just real quick. There is a RAD
5 list that's out there that came from HUD. Pending
6 applications, over 100 housing communities listed
7 there, and resident leaders don't even know that the
8 applications have been in. We were at our conference
9 - my organization public housing communities. We had
10 at least three resident leaders did not know that
11 they did not know that they were up for RAD. The
12 Housing Authority is supposed to be speaking with
13 residents before they even make these decisions and
14 that's not happening. In Section 18, demo and
15 dispositions are not supposed to be done for a lack
16 of money.

17 CHAIRPERSON AMPRY-SAMUEL: Thank you Ms. Nimmons
18 and thank you everyone for your testimony and the
19 purpose of this hearing is to have a conversation and
20 ask NYCHA questions about RAD and all of the
21 development team.

22 KAREN LEADER: And the developers that are
23 coming into Wyckoff some of them are rude, Two Trees,
24 David Lombino, very disrespectful. Before he walks
25 in again, he needs to apologize. Please share that.

1
2 CHAIRPERSON AMPRY-SAMUEL: Thank you but wait,
3 before you leave, I want to again just say thank you
4 for your testimony and Ms. Kenner, when you mentioned
5 the issue of six maintenance workers at Van Dyke and
6 the amount of need there, I look forward to the
7 testimony from the Local 237 President Greg Floyd who
8 is here and so, hopefully we can get some information
9 about that level of assistance.

10 LISA KENNER: Thank you.

11 CHAIRPERSON AMPRY-SAMUEL: And we were also
12 joined by Council Member Helen Rosenthal.

13 MARIA GUZMAN: This is Harborview, I just want
14 to point out that we have 376 families and only two
15 caretakers.

16 ?: Thank you. One second before I go. Thank
17 you Chair for giving me a chance just to thank you
18 all. You know Maria Guzman, your Harborview is in my
19 district and I've seen the passion with which you
20 have fought for your tenants and I'm hearing all of
21 you today and you know four incredibly strong,
22 powerful women on behalf of 400,000 plus residents.
23 You are doing them a service. You are doing them a
24 great service today, you should know how powerful
25 your testimony was to us and also, you should know

1
2 how hard your Chair fought for you to testify first
3 in order to lay the ground work for all of us as we
4 hear whats going on. You know, one of the things
5 that I think is so important about leadership, is
6 that those with lived experiences should be the ones
7 talking about leading the way. Certainly, you're
8 doing your part, but I also have just boundless
9 respect for our Chairperson Ampry-Samuel. She is
10 fighting so hard and trying so hard and she knows
11 what she's talking about and we are all in better
12 hands because of her. So, thank you all for talking,
13 I really appreciate all of your testimony and Maria.
14 Thank you for taking your time off of work for coming
15 here.

16 MARIA GUZMAN: Thank you.

17 CHAIRPERSON AMPRY-SAMUEL: Thank you and we were
18 joined by Council Member Ritchie Torres, who just
19 stepped out and we were just joined by Majority
20 Leader Council Woman Laurie Cumbo, and so with that,
21 we're going to transition into NYCHA's testimony,
22 thank you. And we will be hearing from the Chair and
23 CEO of NYCHA Stanley Brezenoff as well as the
24 Executive Vice President for Community Engagement and
25 Partnerships, Ms. Sideya Sherman.

1
2 Please raise your right hand. Do you affirm to
3 tell the truth, the whole truth and nothing but the
4 truth in your testimony before this committee and
5 respond honestly to Council Members questions?

6 STANLEY BREZENOFF: I do.

7 CHAIRPERSON AMPRY-SAMUEL: Thank you and you may
8 proceed.

9 STANLEY BREZENOFF: Chair Ampry-Samuel, members
10 of the Committee on Public Housing and other members
11 of the City Council, good morning. I'm Stan
12 Brezenoff, NYCHA's Interim Chair and the CEO and in
13 two days, I will have been in this position for five
14 months. I am pleased to be joined by Sideya Sherman,
15 Executive Vice President for Community Engagement and
16 Partnership, and members of NYCHA's Real Estate
17 Development Department. So, I appreciate the
18 opportunity to continue to dialog on our development
19 and preservation work. I'd also like to thank the
20 NYCHA residents who are here to talk about their
21 homes and their issues and problems.

22 The Council last held a hearing on our
23 development work in January 2016, and today we'd like
24 to bring you up-to-date on our progress since then.
25 For instance, we closed on our first-ever Rental

1 Assistance Demonstration (RAD) deal at Ocean Bay
2 Bayside, home to nearly 4,000 New Yorkers. An
3 acknowledgement of the guidance and direction and
4 support from Councilman Donovan Richards on this
5 pretty much universally acclaimed project. We're
6 close to finalizing additional RAD deals that will
7 bring substantial improvements to approximately 3,100
8 apartments. We began construction on five 100%
9 affordable housing buildings and another 17
10 affordable projects are in the planning and
11 predevelopment stages representing over 3,000 new
12 affordable units including more than 1,000 units for
13 seniors and we announced four sites where we will
14 create a mix of affordable and market rate housing as
15 part of our NextGen neighborhoods programs. I'll
16 discuss these initiatives in greater detail.

17
18 As the Chair noted three years ago, we released
19 the NextGen NYCHA, our long-term strategic plan to
20 stabilize the authorities, finances, become a better
21 landlord for residents and ensure that public housing
22 remains a vital resource in our City despite the
23 challenges which are considerable. We're making
24 progress in changing the way we do business and
25 delivering for residents.

1
2 As part of our NextGen vision, we're creating
3 desperately and needed affordable housing for our
4 City raising vital revenue for the authority and
5 preserving buildings with massive capital needs for
6 the generations to come.

7 As the Interim Chair, my goal is to secure every
8 possible dollar that I can for repairs at NYCHA
9 developments and for our residents. As you well
10 know, decades of this investment from public housing
11 has left NYCHA confronting nearly \$32 billion in
12 major repair needs across our portfolio. Since 2001,
13 NYCHA has been shortchanged \$3 billion in federal
14 operating and capital funding compounding the
15 challenges of maintaining and repairing aging
16 buildings. The majority of which are more than a
17 half a century old and when we combine the federal
18 operating dollars, we receive with the rent we
19 collect, there's still an operating deficit in the
20 tens of millions of dollars every year.

21 It is clear to me that public housing
22 authorities must change the way we do business in
23 order to survive and thrive. We develop NextGen
24 NYCHA, our long-term strategic plan, to overcome
25

1
2 these challenges, shore up the Authority's finances,
3 and improve residents' quality of life.

4 We appreciate the unprecedented support in the
5 billions committed by Mayor de Blasio for New York
6 City's public housing, as well as the Council's
7 support. It is really unprecedented in New York City
8 history and I speak from kind of a personal
9 involvement over many years, but we must be realistic
10 and assume that the decades long trend of federal
11 disinvestment will continue and do the work that must
12 be done to ensure NYCHA's survival and improve that
13 quality of life for our residents.

14 Our work to operate our buildings and create
15 more affordable housing for our city spans several
16 programs: RAD, Section 8 conversion, FHA small
17 homes, 100 percent affordable, and what we call
18 NextGen Neighborhoods.

19 RAD is a groundbreaking HUD program that is
20 enabling public housing authorities across the
21 country to bring major renovations and improvements
22 to their buildings. That is done by creating public-
23 private partnerships which can access additional
24 funding for repairs by leveraging the Section 8
25 program. As an affirmation of our promise to

1 residents, NYCHA's implementation of RAD is part of
2 our Permanent Affordability Commitment Together, or
3 PACT program. PACT is a set of NYCHA initiatives to
4 identify resources for preserving our buildings while
5 maintaining affordability and strong rights for our
6 residents. With the federal government's decades-
7 long and continuing retreat from public housing, we
8 want to bring RAD to as many developments as we can
9 to address the massive capital need of deteriorated
10 buildings across our portfolio.
11

12 We closed on the largest single-sit RAD
13 transaction in the nation, raising \$325 million to
14 repair and modernize 1,400 apartments at Ocean Bay in
15 the Rockaways, where residents have received new
16 kitchens and bathrooms, roofs, and state-of-the-art
17 security and heating systems. One of RAD's most
18 notable benefits is that it enables us to address all
19 of the development's major repair needs without
20 spending any of NYCHA's capital funding. RAD
21 partnerships also deliver valuable social services
22 from nonprofit partners to residents. At Bayside,
23 this additional attention from our partners has
24 resulted in far-reaching quality-of-life
25

1
2 improvements. For example, there have been no crimes
3 committed at Bayside since the beginning of the year.

4 Through RAD, we are bringing over \$400 million
5 in major upgrades from new kitchens and bathrooms to
6 new facades, elevators, lobbies, and landscaping, to
7 3,100 apartments in the Bronx and Brooklyn. These
8 units are home to more than 7,200 residents. Today,
9 we are closing on just over 300 units, and by the end
10 of the year we expect to close on another 1,400
11 units. Construction is expected to begin by the end
12 of this year at the Bronx developments and next
13 spring, at over 1,300 units in Brooklyn. We
14 anticipate addressing an additional \$400 million in
15 renovations across nearly 2,400 apartments in
16 Brooklyn and Manhattan, home to 5,300 residents.
17 Developer teams will be selected this winter, with
18 renovations beginning at the first buildings next
19 year.

20 This summer, more than 100 Betances Houses
21 residents of the Bronx toured Bayside to see
22 firsthand the improvements that will be coming to
23 their development thanks to RAD. Thank you to all of
24 the elected officials and their staff for joining us
25 on one of our tours of Bayside or participating in

1
2 the several workshops and webinars we hosted to show
3 the good work being done at Bayside.

4 Through our PACT program, we are also converting
5 eight developments that do not receive direct public
6 housing funding to a Section 8 funding stream. These
7 developments were originally built and funded by City
8 and State subsidies but were never funded directly by
9 HUD. They currently share in the federal funds
10 provided for NYCHA's public housing. This costs
11 NYCHA more than \$23 million a year. Shifting the
12 units to the Section 8 program will bring new, stable
13 revenue to the development and allow for a
14 substantial improvement to apartments, buildings, and
15 grounds similar to RAD. The funding that was
16 previously diverted to these developments from the
17 rest of NYCHA's portfolio will go toward improving
18 the operation and maintenance of our traditional
19 public housing.

20 Conversion to Section 8 is almost complete at
21 Baychester and Murphy Houses in the Bronx,
22 developments that will receive approximately \$80
23 million renovations. Construction is expected to
24 begin in early 2019. Resident engagement has begun
25 at two additional unfunded sites: Independence

1
2 Towers and Williams Plaza in Brooklyn. Developer
3 teams will be selected this winter, with renovations
4 beginning next year. The other four unfunded
5 developments will be converted to Section 8 are 344.
6 That's East 28th Street, Boulevard Houses, Linden
7 Houses and Wise Towers.

8 We also have the FHA Houses program. In the
9 late 70's and early 80's, HUD transferred hundreds of
10 foreclosed single-family homes to NYCHA, which the
11 Authority has used this public housing. However,
12 these buildings receive no dedicated federal funding
13 and are expensive to maintain due to their unusual
14 configuration. In partnership with nonprofits like
15 Habitat for Humanity and Restored Homes, NYCHA is
16 rehabilitating these homes and helping low-income New
17 Yorkers become first-time homeowners. Since 2012, 75
18 vacant homes have been sold, and 29 additional vacant
19 homes are in the process of being transferred to
20 nonprofits for rehab and affordable resale. There
21 are 133 occupied FHA single-family homes remaining in
22 the portfolio.

23 As you know, the city is confronting an
24 affordable housing crisis, and we've all called for
25 more affordable housing. In support of Mayor de

1 Blasio's plan to build and preserve 300,000
2 affordable apartments by 2026, NYCHA has pledged to
3 provide underused land, such as parking lots and
4 storage spaces for the creation of 10,000 new,
5 affordable apartments for both families and seniors,
6 more than 3,000 of which are in the pipeline.
7

8 Since the release of NextGen, we have begun
9 construction on six 100 percent affordable housing
10 buildings. The first project, a 101-unit building
11 developed by the not-for-profit CAMBA at Van Dyke
12 Houses, was completed this spring. It is now home to
13 hundreds of low-income New Yorkers, including many
14 who were formerly homeless. Additionally, we have
15 another 17 affordable housing projects in the
16 predevelopment and planning stages, totaling over
17 3,000 units of new affordable housing and in
18 recognition of the city's growing senior population,
19 more than 1,000 of these units are planned for senior
20 housing.

21 Many of these buildings will include community
22 facilities and neighborhood retail that will serve
23 new and current residents. For example, a new
24 affordable housing at Ingersoll Houses will feature a
25

1
2 new ground-floor senior center operated by Services
3 and Advocacy for GLBT Elders.

4 Our NextGen Neighborhoods program will generate
5 funding for NYCHA's developments and produce
6 affordable housing where it's dramatically needed.
7 Over ten years, this program is expected to generate
8 hundreds of millions of dollars in revenue for the
9 Authority. This will help address the major repair
10 needs of the developments at the site and support
11 developments across the Authority, while also
12 creating new affordable homes for New Yorkers.

13 We selected developers for two NextGen
14 Neighborhoods sites at Holmes Towers and Wyckoff
15 Gardens, expected to raise approximately \$62 million
16 in total. In response the feedback from residents,
17 the proposed development at Holmes will include new
18 playgrounds, open spaces, and a new recreational and
19 community center operated by Asphalt Green. The
20 proposed development at Wyckoff will provide retail
21 space, including a restaurant and training facility,
22 and space for social services. A Request for
23 Proposals has been released for the site at La
24 Guardia Houses, and resident engagement has begun for
25 the site at Cooper Park Houses.

1
2 Whether its new construction or RAD/PACT, this
3 is all a preservation strategy. Our NextGen
4 Neighborhoods and PACT programs will reduce the
5 participating buildings' capital needs significantly,
6 freeing up resources and capital funding for badly
7 needed major repairs and upgrades at other
8 developments.

9 Through NextGen, we are creating safe, clean,
10 and connected communities. Our preservation and
11 development work are a crucial way we accomplish this
12 goal. We ask for your partnership and support on
13 our development programs as we work to sustain our
14 precious resources of affordable housing and improve
15 the quality of life for this and the next generation
16 of New Yorkers. Hundreds of thousands of families
17 depend on us.

18 Thank you. We are happy to answer any questions
19 you have.

20 CHAIRPERSON AMPRY-SAMUEL: Thank you Chair for
21 your testimony. So, we will just get started with
22 can you provide us and explain to us why is NYCHA
23 making a new development plan three year into the
24 existing ten-year development plan? Can you just
25

1
2 provide us with an overview as to why you are coming
3 up with a new plan?

4 STANLEY BREZENOFF: I'm sorry, you are referring
5 to planning efforts that are ongoing now?

6 CHAIRPERSON AMPRY-SAMUEL: Yes.

7 STANLEY BREZENOFF: Well, times not -

8 CHAIRPERSON AMPRY-SAMUEL: And not what - let me
9 just preface by saying that the Mayor has made
10 comments about a new NextGen plan and I remember you
11 had made similar statements in previous press
12 conferences about a new NextGen plan and so, can you
13 just provide us with where you are within this
14 NextGen ten year plan that was announced in 2015, and
15 what's happening with an update to that plan?

16 STANLEY BREZENOFF: So, as I noted, I have been
17 here for just about five months. So, I think what
18 you're referring to is actually a continuation, an
19 evolving of planning at NYCHA to reflect the changing
20 world around us. I think all of us were struck by
21 the enormity of the capital needs assessment that was
22 done through 2017 that describe the capital needs at
23 NYCHA as \$32 billion, more than some countries in the
24 world have as their budget.

1 The enormity of that requires not only a
2 rededication to the commitments and programs that
3 were established in the earlier NextGen, but it
4 requires that we focus intensely on whatever else it
5 is possible to do in the world as it is emerging to
6 take bites, big chunks, out of that projected needs
7 analysis and in thinking about the future, I have no
8 compunction in saying that I believe that RAD has to
9 be a big part of our dealing with that enormous
10 capital need. I am probably the only one in the room
11 who has any roots at all in the new deal of the 30's,
12 40's, and 50's.

14 My commitment to public and government
15 involvement and the delivery of services such as
16 housing is unshakable, but I also recognize that over
17 these decades the resources for public housing have
18 been withdrawn and like Willie Sutton, NYCHA has to
19 go where the money is and the money is in RAD in
20 Section 8.

21 So, when I think about the future, I wouldn't
22 call it another plan but a reworking and a
23 continuation and an enhancement, an amplification and
24 a building on the old planning as foundation for a
25 continued and new approach. Yes, we are hard at work

1
2 at doing that, but it is the enormity of the need
3 that is driving us to continue to focus on any ways
4 that we can find to support NYCHA and the residents.

5 CHAIRPERSON AMPRY-SAMUEL: Thank you. So, the
6 same way the Mayor released his housing New York 2.0
7 plan, which was an updated version of the previous
8 housing plan because of the on growing need for
9 additional affordable housing and just housing
10 overall in New York, and looking at what you just
11 mentioned, a need to – a continuation or an
12 evolution to the previous NextGen plan. In order to
13 be able to have something that's formalized that is
14 released to the public for review. In order to be
15 able to hold NYCHA or the administration accountable
16 in a level of transparency, I'm asking about the
17 previous NextGen document that was some 168 pages
18 long or however the amount of pages the document was.
19 Will we be able to see in the actual formal plan that
20 is put in writing, that is signed off on, that has
21 been you know, feedback from elected officials and
22 residents to make sure that the new plan makes sense
23 and something that we can all look at and review and
24 hold NYCHA and the City accountable for? Will we be
25 able to see a formalized plan?

1
2 STANLEY BREZENOFF: All I can say to that is
3 amen. That's exactly our intention, planning is
4 underway, we are doing consultations, interactions,
5 getting feedback, talking to people, elected
6 official, others about their ideas, their insights,
7 their evaluation of the work to date. I would like
8 to touch on every possible resource as we engage in
9 this process.

10 CHAIRPERSON AMPRY-SAMUEL: Do you have a
11 timeframe?

12 STANLEY BREZENOFF: Soon. I am really hopeful
13 that before the end of the month in to December, we
14 will have completed lots of the discussions and be
15 able to start putting out approaches that can be
16 tested in the court of public opinion as you will.

17 CHAIRPERSON AMPRY-SAMUEL: Okay, thank you. So,
18 at the start of this hearing, we heard from the
19 residents and the first representative of the
20 residents that we heard from was Ms. Nimmons from
21 Wyckoff Gardens. In the NextGen 1.0 plan and in your
22 comments, you referred to homes in Wyckoff under the
23 50/50 plan, can you provide us with an update on what
24 occurred during the resident engagement process for
25 homes and for Wyckoff Gardens?

1
2 STANLEY BREZENOFF: I can't give you a
3 description but perhaps Ms. Sherman can describe what
4 the process was like.

5 SIDEYA SHERMAN: Sure, good morning.

6 CHAIRPERSON AMPRY-SAMUEL: Good morning.

7 SIDEYA SHERMAN: So, our process for engaging
8 residents around real estate development projects has
9 been pretty consistent across the programs and the
10 portfolio. When we first have intention of
11 development, we start with a conversation with the -

12 CHAIRPERSON AMPRY-SAMUEL: Can you just talk
13 about the 50/50, because we're going to ask about
14 engagement with RAD. We're going to ask about
15 engagement with 100 percent affordable, so I just
16 need for you to provide us with specific information
17 about your engagement process around 50/50.

18 SIDEYA SHERMAN: Sure.

19 CHAIRPERSON AMPRY-SAMUEL: Thank you.

20 SIDEYA SHERMAN: So, with the 50/50
21 developments, there was engagement with Residents
22 Association, multiple meetings with the community,
23 there was door to door canvassing, lobby meetings, and
24 there were stakeholder committees that were formed
25 towards the tail end of the process to provide

1 guidance throughout. The process with Holmes is much
2 further along obviously, the developer is on the
3 ground and their continuing that engagement with
4 residents and at Wyckoff we are still at the phase of
5 developer selection but haven't proceeded with any
6 work at this point.

8 CHAIRPERSON AMPRY-SAMUEL: So, because there is
9 a difference between Holmes and Wyckoff, can you go
10 into more detail about Holmes then?

11 SIDEYA SHERMAN: Sure, so with Holmes, there was
12 a stakeholder committee that was formed when the
13 developer was selected, there were a series of open
14 house sessions essentially, where residents were able
15 to come out and meet the developer, hear more detail
16 about their plans. During the engagement process, we
17 heard loud and clear from residents that they wanted
18 to make sure that there was a new playground and more
19 public space and so there was a specific engagement
20 process with residents and the developer. In
21 particularly the children of Holmes to be able to
22 plan that space and so that seating areas and public
23 space as well as the playground and so that process
24 has continued, and it is a combination of NYCHA and
25 the developer since the developer is on board there.

1
2 CHAIRPERSON AMPRY-SAMUEL: Can you discuss –
3 just give us just some insight as to whether there
4 were any issues that arouse during the engagement
5 process with residents because I know you just
6 mentioned what was done, but can you just speak to us
7 about the issues and concerns that came out of that
8 process?

9 SIDEYA SHERMAN: Sure, so I would say that by
10 and large across our portfolio, residents certainly
11 have concern about new development, new construction
12 on their campus, density, they have concerns about
13 that as well and that certainly occurred during the
14 process at Holmes. We have worked to mitigate those
15 concerns. We also work to have a process where
16 residents could codify their feedback into a
17 community principals document that was part of the
18 RFP that developers responded to, and as a developer
19 has come on board, we've worked hand and hand to
20 address any day-to-day issues that residents may have
21 and so, the purpose of the open house was so that
22 they can meet and get to know the development team,
23 that they appoints a contact within our office as
24 well as with the development partners. So, as issues
25 emerge, they are able to address them.

1
2 CHAIRPERSON AMPRY-SAMUEL: Were there any issues
3 that arouse during the actual RFP process? Like,
4 input from the resident that was included into the
5 actual language of the RFP? Because Ms. Nimmons
6 mentioned, and I know she's with Wyckoff Gardens, but
7 she mentioned that the conversations and discussions
8 that took place during the engagement process, some
9 of that language was included in the RFP but not
10 necessarily what the residents wanted. So, can you
11 just explain to us issues that arouse related to the
12 language of the RFP?

13 SIDEYA SHERMAN: Sure, so within the RFP, there
14 is a community principles document which is a summary
15 that really codifies the information that was
16 collected from the community visioning sessions and
17 so, that is what was in the document.

18 Residents, even amongst themselves right, may
19 have different opinions about what they believe to be
20 priorities, even in the visioning sessions and so,
21 the document is really a reflection of the consensus
22 that was in the room and then again, once the
23 developer comes onboard, they would discuss those
24 principals further in the actual project.

25

1
2 CHAIRPERSON AMPRY-SAMUEL: Okay, when will the
3 deal finally close?

4 SIDEYA SHERMAN: At Holmes?

5 CHAIRPERSON AMPRY-SAMUEL: At Holmes.

6 SIDEYA SHERMAN: So, we can get you the timeline
7 for that. Spring 2018, 2019 sorry. Spring 2019.

8 CHAIRPERSON AMPRY-SAMUEL: Spring 2019, because
9 I know there was some reports in the media that there
10 was a possibility of closing December of 2018 or into
11 spring of 2019 and so, we just want to make sure is
12 nothing going to happen in 2018?

13 STANLEY BREZENOFF: No, it's going to happen
14 Spring 2019.

15 CHAIRPERSON AMPRY-SAMUEL: Okay, and what
16 expected improvements will residents see if and when
17 these deals are finalized with 50/50?

18 SIDEYA SHERMAN: So, obviously there will be
19 some significant capital improvements within the
20 building as well as some potential improvements to
21 the units. There are some campus improvements in the
22 case of Holmes in particular, there were seating
23 areas and playgrounds that were requested by
24 residents, and so the goal of the program is to be
25 able to put financial resources back into the

1 building to address systems, apartment issues, as
2 well as site improvements.

3
4 CHAIRPERSON AMPRY-SAMUEL: Okay, so when Ms.
5 Nimmons made a comment about the \$40 million need for
6 you know, one of the developments but a \$18 million
7 commitment. So, can you just give us some insight as
8 to what those concerns are actually about and whether
9 this developer has made comments at all about
10 assisting with the repairs that are needed within the
11 developments? It's two different questions but their
12 kind of tied together.

13 SIDEYA SHERMAN: So, I'm going to turn to Matt
14 Charney, who is our director of construction.

15 CHAIRPERSON AMPRY-SAMUEL: That would be great.

16 SIDEYA SHERMAN: Thank you.

17 MATTHEW CHARNEY: Good morning.

18 CHAIRPERSON AMPRY-SAMUEL: I have to swear you
19 in first. Please raise your right hand. Do you
20 affirm to tell the truth, the whole truth, and
21 nothing but the truth in your testimony before this
22 committee and to respond honestly to Council Members
23 questions?

24 MATTHEW CHARNEY: I do.

1
2 CHAIRPERSON AMPRY-SAMUEL: And please state your
3 name and position.

4 MATTHEW CHARNEY: Matthew Charney, Director of
5 New Construction for Real Estate Development, the New
6 York City Housing Authority. I'm sorry, could you
7 just repeat the question that you asked to Ms.
8 Sherman earlier?

9 CHAIRPERSON AMPRY-SAMUEL: Well actually, you
10 can just start from what expected improvements will
11 the residents see when these deals are finalized and
12 with that, can you touch on the testimony that Ms.
13 Nimmons described about the amount of money that's
14 coming in from the deal and the amount of actual
15 capital repair needs for the development?

16 MATTHEW CHARNEY: Sure.

17 CHAIRPERSON AMPRY-SAMUEL: And then the third
18 part of that question was, have any of the developers
19 expressed interests or a level of expertise to assist
20 NYCHA in the renovation of the development? And we
21 have been joined by Council Member Mark Gjonaj as
22 well as Council Member Ben Kallos and Council Member
23 Kallos, we're actually talking about Holmes right
24 now, so this perfect timing.

1
2 MATTHEW CHARNEY: Yes, so, first to the repairs,
3 we have started to initial scoping at both Wyckoff
4 and Holmes Towers. So, we do have the physical needs
5 assessments that we're working off of as background,
6 but we have started to do walk throughs of the
7 physical buildings with residents recently at Holmes.
8 I believe it was last week we conducted inspections
9 of apartments of about ten percent of the units
10 there. So, we don't know what the actual repairs are
11 going to be yet. We have committed to working with
12 the Resident Associations and residents there before
13 and with NYCHA capital, obviously before any repairs
14 are finalized. So, we don't know what those repairs
15 will be exactly, but we have committed to working
16 with residents on those.

17 We have also been very upfront that there are
18 some things that are critical repairs to the
19 buildings that will have to be addressed first, such
20 as life safety issues and building exterior issues,
21 main building systems.

22 On the amount of money at Wyckoff Gardens as Ms.
23 Nimmons was saying earlier, I think she had said that
24 you know, the amount of money is not enough. We do
25

1
2 select all of our developers on a competitive
3 criterion through a competitive RFP process.

4
5 Any development team that submits a proposal and
6 passes the threshold criteria are evaluated on a
7 number of criteria. There are five categories in the
8 Wyckoff RFP specifically financial return to NYCHA
9 being one of those. So, it's not that we wouldn't
10 want more money for repairs, absolutely, but we do
11 have to select from the RFP's that we received.

12 As part of the RFP review process, we worked
13 with the stakeholder committee and residents of
14 Wyckoff Gardens. We did share those proposals with
15 them, redacted versions of the proposals which
16 included the potential trajectory returns to NYCHA
17 and that's a part of our process that we've committed
18 to on the NextGen Neighborhoods plans, and then third
19 part -

20 CHAIRPERSON AMPRY-SAMUEL: Before you go through
21 the third part -

22 MATTHEW CHARNEY: Yeah.

23 CHAIRPERSON AMPRY-SAMUEL: Can you just explain
24 why Holmes is a little further along than Wyckoff in
25 this process and they started at the same time?

1
2 MATTHEW CHARNEY: Sure, and I do want to just
3 correct something for the record that Ms. Sherman
4 said, we have selected a developer at Wyckoff Gardens
5 Arker and Two Trees. Holmes was selected first just
6 because of continued resident engagement I think, and
7 the process took a little bit longer at Wyckoff.
8 Also, Wyckoff Gardens, in order to build the proposed
9 development, we'll need to get through ULURP process
10 for an up zoning. So, that process takes a little
11 bit longer time in predevelopment.

12 CHAIRPERSON AMPRY-SAMUEL: Okay, and the
13 developer for Holmes is?

14 MATTHEW CHARNEY: It's Fetner Properties.

15 CHAIRPERSON AMPRY-SAMUEL: And for Wyckoff?

16 MATTHEW CHARNEY: It's a partnership between
17 Arker and Two Trees.

18 CHAIRPERSON AMPRY-SAMUEL: Okay, now you can
19 proceed to the third part.

20 MATTHEW CHARNEY: Yeah, and so to your last
21 question on development, involvement and capital
22 repairs, it wasn't part of the original RFP or the
23 part of the concept for the program, but we are
24 exploring the ability of the developers who are
25 selected to work with their general contractors to

1
2 actually perform the repairs. We've talked about
3 that to residents. We think that there is a lot of
4 efficiencies to being able to do that but we're
5 working through that process to see if that's
6 possible.

7 CHAIRPERSON AMPRY-SAMUEL: Alright, thank you and
8 I know that the developer submitted a testimony for
9 this hearing and so that's available for the record
10 and because my colleague, Council Member Ben Kallos
11 is here and this is his district, and I don't think
12 it really makes sense to go through all my questions
13 and then turn around and ask Council Member Kallos
14 for his questions. Council Member Kallos if you
15 would like to chime in and ask questions about this
16 particular deal, please do so.

17 COUNCIL MEMBER KALLOS: Thank you to our NYCHA
18 Chair. Alicka Ampry-Samuel for her leadership on
19 this issue and for indulging me. I had a bunch of
20 questions, but they just got sidelined.

21 In your testimony you just mentioned lead
22 remediation at Holmes, this is something that I'm
23 hearing for the first time in five years as an
24 elected official. How many units and how many common
25

1
2 spaces have tested positive for lead as well as
3 surrounding soil and environment?

4 MATTHEW CHARNEY: We will get back to.

5 COUNCIL MEMBER KALLOS: You just said that the
6 top priority at this site is lead remediation. This
7 is a crisis that this administration has been
8 dodging. You do not get to come to this hearing and
9 say, you'll get back to me. What is the current
10 condition?

11 MATTHEW CHARNEY: To restate what I had said for
12 the planned use of proceeds from the NextGen
13 Neighborhoods program, we will work with residents on
14 the intended use of funds in capital repairs. There
15 are some things that have to be prioritized such as,
16 life safety issues, major building system issues.

17 COUNCIL MEMBER KALLOS: What are the lead safety
18 issues on site? And this is not stuff that is
19 supposed to be coming from NYCHA infill, this is
20 something to come from a federal court order on this
21 point. This is not a we'll take care of the lead
22 when we have money, it's we fix it now and we don't
23 cover it up anymore. What is the answer?

24 STANLEY BREZENOFF: So, I'm going to jump in
25 although this is not an area of expertise. I think

1
2 that what was being conveyed is that attention would
3 be paid in the review of the condition of the
4 apartments to whether or not there was any lead
5 question. I do not think it was meant to imply
6 knowledge about a lead remediation.

7 MATTHEW CHARNEY: I didn't mention lead
8 specifically.

9 COUNCIL MEMBER KALLOS: We can get you a copy of
10 the transcript. You said lead before I did and that
11 is a problem especially given these administrations
12 multiple instances of claiming you did not have
13 knowledge. Along the same lines, there has been an
14 application at the Department of Environmental
15 Conservation for brownfield remediation at the
16 development site at Holmes infill which is a
17 playground. What brownfield conditions exist on a
18 playground where children living in public housing
19 play?

20 MATTHEW CHARNEY: I don't know what conditions
21 exist. There has been an application filed and if
22 there's conditions that need to be remediated during
23 the environmental testing, that program helps with
24 funding, it could help with that remediation.

1
2 COUNCIL MEMBER KALLOS: Do you think there's a
3 problem with having children playing on a playground
4 on brownfield sites that have been unremediated?

5 MATTHEW CHARNEY: I can't speak to that.

6 COUNCIL MEMBER KALLOS: I can't hear you.

7 MATTHEW CHARNEY: I can't speak to that.

8 COUNCIL MEMBER KALLOS: Forgive me, if the
9 acting Chair can tell me whether or not children
10 should be playing in brownfield sites that haven't
11 been remediated. This is a straight values question.

12 STANLEY BREZENOFF: That's an easy one. I'm not
13 for children playing in brownfields of any kind.

14 COUNCIL MEMBER KALLOS: Thank you.

15 STANLEY BREZENOFF: What I would undertake to do
16 is find out the reason for the application that's I
17 think what your question is. Why is there an
18 application around Brownfields and I will find out
19 and get back to you today?

20 COUNCIL MEMBER KALLOS: Thank you. So, how much
21 money is the developer inclined to get from the DEC
22 for brownfield remediation if there is in fact an
23 underlying condition?

24 MATTHEW CHARNEY: I don't know.
25

1
2 COUNCIL MEMBER KALLOS: Okay, so let's talk
3 about money for a second because that's extensively
4 why this is happening. How much money is the
5 developer giving for their 99-year lease?

6 MATTHEW CHARNEY: The proposal that was selected
7 is approximately \$25 million for the term of the
8 ground lease.

9 COUNCIL MEMBER KALLOS: And that's for a 99-year
10 lease?

11 MATTHEW CHARNEY: Correct.

12 COUNCIL MEMBER KALLOS: And what is the tax
13 value over that 99 years cumulatively that the city
14 is forgoing?

15 MATTHEW CHARNEY: I don't have that information
16 right now, but we can get back to you.

17 COUNCIL MEMBER KALLOS: This project has been in
18 play for several years, you do not know the tax
19 consequences - will the developer have to pay taxes?

20 MATTHEW CHARNEY: I can get back to you on more
21 specifics of the tax structure, of the plan
22 development.

23 COUNCIL MEMBER KALLOS: I need the NYCHA
24 president interim acting to please step in. You are
25 at a Council hearing on this topic. The Charter says

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2 you may not show up and claim ignorance and not
3 answer any of our questions. This is like the third
4 time I'm asking a question and you're just saying,
5 you'll get back to us.

6 STANLEY BREZENOFF: I don't really need the
7 instruction. I have been in this field for 50 years.

8 COUNCIL MEMBER KALLOS: I appreciate that, so
9 can you give me answer? What is -

10 STANLEY BREZENOFF: So, I do not know. It is
11 not a question of whether I had the information. I
12 do not know what the tax commitment is from the City
13 of New York, not from NYCHA for these developments
14 and I will find out. NYCHA does not grant the tax
15 exemptions.

16 COUNCIL MEMBER KALLOS: Does NYCHA pay taxes for
17 the land it occupies to the City?

18 STANLEY BREZENOFF: No.

19 COUNCIL MEMBER KALLOS: Okay, do you know what
20 the tax value is for the Holmes site that is deferred
21 from tax liability?

22 STANLEY BREZENOFF: For the new building you
23 mean?

24 COUNCIL MEMBER KALLOS: For the whole site or
25 the new building.

1
2 STANLEY BREZENOFF: No, I don't think that there
3 is a tax value for the Holmes NYCHA site. I don't
4 think there is because we don't pay taxes.

5 COUNCIL MEMBER KALLOS: If somebody is building
6 200 units of luxury housing, would they normally pay
7 taxes for it?

8 STANLEY BREZENOFF: I don't know, that's a
9 question to the department of finance. I do not know
10 how property taxes are set.

11 COUNCIL MEMBER KALLOS: Would you disagree with
12 me if I told you that every luxury developer in the
13 City of New York pays real estate taxes on their
14 developments? That's just how it works by default.

15 STANLEY BREZENOFF: I know that there is such a
16 thing as real estate taxes. I do know that for much
17 of the new development in New York City, there are
18 agreements as to what level of tax is paid over what
19 period of time. It is not uncommon for there to be
20 long term tax abatement agreements with the City in
21 order to encourage building. It's a matter of public
22 policy. I do not know how this building would fit in
23 to that picture.

24 COUNCIL MEMBER KALLOS: Okay, so the first thing
25 that we do is we offer tax as money - and that's

1
2 money the City doesn't get to spend on paying for
3 NYCHA to do work elsewhere, so I believe that at this
4 site, the tax abatement on a 99-year lease exceeds
5 the \$25 million in income that you're going to get.

6 The next question is, is NYCHA, HPD, HDC, or any
7 other city entity providing the developer here as
8 part of their terms with any subsidy?

9 STANLEY BREZENOFF: I do not know. What I do
10 know is that this developer was selected on the basis
11 of a competition that was heavily focused on dollar
12 benefits and that this proposal had the greatest
13 amount of dollar benefits for NYCHA. That's all I
14 know.

15 COUNCIL MEMBER KALLOS: I will tell you that
16 your predecessor when we had a hearing in the
17 previous term, did come equipped with these numbers,
18 so there should be somebody sitting with you from
19 NYCHA who can tell us this. Do you know if there is
20 any state money beyond EC that is going to be coming
21 to support this project? More state money that won't
22 be available to NYCHA as a whole?

23 STANLEY BREZENOFF: I'm sorry what's the phrase
24 available to NYCHA mean?

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2 COUNCIL MEMBER KALLOS: So, we only have a \$89
3 billion budget, and if we're handing a billion
4 dollars to a developer, that's a billion dollars I
5 can't give to NYCHA.

6 STANLEY BREZENOFF: On the assumption that we're
7 first in line.

8 COUNCIL MEMBER KALLOS: I am Co-Chair of the -
9 that's not funny. I'm Co-Chair of the progressive
10 caucus, I'm sitting here with multiple progressive
11 caucus numbers and you've actually been our priority
12 in the City Council for the past five budget cycles
13 and you have been at the top and we have pushed and
14 advocated with every single speaker to increase the
15 amounts of money that NYCHA is getting. A half a
16 million New Yorkers need this money. The City is
17 being one of the worst slumlords in the world and
18 like, we can and must to better. It is not a
19 laughing matter. So, and I'm just getting more
20 frustrated here because the answers to these
21 questions should be in the public record. Do you
22 know when you're closing on this project, that you
23 don't know any of the finances for?

24 MATTHEW CHARNEY: So, we do expect there to be
25 an HPD subsidy in this deal and HDC bonds. The

1
2 finances aren't finalized yet, but that is the
3 expectation and we expect to close on this in the
4 spring of 2019.

5 COUNCIL MEMBER KALLOS: So, previously it was
6 reported that you were planning to close in December
7 2018, and now spring 2019.

8 MATTHEW CHARNEY: Correct.

9 COUNCIL MEMBER KALLOS: Okay, and so in terms of
10 the HPD and HDC financing, what are the term sheets?
11 What are the maximum amounts of subsidies per unit?

12 MATTHEW CHARNEY: I would have to allow HPD and
13 HDC to speak to their programs and subsidies and
14 bonds.

15 COUNCIL MEMBER KALLOS: Do you know the names of
16 their programs because their term sheets are public?

17 MATTHEW CHARNEY: I know that in the RFP we had
18 instructed developers to go by the L term sheets, the
19 L terms have changed since the original RFP but
20 again, I'd have to let HPD speak to their programs
21 and their subsidy.

22 COUNCIL MEMBER KALLOS: Were there multiple
23 locations considered for this NYCHA infill?

24 MATTHEW CHARNEY: There was. At Holmes Towers?

25 COUNCIL MEMBER KALLOS: Yes.

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2 MATTHEW CHARNEY: Yes, yes there was, there was
3 three.

4 COUNCIL MEMBER KALLOS: Were their locations
5 considered that would not have had a building casting
6 a shadow on the NYCHA tenants?

7 MATTHEW CHARNEY: No. There is going to be
8 shadows from any new development there would be
9 shadows and affects, impacts, to the NYCHA buildings.

10 COUNCIL MEMBER KALLOS: Which directions do
11 shadows usually get cast when you're standing in New
12 York City, do they cast south or north?

13 MATTHEW CHARNEY: Do shadows get cast south or
14 north?

15 COUNCIL MEMBER KALLOS: Yes, when you're
16 standing in the City, which way do shadows go north
17 or south?

18 MATTHEW CHARNEY: It depends on what time of
19 year it is. The sun in the winter is coming from the
20 south, so the shadows would be heading more
21 northerly.

22 COUNCIL MEMBER KALLOS: Okay, so the shadows are
23 cast northerly. Were there any sites that were in
24 play that would not have cast - So, one of the sites
25 selected is southerly to the two Holmes Towers. Were

1
2 there any plots, were there any locations that were
3 available that were northern to the Two Holmes
4 Towers?

5 MATTHEW CHARNEY: There was, one of the sites
6 was northern to the two Holmes Towers correct.

7 COUNCIL MEMBER KALLOS: And so, if a building
8 was built to the north of two public housing towers
9 on a parking lot that obstructed the views of a
10 luxury Glenwood Tower, would that cast a shadow on
11 the two Holmes Towers to their self?

12 MATTHEW CHARNEY: At certain times of year,
13 probably. I don't know the exact shadow studies. I
14 will say though that there's a lot of considerations
15 in site selection when picking a site for a new
16 development other than just shadows. We also talk to
17 residents during our engagement process about which
18 site was preferred and the site that was selected was
19 the one that was preferred by residents.

20 COUNCIL MEMBER KALLOS: And so, I've seen those
21 preference studies. Are you willing to commit under
22 oath that there was a majority that selected the
23 playground over the parking lot?

24 MATTHEW CHARNEY: I will say that I participated
25 in them and led them. It was not a scientific voting

1
2 process, it involved colorful dots with the people
3 who wanted to participate. I would say that the
4 majority of people that I spoke to there and
5 interacted with and spoke with those sessions
6 preferred the site that was selected.

7 COUNCIL MEMBER KALLOS: I would ask you to enter
8 it into the record because anyone who looks at the
9 dots will see an even distribution across all three
10 sites. That's what I saw and that's what I've heard
11 from folks in the different meetings. Basically, if
12 you met with somebody and their view was obstructed,
13 that's where they want, but there was one place that
14 when you look at morals and values and just one of
15 the questions and I've been watching Good Place too
16 much, but one of the questions is, how can you do the
17 least harm? That is one of the ways to make
18 decisions and in one place, you put it in a place
19 where it's going to cast a shadow on two buildings
20 and put all of the low-income NYCHA tenants in the
21 shadows of the wealthy, or you can put it to the
22 north and block the views of people living in luxury
23 housing and not really anybody else and not leave
24 anyone in public housing and shadows.

1
2 I want to thank the chair for this. My last
3 question is, the City's been criticized for having
4 buildings with poor doors. The City's been
5 criticized for putting low-income people on the base
6 of towers under the wealthy. Will there be an equal
7 distribution, equal units so that on the top floor of
8 this building if there's four units, two are low-
9 income, two are - I would love it all to be
10 affordable housing but that it will actually be equal
11 50/50 down the line, two and two?

12 STANLEY BREZENOFF: So, I don't know what the
13 plan is.

14 MATTHEW CHARNEY: So, we have committed to
15 affordable units on every floor. I can't say that
16 there will be a complete equal distribution in a lot
17 of mixed buildings. I think in the RFP and I would
18 have to double check this, but I think that we're
19 required affordability on 60 percent of the floors
20 was the requirement and it's often typical of mixed
21 income buildings, but I'd have to double check on
22 that. I will say that what we've committed to is
23 affordable units on every floor of the building.

24 COUNCIL MEMBER KALLOS: So, just an affordable
25 unit on every floor, not equal?

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2 MATTHEW CHARNEY: Affordable units, there might
3 be some floors that have more.

4 COUNCIL MEMBER KALLOS: But the more expensive
5 units and what have you, there is no commitment to be
6 equal?

7 MATTHEW CHARNEY: We've committed to having
8 affordable units on every floor and the affordable
9 units and -

10 COUNCIL MEMBER KALLOS: Do you think that the
11 wealthy units there will be no poor doors, they'll
12 share all the immunities, it will be an equitable,
13 affordable building. Do you think that rich people
14 should get to live on top of the poor people units
15 and be able to see the light now while the poor
16 people get to stare at other buildings in the
17 shadows?

18 MATTHEW CHARNEY: I personally do not.

19 COUNCIL MEMBER KALLOS: What is the position of
20 NYCHA? Will NYCHA take your position that we're
21 going to put the low-income units up top and we can
22 put the luxury units on the bottom?

23 MATTHEW CHARNEY: We've committed to affordable
24 units on every floor of this building and that's all
25 the detail I can go into right now.

1
2 COUNCIL MEMBER KALLOS: I appreciate it. I will
3 reserve my questions for second round. I will ask
4 NYCHA if somebody can get on a cell phone and call
5 somebody who has answers, so we don't have to wait
6 for later today. If you need HPD, they work right
7 across the street in 253 Broadway. There is no
8 reason why over the course of the next sets of
9 questions you're going to get, you can't get somebody
10 here who can answer any of my questions please.

11 CHAIRPERSON AMPRY-SAMUEL: Thank you Council
12 Member Kallos and I just want to point out that we
13 all understand the need and the urgency and whats
14 happening with NYCHA, but we don't want to get into a
15 position where you're not getting everything that you
16 possibly can with these deals and a lot of times you
17 know, when we have a commitment we just follow
18 through and it might not necessarily be the best way
19 forward. So, thank you Council Member Kallos for
20 those questions because that's something that the
21 residents constantly report back to us on a daily
22 basis and so, please have those questions answered.

23 Now moving into 100 percent affordable. Under
24 NextGen and you've already listed in your statement,
25 Van Dyke, Ingersoll, Sumner, Melrose, La Guardia,

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2 **[inaudible 1:32:52]**, and Harborview were selected for
3 the 100 percent affordable. Please provide us with
4 an update on each of the developments that are listed
5 under the 100 percent affordable deals. Can you
6 provide us with an update on where we are in the
7 process?

8 MATTHEW CHARNEY: So, I'm sorry, specifically
9 which developments were you wanting an update on?

10 CHAIRPERSON AMPRY-SAMUEL: The 100 percent
11 affordable.

12 MATTHEW CHARNEY: Sure, give me one second.

13 CHAIRPERSON AMPRY-SAMUEL: That includes
14 Ingersoll, Van Dyke – and this is a great opportunity
15 for the public to understand what's happening but
16 it's also an opportunity for Council Members because
17 a lot of times our Council Members are also not
18 necessarily in the know as to what's happening in the
19 district.

20 MATTHEW CHARNEY: So, for – I'll talk about the
21 development starting with the first round of RFP's
22 that was –

23 CHAIRPERSON AMPRY-SAMUEL: And can you speak
24 into the mic?

1
2 MATTHEW CHARNEY: Sorry, yeah, I was reading at
3 the same time. I'll start with the first round of
4 RFP's it was released after NextGen NYCHA plan.

5 CHAIRPERSON AMPRY-SAMUEL: Okay.

6 MATTHEW CHARNEY: So, that was Ingersoll Houses
7 in Brooklyn and Van Dyke Houses and Mill Brook Houses
8 in the Bronx. Ingersoll and Mill Brook are both
9 under construction, senior housing developments for
10 about 300 units totaling for both of those. They
11 should both be done I believe this year. I think
12 Ingersoll is scheduled for this summer with Mill
13 Brook a little bit later. The Van Dyke Houses is
14 scheduled hopefully to close at the end of this year
15 with construction starting early next year and that's
16 approximately 180 units.

17 Our next round of 100 percent RFP's was for two
18 sites in the Bronx Betances V and Betances VI. Both
19 of these developments were identified - development
20 sites were identified as the Mound Mount Haven Choice
21 Neighborhoods planning grant. NYCHA did not
22 ultimately receive an implantation grant for those
23 developments but we went forward with the development
24 plans that were including in the Mound Haven plan.
25 So, Betances V is a senior building of approximately

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2 - I'm sorry, let me check my numbers, I think its 150
3 units. Yeah, approximately 150 units of senior
4 housing at Betances v. That's being developed by a
5 non-profit breaking ground. Betances VI we're
6 actively going through a ULURP process to Up Zone
7 that site for approximately 100 units of family
8 housing at that site.

9 The third round of RFP's was Twin Parks West, a
10 developer selected and working in predevelopment for
11 that project. Sumner Houses which is a senior
12 building of approximately 200 units at Sumner Houses
13 in Brooklyn, as well a developer has been selected
14 there and is working on predevelopment work.
15 Morrisania Air Rights in the Bronx so similarly, a
16 developer has been selected working on predevelopment
17 activities and then at Harborview Terrace which was
18 the fourth of those developments, a developer has not
19 been selected yet. We have received responses to
20 that RFP. Harborview was mentioned earlier in the
21 testimony from our residents and then Senior's First,
22 an RFP which was released last November for three
23 sites at Baruch Houses. At Sotomayor Houses, and at
24 Bushwick II, responses have been received for those

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2 RFP sites as well and we expect to designate
3 development teams by the end of the year.

4 CHAIRPERSON AMPRY-SAMUEL: So, every development
5 that you mentioned in the update, we actually had
6 throughout our research and I know that there's been
7 a significant number of changes or the concept of
8 evolving and so, do you anticipate any changes to
9 this list or the process itself or the timelines
10 based on where we are right now in 2018?

11 MATTHEW CHARNEY: Right. I mean, as alluded to
12 earlier, Harborview - there has been discussions of
13 exploring alternative purposes there but no decisions
14 have been made yet that would change our current
15 plans.

16 CHAIRPERSON AMPRY-SAMUEL: Okay, so with that
17 being said, because I have the representative of
18 Harborview here, Council Member Rosenthal, do you
19 have any questions about Harborview?

20 COUNCIL MEMBER ROSENTHAL: Thank you Chair, I
21 appreciate that. So, I just want to reiterate for
22 the record that there was an opportunity to do the
23 Harborview 100 percent affordable deal many years
24 ago. There were proposals submitted and I know
25 conversations got quite far with a couple of the

1
2 bidders and as the Council Member who now represents
3 that district, I'm disappointed that those RFPs were
4 not executed. You know the original intent which
5 took 14 years to develop on behalf of the people who
6 live in NYCHA who represent representatives of the
7 community board, representatives of affordable
8 housing tenants all came to an agreement with the
9 city that Harborview would be the location of 100
10 percent affordable building as part of the Hudson
11 Yards deal, many years ago. So, I want to be clear
12 for the record that, that was the deal that was made.
13 There's a bid that's waiting to be executed. I don't
14 understand why it's not just still in this packet,
15 this list of buildings that are going to be 100
16 percent affordable.

17 MATTHEW CHARNEY: I'm sorry, so the question
18 was, why is it not moving forward as 100 percent
19 affordable? I think we have looked at options there,
20 potential other options for development while still
21 adhering to the commitment that was made for
22 affordable housing in the 2005 points of agreement
23 for Hudson Yards, but again, no decisions have been
24 made.

25

1
2 COUNCIL MEMBER ROSENTHAL: But does that mean
3 that - really, just for the record, so an agreement
4 that was signed by an administration understandably
5 not yours, that is open can be reopened? I'm not a
6 lawyer.

7 STANLEY BREZENOFF: So, why don't we cut right
8 to the heart of the question. Yes, there is that
9 historic agreement, but the possibility has been
10 raised and there are discussions going on, we are all
11 aware of them. So, we may as well ascribe them.
12 Where this site is seen as having potential that
13 perhaps was not thought of at that earlier point of
14 generating much needed dollars for that NYCHA
15 enormous capital need with the potential of putting
16 those resources into the host development of the
17 site. Those discussions are ongoing with no
18 resolution at the moment. In the interest of
19 transparency, I should note for the Council that my
20 personal view on everything including Harborview is
21 that every possible dollar should be extracted for
22 NYCHA. I understand that others will not have that
23 view, but I want the Council to know it is my view.

24 COUNCIL MEMBER ROSENTHAL: Thank you Chairman.
25 You know, there are so many reasons to hesitate and

1 we don't have to spend a lot of time there. There
2 are lots of other developments and issues but for the
3 record, you know I'm listening to the Council Member
4 from the east side talk about possible lost
5 opportunity for more revenue, right? Developments
6 where deals are struck, where it could be that the
7 city is giving away the store and you know, with
8 those questions being raised and now thinking about
9 this site, you know, I've never - in the deals that
10 I've worked on with developers, I think I've
11 extracted quite a bit for the community. Made sure
12 that apartments were fully the affordable apartments,
13 fully integrated into the building, on every floor,
14 with every good view for the affordable units.
15 Making sure there weren't two door entrances. Making
16 sure there was similar access to all immunities, like
17 truly making it a respectful environment and I would
18 wonder, do - you know, again, with full transparency
19 of course, we've talked about this with you. Do you
20 have a developer in mind for this site already or do
21 you have knowledge of a developer who would want to
22 bid, and do you have ideas already in your mind about
23 what the terms of that agreement would be?
24

1
2 MATTHEW CHARNEY: No. The only developers that
3 we have would be the ones that responded to the 100
4 percent affordable RFP, so no we don't have any
5 information about who would potentially be interested
6 in developing a -

7 COUNCIL MEMBER ROSENTHAL: And do you internally
8 have any decisions about how many affordable units?
9 Whether or not those units would go toward the
10 Harborview tenants and their families as originally
11 agreed to? Whether or not any commitments that were
12 originally made would be kept?

13 MATTHEW CHARNEY: Sure, I think that when we had
14 spoken that we had presented a number of different
15 proposals. Again, no decisions have been finalized,
16 there's things - it definitely would include
17 affordable housing in the project. It has been
18 recent policy for all of our NYCHA new development
19 projects that our residents receive preference for 25
20 percent of the affordable units and we expect things
21 like that to carry through and we can talk about
22 other ways to improve the program. We want to do as
23 much for our residents with these new developments as
24 possible.

1
2 COUNCIL MEMBER ROSENTHAL: So, given that there
3 is a really good proposal on the table for the
4 original agreement for 100 percent affordable, I just
5 want to share with you as Council Member who
6 represents that district. I am in full support of
7 that proposal and full support of it moving through
8 immediately in order for you to have additional
9 numbers for affordable housing for people who need it
10 immediately and we're ready to go with that original
11 agreement and I'm happy to vote yes on that proposal.
12 Thank you.

13 CHAIRPERSON AMPRY-SAMUEL: Thank you Member
14 Council Woman Rosenthal. So, can you explain to us
15 what occurred during the resident engagement process
16 for the 100 percent? The previous question was about
17 the process for 50/50, so can you now walk us through
18 the engagement process for the 100 percent?

19 SIDEYA SHERMAN: Sure. So, the engagement
20 process for 100 percent is similar to the process
21 used for 50/50 where we start by first engaging the
22 Resident Association, door to door canvassing with all
23 of the units, all the residents who are in impacted
24 units and then we move to resident meetings. So,
25 these are informational meetings, topical meetings

1
2 and then again, into a community visioning workshop
3 where residents are able to state their preferences
4 and priorities. That feedback goes into the
5 community principles document which is part of the
6 RFP.

7 CHAIRPERSON AMPRY-SAMUEL: Can you explain the
8 difference in the engagement process between 50/50
9 and 100 percent?

10 SIDEYA SHERMAN: Sure, so one distinction is in
11 the 50/50 process. We took the extra step of forming
12 these stakeholder committees and that was really in
13 response to what we heard from residents and so, at
14 the 100 percent affordable sites, we didn't have
15 those committees formed. We could form those
16 committees if residents were interested by there was
17 much more of an interest amongst residents who were
18 in the sites that had a potential for market rate and
19 so, as we have developer selection, we bring
20 developers on board to have similar open house
21 process and then they would work with NYCHA to engage
22 the residents and the Residents Associations
23 throughout.

24 CHAIRPERSON AMPRY-SAMUEL: Can you give us a
25 sense of with everything changing and this evolution

1
2 or evolving previous process? Can you talk to us
3 about some of the lessons learned from the previous
4 engagement process and what are you going to do
5 different moving forward?

6 SIDEYA SHERMAN: Sure, definitely. So, I think
7 we you know, have really focused our meetings on the
8 topics and the issues and concerns that residents
9 find to be priority. We've also prioritized the door
10 to door outreach and the conversations with residents
11 at their doors and in their homes, so that we are not
12 only asking residents to come to meetings, but we're
13 coming to them and making sure that they have
14 information. We have form stakeholder committees in
15 the past. I think the composition amongst the
16 different developments has changed. At Holmes, I
17 think it's been the majority of the people who are
18 part of the Residents Association. At Wyckoff there
19 were a mix of community advocates, the community
20 board, other stakeholders and I think we would defer
21 to residents to define the composition of those
22 committees moving forward. We also have really
23 worked to make sure that we have a process for
24 developers when they come onboard, so that they have
25 clear expectations about participation in meetings,

1
2 making themselves available to residents and that we
3 continue to be partnered with them as they engage -

4 CHAIRPERSON AMPRY-SAMUEL: So, just hearing - I
5 know you were in mid-sentence. Just hearing from
6 what the residents stated before your panel, I mean
7 before your testimony, how they felt about the
8 engagement process and just what happened at Holmes
9 Tower. Can you just speak to - like just give us
10 some examples of what you will do different. You
11 know, just based on whats actually been - what really
12 did happen? And I'm asking that because - can you
13 provide us with some level of assurance as to why the
14 residents should trust the process moving forward
15 with everything that's happening right now?

16 SIDEYA SHERMAN: Sure. So, Holmes obviously was
17 one of our first, is our first project and that
18 actually proceeded what is now a community
19 development department that is exclusively focused on
20 engagement and so, a lot of the lessons learned from
21 Holmes where we had concerns from residents where we
22 wanted to make sure that their input was part of the
23 process have now been formalized into what we do for
24 engagement. So, for instance, the concept of the
25 community visioning and the principles document was

1 something that was new when we started that process
2 at Holmes and it's been refined, and it is part of
3 the process that we have now. I think we are very up
4 front and transparent with residents when we pursue
5 development and being clear about the fact that NYCHA
6 has intentions to either build a new building or to
7 go with their preservation program and we are clear
8 about what the steps are in the process. The
9 opportunities to provide input as well as what the
10 timeline is and so we certainly have used those
11 lessons learned where there were challenges at Holmes
12 and at Wyckoff to have a process that is more
13 consistent across our portfolio and we also have a
14 dedicated team now that is engaging residents across
15 the real estate portfolio.

17 CHAIRPERSON AMPRY-SAMUEL: You know, I have to
18 say you did that very successfully with our review
19 tenants. So, we go back ten years, it was really a
20 great resident engagement process and you came up
21 with a really great proposal and everyone agreed to
22 it. So, my problem in talking to any tenant is you
23 know, I'm dispirited about anyone participating
24 because here we are fourteen years later and now all
25 of those hours are gone to waste because the

1 administration sees now that the site could be a
2 money maker. You know, today's - you know, the whole
3 City is getting gentrified. So, five years from now
4 at that site on the upper east side, it's going to be
5 worth three times as much money. So, why would a
6 resident want to engage if given the history of
7 residents who engaged and then got the rug pulled out
8 from under them?
9

10 SIDEYA SHERMAN: So, in the example of
11 Harborview in particular, I understand yes that there
12 was a significant engagement process and it went well
13 over a decade and so, we are looking to start a
14 conversation about the potential alternatives for
15 that site given the enormous need at NYCHA, in
16 particularly the need at Harborview. It doesn't mean
17 that we wouldn't be able to necessarily honor our
18 commitments around affordability, but we do know that
19 the need across the authority is critical and we are
20 looking to start that conversation with residents.

21 COUNCIL MEMBER ROSENTHAL: Alright, as a Council
22 Member representing that district, I can't share with
23 the Chair or any other Council Member confidence
24 about the process ending where people think that it
25 ended. You know, and I fight very hard and ask my

1
2 residents all the time to get engaged and I find this
3 very dispiriting. Thank you, thank you Chair.

4 CHAIRPERSON AMPRY-SAMUEL: Okay I have one more
5 question on the 100 percent and then we're going to
6 go into RAD. What expected improvements will
7 residents see during the process or when these deals
8 are finalized, and can you explain the difference
9 between what's happening - what the residents can
10 expect under 50/50 and what the residents can expect
11 under 100 percent affordable?

12 MATTHEW CHARNEY: Yeah, with the affordable -
13 with our affordable housing deals, there largely
14 financed and subsidized by the city of New York or by
15 the State of New York. We don't expect them to
16 generate much revenue to the Housing Authority. It
17 is more about creating more affordable housing units
18 for more New Yorkers. We have in previous deals
19 received a split of the developer fee. It was
20 alluded to Van Dyke by Ms. Kenner. We also
21 currently, it's our expectation to get a small amount
22 of acquisition payment for the land. Usually that's
23 anywhere between a million dollars to two million
24 dollars for the affordable housing developments which
25 we have committed to putting back into the host NYCHA

1 MATTHEW CHARNEY: To create affordable housing.

2 CHAIRPERSON AMPRY-SAMUEL: Okay, and can you
3 speak to what Ms. Kenner mentioned earlier in her
4 testimony about funding going towards funding that
5 was generated, the little piece of funding that was
6 generated from that 100 percent affordable deal and
7 some of that money being utilized to renovate or
8 purchase furniture for the management office?
9

10 MATTHEW CHARNEY: Yeah, there was \$1.8 million
11 generated for – that money, we did work with Ms.
12 Kenner and property management and NYCHA operations
13 and capital there on the use of those funds. I can't
14 speak to the \$17,000 that Ms. Kenner mentioned.

15 CHAIRPERSON AMPRY-SAMUEL: Can someone speak to
16 the \$17,000 that was used to purchase furniture or
17 renovate the management office?

18 MATTHEW CHARNEY: We have a budget for the use
19 of those funds, so I can go back and see – I don't
20 think anyone has that now, but we can get back to you
21 on the \$17,000 for the management office.

22 CHAIRPERSON AMPRY-SAMUEL: Okay, because if the
23 Resident Association president was able to provide an
24 exact dollar amount, it would be helpful for somebody
25 to be able to answer that question, so that we can

1
2 move forward with the real level of resident
3 engagement and what the funds are really used for the
4 residents and not necessarily upgrading property
5 management offices.

6 MATTHEW CHARNEY: Yeah, and we have that budget
7 and I think — Ms. Kenner can correct me if I'm wrong,
8 but I think she was provided that budget, so we can
9 get that.

10 CHAIRPERSON AMPRY-SAMUEL: Alright, I was just
11 handed the actual spreadsheet, the automated list of
12 everything that was purchased and the dollar amount,
13 but we will go back to that. Alright, so under RAD,
14 can you just give us an overview of how many units
15 and sites does NYCHA plan to preserve in their RAD
16 deals and can you explain the difference again
17 between the actual RAD and PACT?

18 STANLEY BREZENOFF: So, the numbers in RAD
19 currently there was 15,000 announced and 26
20 additional thousand in a communication to HUD. So,
21 approximately 41,000 units have been put forth up to
22 this point and I'm not sure about the — what other
23 things are impacted?

24

25

1
2 CHAIRPERSON AMPRY-SAMUEL: Hold on, so the
3 41,000 that was put up to HUD, what does that mean?
4 The 41,000 that was put up?

5 STANLEY BREZENOFF: That's simply announcements
6 by NYCHA and the City as to an intent and the 15,000
7 are pretty much plotted out over time and the 26
8 additional thousand were communicated to HUD as our
9 intention to proceed with, but very, very early in
10 the day.

11 CHAIRPERSON AMPRY-SAMUEL: Can you provide us
12 with a list of all of the proposed sites, or that the
13 city put in their application to HUD for RAD sites?
14 Or RAD conversions or PACT versions?

15 STANLEY BREZENOFF: Yes, although I would have
16 into add that there is a - that this is subject to
17 change over time. We were seeking to alert HUD to
18 our intention and to sort of set a marker for future
19 claims on section 8 but I can supply you with a list
20 of the 41,000.

21 CHAIRPERSON AMPRY-SAMUEL: So, what will be
22 helpful to know why - so when you submitted the list
23 of proposed developments, why were those particular
24 developments selected?

1
2 STANLEY BREZENOFF: A variety of reasons but
3 when I say that this is early in the day, this is
4 very early in the day. This is more an approach to
5 the federal government, not a statement even of
6 absolute intention to pursue in the particular
7 development. So, they were selected on the basis of
8 conditions in the development, not much more than
9 that. No hard criteria.

10 CHAIRPERSON AMPRY-SAMUEL: It sounds like you
11 want to - do you want to add something?

12 MATTHEW CHARNEY: No.

13 STANLEY BREZENOFF: No, it was just noted
14 something that I had said in the testimony that we're
15 interested in scattered sites to because their very
16 inefficient to operate.

17 CHAIRPERSON AMPRY-SAMUEL: So, that would be
18 helpful to know because in -

19 STANLEY BREZENOFF: That's a small part -

20 CHAIRPERSON AMPRY-SAMUEL: But in some previous
21 conversations, there were meetings with resident
22 leaders in different developments and the
23 conversation was around your development might be
24 selected for RAD and they used explanations around
25 the number of capital repair needs and then it turned

1
2 into a conversation about maybe the tenement
3 buildings or the scatter sites would make more sense
4 in bundles and so, we were just trying to get an
5 understanding or a sense of the developments that
6 were listed. If there was any rhyme or reason even
7 though its preliminary, even though it can change,
8 but what was the rhyme or reason around -

9 STANLEY BREZENOFF: So scattered sites was a
10 part of it, smaller developments but we expect to do
11 more work, more discussion, more consultation on
12 which ones we're going to pursue. But yes, there
13 were efforts to focus on things that would make us
14 more efficient, easier to manage of the units, the
15 remaining units. There were criteria of that kind.

16 CHAIRPERSON AMPRY-SAMUEL: Alright, so now I'm
17 going to stop here, and I know that when we're
18 talking about RAD, Council Member Richards - I think
19 we've all been to your district and toward Ocean Bay
20 and so, we'll hear next around the questions from
21 Council Member Richard and followed by Council Woman
22 Barron because I also see that a few of her
23 developments are listed as well for upcoming RAD.

24 COUNCIL MEMBER RICHARDS: Thank you Chair Samuel
25 for the excellent work that you continue to do in

1 this committee and to the Interim Chair, thank you
2 and first off I want to point out that as I always
3 say, RAD is not a perfect solution but it is a
4 necessary solution I think to the crisis we face if
5 done the right way and I think Ocean Bay certainly
6 has been a shining example on what we can accomplish,
7 even though there were kinks along the way and things
8 we had to work through on communication but truly,
9 you know, I spend a lot of time at the development.
10 I have family at the development and I can truly say
11 that we turn the tide there in a major way and that's
12 partly because of a strong partnership and outreach
13 efforts on your part, not just doing it the standard
14 way that I think NYCHA used to do but really
15 wholeheartedly trying to reach every tenant there and
16 I think that's partly why we've had success there.

17 So, I'll add on that and I think the Chair
18 alluded to this a little bit. So, you submitted new
19 sites to HUD and one of the challenges and I think
20 sometimes NYCHA shoots themselves in the foot,
21 because if you get it right the first time then you
22 don't have to come to hearings and necessarily get
23 beat up all the time in this way. But you're seeking
24 to do something good, but I think the outreach on it
25

1
2 prior to submission to HUD would've got you a little
3 bit more by on I think from local residents who will
4 now find themselves on the list. So, I would just
5 urge you to do what you did at Ocean Bay, get to
6 folks early, make sure they are aware, make sure that
7 their giving the facts on the program, so that you
8 know, you can have more of a tangible and better
9 discussion along the way.

10 So, I think the Chair asked this question, but I
11 wanted to know, how did you arrive at the conclusion
12 of the submissions that you did put into HUD that the
13 new submissions and what consultation did you have
14 with electives or communities prior to that
15 submission?

16 SIDEYA SHERMAN: Sure, so as the Chair mentioned
17 you know, NYCHA pursued sites that were primary
18 scattered sites or had a few hundred units that would
19 be suitable for RAD and when we provide notice to
20 HUD, it is with respect to residents, it's the
21 potential for RAD at the site. So, the engagement
22 would be different then when we know for a fact that
23 RAD is coming, where we would start that engagement
24 with the Resident Association.

1 The process that we've had in place for that is
2 just providing notice that NYCHA is submitting a
3 letter of intent and as we have details as to whether
4 these units would actually be in the pipeline and if
5 there is a bundle, that the Resident Association and
6 the residents would then be specifically engaged
7 around RAD at their development. This is with the
8 understanding that some of these units maybe many,
9 many years out and so there was notice around the
10 intent but not necessarily specific engagement with
11 tenants.
12

13 COUNCIL MEMBER RICHARDS: But not notice to the
14 tenant, so has every Tenant Association been alerted
15 that their development has been potentially put into
16 this pipeline?

17 SIDEYA SHERMAN: So, within the new bundles,
18 yes.

19 COUNCIL MEMBER RICHARDS: So they now have
20 because I know when we spoke, and I think NYCHA got
21 to me after the submission and we certainly alerted
22 some of our tenant presidents to that because we
23 believe in transparency, so I think once again you
24 know, you would go - it will go a long way if we got
25 it right early on even before you speak to us. I

1 mean the Tenant Associations would be the ones that
2 the tenants in tenant Association - I'm saying Tenant
3 Association but the tenants and the tenant
4 associations, they would have the responsibility to
5 also get that information out to their residents.
6 So, I'm just hoping as this dialog continues that you
7 keep that in mind.

9 Where are we at with the HUD process? So, you
10 submitted, when do we anticipate we'll hear back from
11 HUD?

12 STANLEY BREZENOFF: So, HUD is something of a
13 mysterious universe but we're in dialog with them and
14 we expect that dialog to continue as Sideya noted,
15 this is the beginning of what can be and is likely to
16 be in many, many ways a very long process. So, we're
17 optimistic. I did note that we have several thousand
18 units about to close or a plan closing next year.
19 One group is closing -

20 COUNCIL MEMBER RICHARDS: RAD sites?

21 STANLEY BREZENOFF: Yeah.

22 COUNCIL MEMBER RICHARDS: Okay, so you're
23 anticipating next year, do you know when?

24 STANLEY BREZENOFF: Well, one is closing today.
25

1
2 COUNCIL MEMBER RICHARDS: Oh, one is closing
3 today, which one is that?

4 STANLEY BREZENOFF: Twin Parks West.

5 COUNCIL MEMBER RICHARDS: Everybody's happy
6 about that in that counter.

7 STANLEY BREZENOFF: Just checking to see if
8 there's any problem.

9 COUNCIL MEMBER RICHARDS: And you've done the
10 outreach - robust outreach efforts that you did in
11 Ocean Bay Housing. Okay, so we're going to continue
12 that model. It wasn't a one stop shop.

13 STANLEY BREZENOFF: That was the mirror, and
14 this is an ongoing process with HUD. They cannot -
15 Section 8 is subject to federal appropriation,
16 congressional appropriation. So, long term
17 commitments in writing are very difficult but it's
18 important to note that this reflects a policy change
19 that's been occurring in Washington over several
20 presidential terms and that Section 8 is where there
21 appears to be continued financial support whereas
22 Section 9 continues to be diminished.

23 COUNCIL MEMBER RICHARDS: Yeah, and your
24 financing structure, are you still going to use the
25 low-income tax credit, the same strategic - outside I

1 don't think you'll see some FEMA, Sandy dollars
2 attached to most of the deals which are tax exempt
3 bonds I'm assuming. Do you see DACR playing a role
4 here as well, the state playing a role?
5

6 STANLEY BREZENOFF: We will explore and work
7 with every opportunity. Some of the things you
8 alluded to are highly competitive, but we will be
9 pursuing with ZON Energy.

10 COUNCIL MEMBER RICHARDS: Okay, and tenant
11 protections along the way, so can you just speak to
12 how were going to ensure that residents don't feel
13 like they'll eventually get pushed out? What is your
14 part? What partnership are you developing with non-
15 profits perhaps as you close out these deals and I
16 know that was something important for us in Rock
17 Aways, I think we work with legal aid and partly
18 because as tenants switch from Section 9 it is, to
19 Section 8, we know that there's always complications
20 and paperwork, so how are we going to ensure that as
21 these come on line that -

22 STANLEY BREZENOFF: And its new to the tenants,
23 this notion of Section 8. So, a good deal of
24 explanation, I'll let Sideya answer except to say
25 that there is a fundamental NYCHA commitment to those

1 principals and in fact, there was statement of RAD
2 principles that was developed in the course of this
3 that commits to and assures the protections but -

4
5 SIDEYA SHERMAN: Sure, so just to add to the
6 Chairs point, there was a RAD roundtable that was
7 convened while we were pursuing Ocean Bay to really
8 serve as a body of residents, advocates, legal aid,
9 enterprise convene the committee so that we would
10 have some principles as we move this program forward.
11 And so, in addition to like the actual involvement of
12 legal aid when we were closing at Ocean Bay,
13 residents have a number of protections that carry
14 over from Section 9 to Section 8, so they have the
15 right organize. They still have a right to
16 grievance process and hearings. They have a right
17 to operate their own businesses in their home and
18 many of the rights that public housing residents had
19 in Section 9 are carried over with the RAD conversion
20 and we also have carried those over with our unfunded
21 portfolio as well.

22 COUNCIL MEMBER RICHARDS: Alright, and what I
23 would suggest just as these deals are done and
24 especially for my colleagues who are going to go
25 through this process, making sure that local

1 organizations are at the table who understand and
2 know the communities are critical to the success of
3 this program, so I would really highly suggest that.
4 I have no other questions except, why did it take you
5 so long to get here? Why did it take so long for
6 NYCHA to arrive to the conclusion that RAD could
7 actually be something, which is not a perfect
8 solution, like I said, but that I think you know, it
9 could help correct a lot of those underlying
10 conditions that NYCHA residents are living with now?
11 So, with that being said, thank you so much for the
12 work. Like I said, its truly been transformational
13 to see how far the development has come and to see
14 residents finally smiling and who can sit outside
15 now.

17 So, I'm not here to sell the Brooklyn Bridge to
18 anyone, there were challenges along the way but at
19 the same time, with federal disinvestment and in an
20 understanding that we're never going to see anyone
21 riding in here on a horse with a lot of money with
22 \$30 billion or \$40 billion, it's a necessary
23 solution. I think a tangible solution that I think
24 can work for residents. So, thank you for the work
25 that you've done in Rock Aways, thank you.

1
2 CHAIRPERSON AMPRY-SAMUEL: Thank you Council
3 Member Richards, next we'll hear from Council Member
4 Barron followed by Council Member Chin.

5 COUNCIL MEMBER BARRON: Thank you Madam Chair
6 and thank you to the panel for coming. In terms of
7 the – what was the amount of money that was generated
8 through the Ocean Bay, that program. How much money
9 did the city get into its coffers based on that
10 program? What did it generate for the City, because
11 the public private partnership, right?

12 STANLEY BREZENOFF: So, I do not believe that
13 any dollars went directly into the city coffers.

14 SIDEYA SHERMAN: Yeah, so I would just add
15 specifically with the project in Ocean Bay because it
16 was a RAD project, the new investment goes right into
17 the development that's impacted for the repairs and
18 renovation. It's different then when we're building
19 new development for proceeds.

20 COUNCIL MEMBER BARRON: What was that dollar
21 amount?

22 SIDEYA SHERMAN: So, we can get that information
23 about the actual investment into the building. We
24 can get that dollar amount to you.

1
2 STANLEY BREZENOFF: So, I thought I saw it
3 earlier this morning when I was going over it here.
4 So, it raised 300 – the Section 8 leveraging in
5 effect raised \$325 million to repair and modernize
6 the 1,400 apartments.

7 COUNCIL MEMBER BARRON: Three hundred and –

8 STANLEY BREZENOFF: Twenty-five million.

9 COUNCIL MEMBER BARRON: \$325 million to
10 modernize the apartments?

11 STANLEY BREZENOFF: Yes.

12 COUNCIL MEMBER BARRON: So, the Section 8
13 leveraging went directly to that housing development
14 in Ocean Bay for that – is that the intent of all of
15 the RAD projects? That the money that gets leveraged
16 will go directly to that development?

17 STANLEY BREZENOFF: Yes.

18 COUNCIL MEMBER BARRON: How then will the City
19 look to get the money that it needs for the great
20 repairs that – I'm trying to get an understanding of
21 how this is benefiting us.

22 STANLEY BREZENOFF: Okay, so what – let's say
23 we've identified, although that's too strong a term
24 40,000 units to be converted in this way. So, those
25 units represent a significant part of the \$32 billion

1 of need that's in the projected needs assessment.
2 So, in effect, reducing that number through the RAD,
3 Section 8 financing. So, that's the most immediate
4 benefit, the most direct benefit on the thousands -
5 of tens of thousands of people who live in those
6 apartments. Secondly, not dollar for dollar because
7 over time, the Section 9 subsidy will come down but
8 for a considerable period of time it frees up
9 resources and the balance of NYCHA to be used for the
10 other buildings that as we know, have dire
11 compelling, urgent needs. So, that's really how it
12 works to the benefit of NYCHA. First, direct benefit
13 to the people who live in the effected buildings, the
14 1,400 units at Ocean Bay and as the program grows
15 which will happen over time, it frees up resources
16 within NYCHA to be applied to the remaining
17 buildings.
18

19 COUNCIL MEMBER BARRON: At this point we're
20 talking about 100 percent affordability at Camba, at
21 Van Dyke, the program Camba is operating, that's not
22 a bad - is that a bad program?

23 STANLEY BREZENOFF: No.

24 COUNCIL MEMBER BARRON: Okay, what program is
25 that?

1 STANLEY BREZENOFF: 100 percent affordability.

2 SIDEYA SHERMAN: So, its 100 affordable, it's in
3 construction.
4

5 COUNCIL MEMBER BARRON: It's the 100 percent
6 affordable and is that the 99-year lease? What are
7 the terms of the agreement with Camba?

8 SIDEYA SHERMAN: So, it's a ground lease.

9 COUNCIL MEMBER BARRON: I can't hear you.

10 MATTHEW CHARNEY: Matt Charney again, the new
11 Camba building was 101 units support of housing, new
12 construction building. So, that was built on land
13 leased from the authority to Camba who's the non-
14 profit development team and for that NYCHA received
15 \$1.8 million for an acquisition. Again, the 100
16 percent program is not really about making money,
17 it's about creating new affordable housing and that
18 project is a support of housing project. I'm not
19 sure exactly what the financing for that was, but it
20 was financed not unlike other support of housing
21 projects in New York City.

22 COUNCIL MEMBER BARRON: Just real quick, just a
23 point of clarification. Was that a lease or is that
24 one of the developments where NYCHA sold the land?
25 Was it a lease?

1
2 MATTHEW CHARNEY: I'll double check that for
3 you. It was in - I will double check that for you.
4 I'm not sure if it was a lease, we had previously
5 sold property under previous administrations. Our
6 current policy is all long-term ground leases. I'll
7 double check for you what -

8 COUNCIL MEMBER BARRON: So, perhaps there's
9 somebody who can find that out before your panel
10 leaves so that we can know whether that was leased or
11 whether that was sold.

12 MATTHEW CHARNEY: Yeah.

13 COUNCIL MEMBER BARRON: So, if it was sold, it
14 now no longer belongs to the City? Well, I'll ask
15 that question when you get that to me. To move to
16 the FHA Homes program, I think you said there was 75
17 that was sold or 29 were sold that are vacant and 133
18 that are occupied? Do we know at what price these
19 homes were sold and were they one family homes? Were
20 they two family homes and what was the selling price
21 for those homes?

22 STANLEY BREZENOFF: I do not have that in my
23 testimony as to the actual price. The reference was
24 sold by a not-for-profit 100 percent affordable.

1
2 SIDEYA SHERMAN: So, and if I can just jump in
3 here. So, we don't have the actual sale price for
4 each home, but they are all affordable home ownership
5 opportunities.

6 COUNCIL MEMBER BARRON: Affordable is a dangling
7 participle, it means different things to different
8 people. So, if you can give me a dollar amount, then
9 we would know if it is you know, affordable to whom I
10 guess is the rest of the question. So, affordable
11 doesn't give me the particulars that I need.

12 SIDEYA SHERMAN: Sure, so we can get that
13 information to you. There's a schedule based on the
14 AMI for the prices of those homes and we can provide
15 that to you.

16 COUNCIL MEMBER BARRON: And for the 133 families
17 that are presently still occupying those homes, whats
18 going to happen to them?

19 SIDEYA SHERMAN: So, for the 133 families that
20 are in the home, they are still NYCHA tenants. We
21 are looking to develop another home ownership for
22 those tenants and then there are obviously the homes
23 that are already with CBO partners who are rehabbing
24 and providing home ownership opportunities.

1
2 COUNCIL MEMBER BARRON: Were any of the homes
3 that were sold, sold to NYCHA residents?

4 SIDEYA SHERMAN: So, there were a number of
5 NYCHA residents who closed in the early portion of
6 the FHA program, which was a few years back. This
7 year, we've had five residents close so far on homes.

8 COUNCIL MEMBER BARRON: Okay, and so I would
9 just like to know again, what was the selling price?
10 In terms of the AMI, as we talk about the 100 percent
11 affordability, is there going to be a CAP? Is it
12 going to be offered to everyone or will it be CAP on
13 the AMI that will be available for persons who are
14 going to move into those homes - I mean into those
15 apartments? I'm moving now from the FHA.

16 SIDEYA SHERMAN: For our 100 percent affordable
17 developments?

18 COUNCIL MEMBER BARRON: Right.

19 SIDEYA SHERMAN: So, for the projects that we
20 have underway right now which for the market rate and
21 portion affordable, it's about 60 percent of the AMI.
22 So, for a family of three that's \$56,000 of annual
23 income.

24 COUNCIL MEMBER BARRON: So, a portion of the
25 units will be market rate?

1
2 SIDEYA SHERMAN: So, there's a program of 100
3 percent affordable units and then there is a program
4 where there is a portion that's affordable and market
5 rate.

6 COUNCIL MEMBER BARRON: Whats that program?

7 SIDEYA SHERMAN: And so that is our NextGen
8 Neighborhoods program which at this point we have one
9 project that is further along which is at Holmes
10 Tower.

11 COUNCIL MEMBER BARRON: Which is where, I didn't
12 hear you?

13 SIDEYA SHERMAN: In the upper east side at
14 Holmes.

15 COUNCIL MEMBER BARRON: Holmes?

16 SIDEYA SHERMAN: Yes, and some of the other
17 projects that you referenced were a part of our 100
18 percent affordable program.

19 COUNCIL MEMBER BARRON: Okay, so NYCHA has
20 decided that at this Holmes project, 20 percent of
21 the units I believe, are affordable up to 80 percent
22 of the AMI, is that what it is?

23 MATTHEW CHARNEY: So, its 50 percent of the
24 units up to 60 percent.

25 COUNCIL MEMBER BARRON: I'm sorry.

1
2 MATTHEW CHARNEY: Sorry, 50 percent of the
3 units. Half of the units for Holmes specifically up
4 to 60 percent of very median income.

5 COUNCIL MEMBER BARRON: And the other 50
6 percent?

7 MATTHEW CHARNEY: Market rate units.

8 COUNCIL MEMBER BARRON: Market rate and whats
9 market rate? What does that mean? How much can an
10 apartment go for at market rate?

11 MATTHEW CHARNEY: I think as much as anyone is
12 willing to pay.

13 COUNCIL MEMBER BARRON: The sky is the limit,
14 whatever the person, the developer can get, he can
15 get?

16 MATTHEW CHARNEY: I don't think there's any
17 limit to that, yeah.

18 COUNCIL MEMBER BARRON: So, in those buildings
19 and I think my colleague may have asked that question
20 also. What is the distribution of these units that
21 are affordable? Where's the location of these units?
22 If its 50/50, it would seem that half of them should
23 be throughout the building at the same location as
24 where these market rates are.

1
2 MATTHEW CHARNEY: We've committed to affordable
3 units on every floor.

4 COUNCIL MEMBER BARRON: But at 50/50, it would
5 seem that half on each floor should be market and
6 half on each floor should be affordable.

7 MATTHEW CHARNEY: What we've committed to is -
8 which is beyond what was asked for in the RFP is
9 affordable on every floor.

10 COUNCIL MEMBER BARRON: Then I think we were not
11 thinking in equity terms, to not say half of all the
12 units on every floor. Since the building is 50/50,
13 that half should be market and half should be what
14 you call affordable. Why would that not be the case?

15 MATTHEW CHARNEY: I think we're trying to strike
16 a balance between making a great new affordable
17 housing -

18 COUNCIL MEMBER BARRON: No, I think you're
19 trying to appeal to the developer who's got the
20 market rate going. That's what I think, and I think
21 you're not considering those percent of the people
22 who don't have that ability to pay \$5,000 for an
23 apartment.

24 STANLEY BREZENOFF: I think that what was at
25 work here is in the balancing that was suggested is

1
2 balancing the desire to have affordable apartments
3 and at the same time, have a project that generates
4 dollars that can go back into NYCHA. So, that's the
5 I'll call it the effort to woo the market rate
6 developer to do the project. So, it is a balancing
7 act and I was not here when it was done but I'm
8 pretty sure I'm correct in that the approach is
9 trying to marry those two things. Provide some
10 significant number of affordable apartments and use
11 the rest of the building to generate resources for
12 NYCHA.

13 COUNCIL MEMBER BARRON: I think NYCHA has
14 betrayed its mission by making this partnership with
15 developers that gives 50 percent for market rate.
16 Those are not - it's not an opportunity for people
17 who are really in desperate need of housing to
18 benefit and it's an attempt I think, or participation
19 by NYCHA at the effort of gentrification as some
20 people will call it. Because it's bringing in a
21 large number of people who are paying market rates
22 and it's going to trickle around into the community
23 in other areas nearby joining communities and raise
24 the rents there as well. So, NYCHA in my opinion, by
25 this program of allowing market rate units is

1 participating in gentrification – some call it ethnic
2 cleansing and bring in other elements, other
3 opportunities for people who have the ability to live
4 in many other areas and it's also, as someone has
5 said, many of these apartments are not being rented.
6 Many of them are vacant and not being used. I did
7 have some more questions, and it gets basically to
8 the question of how can NYCHA give us a plan for how
9 they are going to use the funds to address the
10 immediate health crisis that we're facing in terms of
11 lead, in terms of mold. How can NYCHA look to see
12 how we can – since we're getting this extra money now
13 or being able to leverage Section 8 and bringing more
14 money. How can we set a time table that addresses
15 these urgent health needs that the residents are
16 being subjected to?

18 STANLEY BREZENOFF: So, there's no net to NYCHA
19 from the RAD program directly. The benefits that you
20 are focused on, it is fundamental to our mission, is
21 directly addressed in the remodeling, the
22 rehabilitation that comes with RAD for – in this
23 case, the 41,000 units that we're talking about over
24 time in our current configuration of RAD. That goes
25 directly to the question of completely modernizing

1 and rehabilitating the apartments of 41,000 units.
2
3 Secondly, the resources that are freed up, both
4 capital and otherwise, can also be applied to the
5 continuing challenges that NYCHA has. That is the
6 underlying principle that we bring to all of these
7 questions. It's not that we ignore in our thinking
8 the crisis and the number of affordable units. The
9 fact that public housing used to be 100 percent
10 supported in all of its needs by the federal
11 government. We're acutely aware of all of that. We
12 regret that that's the case, probably no one more
13 than I. We are focusing on the remedies, the
14 programs that are available to us through public
15 policy. We didn't create the public policy and RAD
16 is the only program around that promises more dollars
17 for public housing. It may not even be their intent.
18 They may not care about public housing, but we see
19 Section 8 and RAD as the only vehicle for hundreds of
20 millions of dollars to come into NYCHA and we don't
21 see any other realistic avenue. That's what's at work
22 here.

23 COUNCIL MEMBER BARRON: Thank you. So, just to
24 rephrase my question then. How are the resources
25 that are being freed up from participating in RAD

1
2 going to be able to be applied to the lead
3 remediation or the mold? How are those resources,
4 since you're not going to give me a dollar amount,
5 how are those resources going to be applied to
6 addressing these critical health situations that
7 NYCHA residents are facing?

8 STANLEY BREZENOFF: So, paralleling our capital
9 efforts, we have very focused efforts on addressing
10 as much as we can. As much as the resources are
11 available but starting with the focus on those things
12 that effect the health and safety of tenants. We are
13 currently surveying 50,000 apartments. We have a
14 plan starting next year to survey 130,000 of our
15 apartments with XRF testing for lead and with the
16 ability and a commitment to address what we find in
17 the survey of these 130,000 apartments.

18 COUNCIL MEMBER BARRON: Okay.

19 STANLEY BREZENOFF: It's the first time that
20 this has been done and we will be able to identify
21 any lead hazards in those apartments and be able to
22 take action on those sorts of things.

23 COUNCIL MEMBER BARRON: Okay, and Madam Chair
24 thank you for your patience. One final question, it
25 indicates that boulevard houses and Linden House are

1
2 part of the pact unfunded units' program which will
3 be converted to Section 8. How is that conversion
4 taking place? Are you waiting until people leave to
5 make those conversions? Are you having some kinds of
6 offers to the present residents to have them agree?
7 How is that conversion taking place?

8 SIDEYA SHERMAN: So, the process that we use
9 across our PACT portfolio which includes RAD in these
10 buildings that are essentially unfunded units, has
11 been the same where we would bring in a development
12 partner who can make an investment in the unit. The
13 residents who live there will be the beneficiaries
14 and would be still tenants of that building and they
15 would convert from Section 9 to Section 8 tenants.

16 COUNCIL MEMBER BARRON: Is it optional for
17 tenants, for the residents to agree to Section 8?

18 SIDEYA SHERMAN: So, the entire building would
19 need to convert so residents would need to move to -

20 COUNCIL MEMBER BARRON: If they don't want to
21 are, they forced into it?

22 SIDEYA SHERMAN: So, if they - we need to make
23 sure that there is a subsidy for the apartment and
24 Section 8 -

1
2 COUNCIL MEMBER BARRON: If they don't want to
3 become Section 8, are they forced into Section 8?

4 SIDEYA SHERMAN: So, there is -

5 COUNCIL MEMBER BARRON: I don't understand Madam
6 Chair why its yes or no?

7 SIDEYA SHERMAN: So, if you live in the
8 apartment.

9 COUNCIL MEMBER BARRON: Yes.

10 SIDEYA SHERMAN: And there's a subsidy to the
11 unit, that subsidy will no longer come from public
12 housing. It will come to Section 8, so yes, every
13 tenant would need to convert to Section 8.

14 COUNCIL MEMBER BARRON: Thank you. Thank you,
15 Madam Chair.

16 CHAIRPERSON AMPRY-SAMUEL: Thank you. Council
17 Member Gjonaj followed by Council Member Chin.

18 COUNCIL MEMBER GJONAJ: Thank you Chair. So,
19 the more I sit in these hearings the more questions
20 that come to mind and it's so difficult to just even
21 understand and embrace the numbers of NYCHA. Whether
22 it be \$32 billion dollars for capital funding or the
23 \$3.4 billion in just operating and those numbers when
24 you translate them because nowadays when we talk in
25 the terms of billions, it no longer raises an

1
2 eyebrow. That \$3.4 billion dollars a year in
3 operating which is about \$19,200 a year per unit. Is
4 that number changing any time in the near future or
5 is that going to be a continued trend of increase in
6 operating budget?

7 STANLEY BREZENOFF: This year was a bit of an
8 aberration, unlikely to be repeated. There was a
9 slight increase in some operating funds, but I should
10 note that of the \$3.4 billion a significant part has
11 passed through for Section 8 subsidies. The
12 operating budget as it were is about \$2.4 billion, I
13 guess. I don't anticipate as a matter of continuing
14 support that the federal government will be providing
15 more dollars in any substantial way. So, on a
16 planning basis, we pretty much look at that number.
17 Maybe a little bit of inflation. It is against the
18 backdrop of about \$3 billion reduction over the last
19 decades.

20 COUNCIL MEMBER GJONAJ: And to that point the
21 \$32 billion which is approximately \$180,000 per unit
22 that's needed just for the envelope capital
23 improvements, is that number going to continue to be
24 increased year over year? Because less than six
25 months ago or seven months ago, we're talking about

1
2 \$19 billion which went to \$20 billion to \$25 and now
3 we're talking \$32 and perhaps by the end of the year
4 we'll be talking \$40 billion.

5 STANLEY BREZENOFF: So, we do have a capital
6 budget. We do have the RAD process going on which is
7 targeted at diminishing that capital needs
8 assessment, but the truth is that even as we apply
9 and RAD is the only thing in our arsenal that has the
10 potential of a scale wide impact on the number but
11 assuming we're able to go forward in the numbers that
12 we're talking about. That can have an appreciable
13 effect on the \$32 billion but that is also against
14 the backdrop of buildings that are more than a half a
15 century old on average and that are deteriorating
16 rapidly because of the history of this investment and
17 the increase in construction costs.

18 COUNCIL MEMBER GJONAJ: Mr. Brezenoff, I'm sorry
19 but the age of the buildings hasn't changed much in
20 six months and yet the projected capital funding
21 doubled in six months.

22 STANLEY BREZENOFF: The capital funding -

23 COUNCIL MEMBER GJONAJ: Yes, earlier in the year
24 we were talking numbers below \$20 billion.

25 STANLEY BREZENOFF: Oh yes, let me explain that.

1
2 COUNCIL MEMBER GJONAJ: Yes, please.

3 STANLEY BREZENOFF: Let me explain, okay, so the
4 earlier quotations were referring to a capital needs
5 assessment done five years ago. The capital needs
6 assessment is done every five years pursuant to HUD
7 guidance and regulation. The new number is the five-
8 year additional number and it's still a big increase
9 from the 2011 or 2012 to 2017. So, your point about
10 the rapid growth is right on but it didn't grow in
11 six months, its five years and the five year - the
12 combination of five years of deterioration and
13 escalating costs which we estimate to be about eight
14 percent a year brings you to that increase between
15 2011, 2012, and 2017 and in the intervening years
16 since 2017, older buildings, underfunded buildings,
17 will deteriorate a lot faster than other buildings
18 and the costs no doubt will go up. So, the answer to
19 your fundamental question is that the capital needs
20 have no place to go but up except for whatever
21 ability we have to directly attack the capital needs
22 of NYCHA.

23 COUNCIL MEMBER GJONAJ: So, Mr. Brezenoff, the
24 five-year capital projection of \$32 billion that was
25 done in 2017, based on what you just said, there is

1
2 no forecasting that we have — a forecasting formula
3 that could calculate within a reasonable margin of
4 error our future needs for capital spending?

5 STANLEY BREZENOFF: No, I didn't mean to imply
6 that. We can make estimates of what expenditure will
7 do for us. What continuing deterioration will do for
8 us, but we do the actual assessment every five years,
9 but we are mindful of the fact that the clock runs
10 against us.

11 COUNCIL MEMBER GJONAJ: So, help me better
12 understand this. Please talk to me in laymen terms
13 in the simplest terms. You have 177,000 units that
14 need operating and capital improvements. As we come
15 up with the formula and the funding that's needed for
16 this entire work to be done, what will that net
17 number be with the understanding that we'll be doing
18 the work now moving forward? What will this cost New
19 York City tax payers? What percentage of my budget
20 will we have to allocate to bring up NYCHA properties
21 to a livable condition and invest the money that's
22 needed to preserve and maintain public housing for
23 New York City residents?

24 STANLEY BREZENOFF: So, the \$32 billion of need
25 breaks down into four broad categories. There is

1
2 infrastructure, there's the structure of the
3 buildings, so roofs for example or boilers and
4 heating plants, kitchens and bathrooms is the third
5 category of great need in the projected needs
6 analysis that runs \$10 to \$12 billion. Another \$2 to
7 \$3 billion for grounds. So, we attach the highest
8 priority to the infrastructure of the developments;
9 roofs, bricks, heating plants, elevators, those are
10 in the first two of the four categories. The third
11 category is kitchens and bathrooms. The fourth is
12 the grounds. To the degree dollars are available,
13 the highest priority attaches to the first two
14 categories, but we try to direct money to the third
15 category of kitchens and bathrooms. The RAD program
16 would enable us to remove many of the units that
17 we're talking about but not a majority of them from
18 those needs. We also have dollars advanced by the
19 Mayor first time really in history that I can think
20 of where the City of New York has put up sizable
21 resources for NYCHA. We are awaiting some money that
22 is to come out of the state. The state legislature
23 put money in. We are directing that money to the
24 first two categories, so as an example; we have a
25 plan to do 900 roofs which at its conclusion at the

1 capital project over several years would bring us to
2 an acceptable life cycle for roofs. A big move
3 because that goes directly to our ability to control
4 mold. The condition of the roofs, it's a root cause
5 as it were, and we would be at a life cycle of 25 to
6 30 years. Although, that would require nearly \$100
7 million a year at its conclusion to keep it on an
8 acceptable life cycle.

9
10 We have money that is currently in stages of
11 being planned and expended for 187 boilers. We have
12 money as I say we expect from the state that would
13 enable us to do more boilers. Other money that the
14 Mayor has made available to us, we are dedicating to
15 elevators. So, we can look forward to a point and
16 time when there is considerable progress, but I
17 cannot look forward to a time at this moment where
18 the \$32 billion need is met.

19 COUNCIL MEMBER GJONAJ: Mr. Brezenoff, the
20 picture that you just painted is a downward spiral
21 and very grim and although you're relying on RAD and
22 Section 8 conversions which are simply not moving
23 fast enough for this to be a sustainable – for public
24 housing to remain sustainable. I'm not hearing
25 anything that would make me feel any more comfortable

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2 knowing that \$32 billion is not going to the answer
3 to our questions as you just put forth at the five-
4 year plan dating back in 2017 is already incorrect.

5 A year into this and four years from now, we're
6 going to be looking at a massive projected cost for
7 capital improvements, according to what you just
8 said. And \$32 billion is already massive, am I
9 correct in this?

10 STANLEY BREZENOFF: You're correct in saying
11 that time is not on our side and that there will be
12 further deterioration and the more rapidly we can
13 identify resources and put them to work, the better.
14 I certainly agree with all of that.

15 I think it is incumbent upon us to do the best
16 possible job we can do with the resources that we can
17 garner and fight as hard as we can to advocate for
18 more dollars and to hope for an outcome a week from
19 today that will give us a friendlier congress for
20 public housing. There's a lot that I can promise or
21 commit to or commit to working for over the course of
22 the next months and years. The one thing I can't do
23 though is create financial resources, but I can
24 commit to NYCHA doing the best possible job it can
25

1
2 with the dollars that we know we can get. With the
3 dollars that the Mayor has generously provided.

4 COUNCIL MEMBER GJONAJ: Which is nowhere enough.
5 It's just not enough.

6 STANLEY BREZENOFF: You're not going to get an
7 argument from me.

8 COUNCIL MEMBER GJONAJ: Right.

9 STANLEY BREZENOFF: You're not going to get an
10 argument from me. I accept what you're saying but I
11 can only commit to doing the best possible job with
12 the dollars we have.

13 COUNCIL MEMBER GJONAJ: Given the power, what is
14 the number of units that you would like to see and
15 through RAD when understanding the questions that we
16 have from the residents and there are many unanswered
17 questions. Paint the picture for us.

18 STANLEY BREZENOFF: So, there are issues about
19 capacity out there who would be willing to undertake
20 these projects. Supporting financial streams that
21 might be required, workforce issues and so on that I
22 can't begin to address but frankly, the more RAD that
23 we can do, the better.

24 COUNCIL MEMBER GJONAJ: Are you looking for 100
25 percent privatization of NYCHA? Is that the answer?

1 STANLEY BREZENOFF: No not privatization, no.

2 COUNCIL MEMBER GJONAJ: But RAD -

3 STANLEY BREZENOFF: RAD in New York City, I
4 won't speak to every other part of the country, but
5 RAD in New York City is not privatization. We have
6 applied all the rules of public housing, the
7 protections, the oversight, we retain ownership to
8 the land, we have monitoring responsibilities. It is
9 a public private partnership and that I do see, not
10 because I necessarily love it. I would love Section
11 9 to be restored in Washington. I would love the
12 federal government to apply the approach that applied
13 for many decades. I'm old enough to remember it, but
14 in the absence of that, sort of - I said this
15 earlier, Willie Sutton said he robbed banks because
16 that's where the money is, I'm going to RAD because
17 that's where the money is.
18 that's where the money is.

19 COUNCIL MEMBER GJONAJ: So, Mr. Brezenoff, then
20 the private, public partnership RAD is it the goal to
21 have 100 percent of all of our NYCHA units eventually
22 become part of the RAD program for NextGen.

23 STANLEY BREZENOFF: I'm not thinking in those
24 terms. I'm thinking in maximizing what we can under
25 existing limitations and I will take advantage of any

1
2 other opportunities that present themselves, either
3 from Washington or elsewhere. The goal is to have
4 100 percent redoing of our apartments. I don't have
5 a path to do -

6 COUNCIL MEMBER GJONAJ: But you don't have the
7 money which we go back to RAD as being the current
8 answer to Section 8 -

9 STANLEY BREZENOFF: But 40,000 is less than 25
10 percent of our stock and that what we have.

11 COUNCIL MEMBER GJONAJ: Just for the record, I'm
12 not opposed to RAD. I believe that we have to answer
13 many questions and shape the function of RAD for the
14 future to preserve public housing for generations to
15 come, but I want to hear it. So, yes, RAD is our
16 solution. RAD is what we're striving for. Let's
17 call it what it is, and it should be - it's your
18 opinion or your statement. Is it what you're looking
19 to achieve and if so, make it public so we can all
20 understand.

21 STANLEY BREZENOFF: So, I'm trying to be very
22 forthcoming. To speak in terms of 100 percent is
23 simply not realistic for a variety of reasons but I
24 am saying that to the degree that the number of RAD
25 units can be increased and its far short of 100

1
2 percent that's in the realm of possibility. I
3 believe we should maximize the use of RAD.

4 COUNCIL MEMBER GJONAJ: As we maximize RAD and
5 the units in 41,000 units of the 177,000, are we
6 going to expect our operating costs to come down for
7 the remaining units? Are we downsizing our
8 administration top heavy? Are we increasing the
9 services - that money, making sure that it finds into
10 those actual developments and into the up units and
11 those families that are impacted by -

12 STANLEY BREZENOFF: That is a very fair and well
13 targeted question. It is an essential component of
14 any substantial expansion of RAD that we reduce our
15 overhead across the board including central office
16 and so on, absolutely.

17 COUNCIL MEMBER GJONAJ: So, that's underway and
18 currently being -

19 STANLEY BREZENOFF: The thinking is underway, we
20 only have 1,400 units but your right. The question
21 is right on. There is simply no question but that as
22 RAD increases we will have the imperative of
23 streamlining and parallel to that.

24 COUNCIL MEMBER GJONAJ: I can't help but ask,
25 what is the hold off? Why are you blocking the

1
2 federal monitor? Wouldn't that actually help with
3 RAD and all of the other issues that are impacting
4 NYCHA?

5 STANLEY BREZENOFF: So, I'm just a poor
6 bureaucrat. I can't block anything.

7 COUNCIL MEMBER GJONAJ: You got the title, you
8 got to try to get paid the big bucks.

9 STANLEY BREZENOFF: No, I am not blocking just
10 for the record. The consent decree is in front of a
11 federal judge. The federal judge has not entered -
12 hasn't accepted the consent decree. What his thought
13 pattern is I'm not privy to. I have an experience
14 with many federal monitors. We have one at NYCHA
15 right now working on mold. I support the concept of
16 monitors for compliance purposes. I am dubious,
17 cautious about a monitor that is more like a
18 receiver. When NYCHA first got into the difficulty a
19 few years ago, HUD was asked whether or not to
20 provide a receiver to take over NYCHA and HUD ran out
21 of the room because it did not want - it did not feel
22 it could do what was involved in the responsibility
23 for operating a large sprawling, complex organization
24 like NYCHA.

1
2 Also, receivers generally bring with them
3 resources. It seems to me that this is a back-door
4 way to getting a receiver without the resources. So,
5 I don't want something that is redundant potentially.
6 I'm open to a monitor along the lines that I have
7 some experience with them here at NYCHA, in
8 corrections, in police, in mental health. I've seen
9 and work with many federal monitors and expect to
10 again, in a collaborative fashion and I support that
11 concept. What I do not want to see is a redundant
12 level of management at great cost that is not value
13 added. So, I've expressed myself on that but I'm
14 talking in the public forum. I have no influence at
15 all on what the judge decides.

16 COUNCIL MEMBER GJONAJ: Right, but you're being
17 quoted as not only blocking it but your concern that
18 if a monitor is appointed to manage - the powers that
19 that person would be given would cause bureaucratic
20 chaos. And I think that's -

21 STANLEY BREZENOFF: I don't think those are my
22 exact words, but I might have implied that. Look, I
23 can't - I never curb my thinking about these things.
24 I think it's a legitimate point of view that I have
25 that's based on years of experience in government and

1
2 in running large organizations. NYCHA's not the
3 first large organization that I've run. I understand
4 that we have compliance issues and that we have to
5 work hard to make ourselves compliant and I want to
6 see though any interventions as contributing to our
7 improvement, but that's all I'm after.

8 COUNCIL MEMBER GJONAJ: The Decree was signed
9 on, signed off by you I believe as well, correct?

10 STANLEY BREZENOFF: One of the signatures.

11 COUNCIL MEMBER GJONAJ: And it called for a
12 federal monitor?

13 STANLEY BREZENOFF: Yes. That's the forum
14 monitor.

15 COUNCIL MEMBER GJONAJ: So, why are we delaying
16 then? Why aren't we -

17 STANLEY BREZENOFF: I'm not honestly, you have
18 that wrong. This is in front of the judge, he has
19 had - the consent decree was applied to the court on
20 June 11th or 12th, I don't remember. We're now going
21 into November, so its five months and the judge is
22 considering it. I cannot tell you what the judge is
23 considering, but I suspect he has some reservations
24 about the structuring of the monitor ship, that's
25 just my speculation. I never talked to the judge, he

1
2 wouldn't want to talk to me. These are legitimate
3 questions. It isn't a question of whether or not
4 there is a monitor, I accept that and there will be a
5 monitor of some kind at some point. I question
6 whether it ought to be someone engaged in the day to
7 day management. So, honestly you could talk to any
8 student of government, they'd ask the same question
9 at least. I have a point of view about it. I
10 haven't been bashful about sharing that point of
11 view.

12 COUNCIL MEMBER GJONAJ: Whats the alternative?

13 CHAIRPERSON AMPRY-SAMUEL: Uhm -

14 COUNCIL MEMBER GJONAJ: This is my last
15 question.

16 CHAIRPERSON AMPRY-SAMUEL: And I would just
17 recommend that anyone who would like to provide
18 comments to the judge of the seventh district Judge
19 Pauley. He is actually reading an **[inaudible**
20 **2:56:22]** so, I would suggest if anybody would like to
21 share their thoughts or opinions or concerns about
22 the consent decree as well as the monitor itself,
23 please you can do so with the seventh district. In
24 closing or you can wait until second round for
25 questions because -

1
2 COUNCIL MEMBER GJONAJ: Nope, I'm just going to
3 close with my last question.

4 CHAIRPERSON AMPRY-SAMUEL: Thank you.

5 COUNCIL MEMBER GJONAJ: The definition of
6 insanity is doing the same thing over and over again
7 and expecting a different result. Your concern with
8 this monitor as having day to day - control of day to
9 day operations, I just can't understand the damage
10 when the damage is currently being done by this
11 authority day to day and its truly hurting and
12 damaging 400,000 residents depriving them of the
13 basic necessities, exposing them to lead, mold,
14 hazardous and irreparable damage and we're afraid of
15 transferring day to day operations to a monitor when
16 we, this authority - in the hands of this authority
17 is where all the damage is being done and that
18 includes the deception and the lies and everything
19 else.

20 STANLEY BREZENOFF: So, the authority is under
21 new management. I've been in this job five months.

22 CHAIRPERSON AMPRY-SAMUEL: One second. There is
23 an education hearing that was supposed to be in this
24 room in the Chamber and because we are going over
25 time, it had to be moved to the committee room. So,

1
2 if you're here because of the education hearing, you
3 can go next door to the committee room and please let
4 this be the final comment on this consent decree.

5 STANLEY BREZENOFF: I'm happy to make that the
6 final comment.

7 CHAIRPERSON AMPRY-SAMUEL: Thank you, thank you
8 for your questions and your passion.

9 COUNCIL MEMBER GJONAJ: Thank you Chair Woman.

10 CHAIRPERSON AMPRY-SAMUEL: And thank you for
11 your patience.

12 COUNCIL MEMBER CHIN: Thank you Chair. I know
13 we all have a lot of questions and thank you for the
14 opportunity to ask my question. Chair Brezenoff, the
15 first thing is that I made a request to NYCHA to the
16 former Chair along with the local elected
17 congresswoman, our borough president and our state
18 senator requesting a meeting to talk about La Guardia
19 Houses because their one of the sites for the NextGen
20 and there is supposed to be a 50/50 development but
21 there are a lot of questions and a lot of concerns
22 that we have. The request was made in March and then
23 we had to change, and I sent a request to you in
24 August again, asking for a meeting with the elected
25 and the resident of La Guardia to address the concern

1
2 and questions they have with this development that's
3 being proposed on their site. They don't even know
4 like; well how much revenue is NYCHA going to
5 generate? Is it going to be enough to cover the
6 costs of repair at their development because in La
7 Guardia last year during Thanksgiving all the way to
8 New Year, they were suffering from no heat, no hot
9 water, and we still have constantly you know,
10 elevator problem, outage. My office is almost like
11 the central complaint. Residents give their
12 complaint to us and we call into NYCHA.

13 We are here because we all believe that NYCHA is
14 the real affordable housing in the City and we have
15 to do everything we can to preserve it and to make
16 sure it's going to be available for generation to
17 come, and the resident at La Guardia, they want to
18 work whit you but they're not getting the information
19 and they're not getting the respect that they should
20 be part of this whole process. Even during the
21 engagement part, I know one thing that they asked for
22 a lot was how about a grocery store, an affordable
23 grocery store at that development because they don't
24 have any in that area. What we're getting in that

25

1
2 area Two Bridges is more luxury development coming
3 in, tall gigantic building.

4 So, residents are asking and we're not getting
5 the answer. So, I don't want to take up too much
6 time because I know my colleagues have a lot of
7 questions. Can I get a meeting in the next two weeks
8 with residents of La Guardia and our local elected to
9 address these concerns?

10 STANLEY BREZENOFF: So first, my apologies.
11 Honestly, I am not aware that your office has reached
12 out to me. I have certainly not seen the invitation
13 and I -

14 COUNCIL MEMBER CHIN: Well, your staff knows,
15 and they said, I got to go all the way up and that's
16 why I'm here today to see you.

17 STANLEY BREZENOFF: And I hear you, so I'm
18 apologizing because of my unawareness and I will get
19 back to later today with a date for us to get
20 together.

21 COUNCIL MEMBER CHIN: Okay, because it's going to
22 be with the other local elected and also, with the
23 resident leaders at LaGuardia. So that we can really
24 look at - and we also want to find out why - like
25 we're asking, and we really want a full comprehensive

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2 review that a lot of these NextGen developments
3 should go through a ULURP process and that would
4 allow for more full comprehensive review. So, thank
5 you Chair. So, I look forward to the meeting asap,
6 thank you.

7 CHAIRPERSON AMPRY-SAMUEL: Thank you. So, next
8 we have Council Member Menchaca followed by Council
9 Member Ayala followed by Majority Leader Cumbo.

10 COUNCIL MEMBER MENCHACA: Thank you Chair and
11 thank you for being here today and answering
12 questions. I wanted to bring up three different
13 topics and we're - I forget what hour we are now, so
14 I want to just get a sense of some of these pieces
15 and do some follow up with you afterward.

16 The first thing I want to talk about is just the
17 capital budget and this notion that you keep coming
18 back to that alleviated some pressure for me over
19 time that the RAD program is the only solution here
20 because it's the only place that has the money and I
21 want to just get a sense and put some numbers out
22 there if you have them in your head about what we are
23 doing in our capital budget as a whole and I think
24 you may understand this already, but our capital
25 budget is at the tune of \$70 some billion that we

1
2 approve in a four year plan. That was the most
3 recent capital budget. Out of that and correct me if
4 I'm wrong, about \$2.4 or 5 billion is earmarked for
5 NYCHA. A million of those is connected to the
6 consent decree, is that right?

7 STANLEY BREZENOFF: Yes.

8 COUNCIL MEMBER MENCHACA: Okay, and so just one
9 question that I have on that - that's dismal in
10 comparison what I think we were pushing for and being
11 part of BMT, we have been pushing for a larger amount
12 really led by the Chair Alicka Ampry-Samuel. When is
13 the last time you spoke to the Mayor directly and
14 asked for an increase in the capital budget for
15 NYCHA? Directly, I'm asking about you, yourself, and
16 your meetings with the Mayor?

17 STANLEY BREZENOFF: I have not asked the Mayor
18 for more City dollars for NYCHA.

19 COUNCIL MEMBER MENCHACA: Okay, that's important
20 for us as we talk about the kind of vision that we're
21 hearing from you. Will you join the City Council in
22 asking the Mayor for money from the City of New York
23 for repairs and the vision that you're trying to
24 explain to us today?

1
2 STANLEY BREZENOFF: My relationship as a City
3 Official is with the Mayor. Any discussions that I
4 have with him will be with the Mayor. Let me amplify
5 a bit.

6 COUNCIL MEMBER MENCHACA: Of course, that's the
7 only way that you can ask the Mayor.

8 STANLEY BREZENOFF: Let me amplify if I may. So,
9 I firmly believe that the primary responsibility for
10 NYCHA is the federal government and I will advocate
11 vigorously through whatever means I can to achieve a
12 greater support from the federal government. I also
13 believe that the state is the next natural supplier
14 of resources, but again, small compared to the
15 enormity of the federal responsibility.

16 As a former City Official, I know how weighty
17 the decision was for the City of New York to put up
18 the money that it has put up, that you alluded to.
19 It is a very big break with history and I would
20 worry, I would worry about giving the federal
21 government still one more reason to vacate the field
22 of support for public housing. I look forward to a
23 successful next Tuesday and maybe the beginning of a
24 new day.

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2 COUNCIL MEMBER MENCHACA: Amen, as you said
3 earlier today. That I give an amen to. Vote, vote,
4 vote, vote. Flip the ballet, vote, vote, vote.
5 Okay, so the thing that I want to – and there's two
6 other areas. The thing that I want to point out here
7 is that you just gave a personal vision for NYCHA and
8 the hierarchy of opportunity and you also said that
9 you work for the Mayor and so, this is what we're
10 talking about the Mayor. Does the Mayor share in
11 that vision that you just explained? Is that the
12 Mayor's vision or is that your vision on the kind of
13 lattice of opportunity for funding?

14 STANLEY BREZENOFF: So, after 50 plus years, I
15 never speak publicly for the Mayor. That's not
16 something –

17 COUNCIL MEMBER MENCHACA: Okay, you can hide
18 behind the veil.

19 STANLEY BREZENOFF: But let me respond. The
20 Mayor's actions speak louder than any words. You
21 alluded to the billions of dollars that he has put
22 forth for NYCHA. I have not known of a Mayor who has
23 been more supportive of the Public Housing Authority
24 than Mayor de Blasio. It's just a fact and I worked
25 for a Mayor for a number of years who was very

1
2 involved in housing but NYCHA was not one of the
3 priorities for any of the Mayor's that I've worked
4 for with good reason. They look to the federal
5 government. It's not a criticism of them. This
6 Mayor is putting resources up for NYCHA. There are
7 many competing demands on City resources that are
8 known today. There are many competing demands that
9 will emerge over the coming months and years. That's
10 what elected officials do. I spend the money.

11 COUNCIL MEMBER MENCHACA: Got it. Okay, this is
12 helpful because we're preparing for the next budget
13 and it's important to know where we're going to be
14 and I think it's troubling that we are banking on -
15 literally banking on the federal government with the
16 turmoil that we're in and we all know the trouble
17 we're in right now and it's a failing bet that we're
18 going to wake up one day and the federal government
19 is going to bail us out, and we have people and
20 Council Member Chin and everyone before her spoke to
21 the realities that we're dealing with. And so that's
22 a reality that I don't have to reiterate and we're
23 going to hear from testimony but that's troubling for
24 us and if we're committed to public housing, we're
25 going to have to be committed to public housing.

1
2 With the billions of dollars at the tune of \$70 some
3 billion that we give to our City for improvements,
4 NYCHA has to be a lot heavier in receiving funding
5 and if that's not met by our Mayor, then we have a
6 problem and we're going to have to make that clear.

7 Let's move over to the role of unions and
8 workers in general. What has been the conversations
9 in general or specific with unions across this
10 conversation about RAD and the privatization
11 conversation and just in general? Give us a sense, I
12 haven't heard from you on that.

13 STANLEY BREZENOFF: Conversations are ongoing.

14 COUNCIL MEMBER MENCHACA: What have been those
15 conversations? What have been the challenges? What
16 have been some of the things that you can tell us
17 today that offer them as a partner in this
18 conversation of improving the lives of our NYCHA
19 residents?

20 STANLEY BREZENOFF: There has been continuous
21 communication and there will be continuous
22 communication. As always, there are points of
23 agreement, points of potential disagreement, but the
24 discussions continue.

1
2 COUNCIL MEMBER MENCHACA: And where have been
3 the areas of disagreement? What kind of conceptual
4 items can you share with us?

5 STANLEY BREZENOFF: That's something else I
6 don't do. I don't discuss collective bargaining in
7 public.

8 COUNCIL MEMBER MENCHACA: Okay, alright and I
9 only allude to that because I think this another kind
10 of piece that we all have to understand and residents
11 have a right to understand those issues and I think
12 we're going to hear maybe from some - or me are
13 hearing from unions but it's an important thing to
14 talk about and understand in how residents can make
15 those voices heard across the board. And then next
16 is just residents themselves and the transparency
17 questions that we've been getting. There is one kind
18 of piece that I don't understand completely. That
19 you can help clarify and that's the role of our
20 tenant associations and the HUD regulations. Give
21 them full authority to make decisions in self-
22 determination and are any RAD programs, including
23 Council Member Richards and others led by community
24 as the principle generator of that discussion. Were
25

1
2 any RAD programs driven by the community? Driven by
3 our tenant associations and our residents?

4 SIDEYA SHERMAN: So, with the one RAD project
5 that we have and the projects that we had in the
6 pipeline, we start engaging with the resident
7 association based on the capacity.

8 COUNCIL MEMBER MENCHACA: Okay, so I'm just
9 going to pause you there. So, I guess the answer is
10 no. You all came to them and said this is what we're
11 doing. Can we have a conversation about it. What
12 I'm asking for is, and maybe this is a yes or no.
13 Did any resident associations come to and said this
14 is a great program, can we engage you on this? Was
15 there any resident association up until this point
16 today where resident associations have come to you
17 and said we want to start this discussion about RAD?

18 SIDEYA SHERMAN: Sure, so we certainly have
19 resident associations that want RAD at their
20 developments, right, so, there are resident
21 associations, some of whom are in developments are in
22 the pipeline where RAD has been requested. And to
23 the extent that we can align those needs with where
24 we can see the priorities, we've been able to merge
25 those. But your correct and there's a portion of our

1
2 pipeline that has started with NYCHA initiating the
3 conversation around where we intent to have a RAD
4 development. We start engagement with the resident
5 association, but we also engage residents broadly and
6 we also provide an opportunity for residents to
7 engage other residents who have gone through rehab or
8 RAD. So, this includes going out to Ocean Bay, out
9 to developments that have had Section 8 conversion,
10 so that they can speak first hand with other tenants
11 who have been through the process and get those
12 questions answered.

13 Once the development converts, residents still
14 have a right to organize and that same tenant
15 association would carry over and continue that
16 engagement as well, but there's a mix between based
17 on the resident association how active they are
18 within their development and whether they have come
19 to us requesting RAD.

20 COUNCIL MEMBER MENCHACA: And I just want to
21 point out that I think there's a real problem in the
22 leadership year of this Mayor and not just on RAD,
23 and we're talking about a lot of different projects
24 where there's a top down approach to concepts that
25 sound good and I think there's like a sauce or like a

1
2 Kool aid to be drinking here that we can all behind
3 but whats failed here, and some communities have
4 really prided themselves with a real sense of direct
5 participatory democracy that has failed completely
6 even though you have now resident associations are in
7 support. That wasn't how this started, and I think
8 we need to call that out. And then, I think one of
9 the things that's important to lay out and if you can
10 help us understand the climate change and resident or
11 NYCHA developments on the waterfront that were
12 impacted by Sandy, how much of what was happening in
13 the Rockaways in Council Member Richards district was
14 also supported by Sandy money that isn't going to
15 materialize in other spaces that need that funding
16 gap filled. Like the Rockaways, Coney Island, or Red
17 Hook.

18 SIDEYA SHERMAN: So, Ocean Bay is unique.
19 Obviously, it was a Sandy impacted site, so -

20 COUNCIL MEMBER MENCHACA: So, tell us exactly
21 how unique that was so we can understand the kind of
22 budget dynamics that are happening there that were
23 kind of unique to plan its aligning for that to
24 happen.

25

1
2 SIDEYA SHERMAN: Sure, so I can't speak
3 specifically to the finances with respect to Ocean
4 Bay, other than it was in an area that was already
5 impacted by Sandy. So, some of the resiliency work
6 was additionally supported through FEMA funding.

7 STANLEY BREZENOFF: So, just to answer more
8 generally because we're looking forward to what will
9 be a number of specific projects. Each one will have
10 its own story which I assure you will have as a major
11 component a tenant participation, but the financing
12 depends upon the needs to. How much is required to
13 bring the buildings into the state that we want them
14 to. So, depending on that, we have to create a
15 financing package that works with the developer and
16 so on. It happens that at Ocean Bay FEMA money was
17 available. Where its not available, depending on the
18 need, we will fashion what's required but each one is
19 somewhat unique, there are broad principles that will
20 be applied but each one is separate.

21 COUNCIL MEMBER MENCHACA: Okay, I'm done and all
22 I want to leave you with is the sense of – the thing
23 that can change this into more productive and
24 positive thing, is to allow residents to lead
25 themselves through this conversation and allow for

1 the resident associations to grapple with their
2 individual story and narrative from that neighborhood
3 and whatever is happening and allow them to tell you
4 how to move forward. And if that means that we bring
5 more capital budget from the City dollars, then we're
6 not going to wait for the leadership to wake up one
7 day, the Mayor, and say, oh we need to bring more
8 City dollars. These are the questions that we have
9 to ask ourselves as Council Members to figure out
10 where we put in our budget and when we're getting
11 either a no or a different vision from the Mayor and
12 saying, I'm going to wait for the federal government
13 or the state - who he has no good relationship with
14 or touch and go on a relationship. That's a failed
15 leadership vision and the City Council continues to
16 push and we fight against our own Mayor and his team
17 for that kind of capital investment and that needs to
18 stop and we need to stop that and we need to inject
19 the funding that's necessary because these are our
20 dollars and we have self-determination as a City of
21 New York and we have a lot of powers as a City
22 Council who will eventually adopt this budget.

23
24 So, I'm just hoping to speak to the rest of my
25 colleagues who are in agreement and hopefully force

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2 you all to just change your tune, change that vision,
3 and move in a different direction when it comes to
4 City funding to our NYCHA developments.

5 STANLEY BREZENOFF: So, in another forum I would
6 seek to engage you on that and at some length but let
7 it suffice to say that while I agree with the thrust
8 of where you want to go in terms NYCHA, obviously
9 that's my job, my duty. I don't agree with much of
10 what you say about whats at work here. The
11 complexities of finance, the obligations of the City
12 for another time.

13 COUNCIL MEMBER MENCHACA: Well, that time is
14 now. We're going to keep fighting.

15 STANLEY BREZENOFF: I meant the discussion.

16 CHAIRPERSON AMPRY-SAMUEL: Thank you. Council
17 Member Ayala.

18 COUNCIL MEMBER AYALA: Thank you Madam Chair.
19 I'm not going to ask one of the questions I had
20 prepared because most of my colleagues have already
21 asked those, but I want to thank you guys I guess,
22 because you kind of acknowledged that Next generation
23 is more about meeting the Mayor's housing plan and it
24 is about really generating real revenue because some
25 of the developments in which some of these 100

1
2 percent affordable projects are coming in and are
3 really dilapidated and so, I really – its more than a
4 questions, its more of a statement, one of these
5 developments is in my district in the south Bronx at
6 Mill Brook houses. We're getting actually 80 percent
7 of the way completed in 100 percent affordable
8 building for seniors, for older adults and we're
9 really excited about that. But, there is a but,
10 there was never any real conversation about what the
11 level of investment to that development would be and
12 I would suggest that as we move forward in
13 conversations regarding NextGen that when you come in
14 initially to speak to residents, that there first be
15 an acknowledgment around the existing conditions of
16 that specific development because that did not occur
17 at Mill Brook.

18 When we were having conversations and planning
19 for the future and planning for these beautiful you
20 know, developments that would be coming up, there was
21 never an acknowledgment for the woman in the room who
22 had no door for a week because the fire department
23 came in and broke her door and now she had to wait
24 five days and no one had come to her home to repair.
25 So, she couldn't leave and had to sleep on her sofa

1
2 you know, by the door so that no one would come in
3 while she was sleeping, or her children were
4 sleeping. So, there needs to be an acknowledgement
5 of the existing conditions and there also has to be a
6 plan around whatever revenue is generated through
7 these processes is going to be reinvested into that
8 specific development. Because I think I also heard
9 that the funding for 100 percent development stays
10 with the host development and I don't think that that
11 was ever really made clear. But we all work, and I
12 say we, because I sat in on a multitude of those
13 meetings under the assumption that we were doing
14 something that would help generate resources and
15 funding and then it's kind of turned out, well yeah
16 that's a little bit of it, but it's really mostly
17 about we need to build more housing. And that's
18 fine, you know, that's not something that you know,
19 upsets me. What upsets me is when we do that on the
20 backs of the really poor residents that are living in
21 substandard condition and already give more than 100
22 percent of what they should be giving, right? So,
23 there's a fair share kind of burden that is implied
24 in a lot of these developments. This doesn't really
25 sit well with me because again, now you're talking

1 about all these beautiful things that are happening
2 but yet there's no acknowledgement. There is not
3 refrigerator or stove available for you know,
4 residents and that's a huge problem.
5

6 In that development, there was a promise for a
7 senior center. A beautiful senior center that is
8 being constructed as we speak. There was never a
9 contract with the Department for the Aging and I have
10 asked a million times, where is the money going to
11 come for to pay for this brand-new state of the art
12 senior center that we desperately need? Has there
13 been any conversations between NYCHA and the
14 Department for the Aging about a new contract for the
15 senior center that promised with me in the room?

16 MATTHEW CHARNEY: I know that we have been
17 recently looking into that. There is a senior center
18 plan for that development. I don't have the
19 specifics on it right now where their at with
20 securing funding, but I can get that information for
21 you.

22 COUNCIL MEMBER AYALA: I mean the building is 80
23 percent complete, well just about, and I think that
24 those conversations need to start sooner or later
25 because my seniors were really excited at the

1 possibility of getting a brand-new senior center and
2 again, its in the part of the district that
3 desperately needs one. So, the fact that it was
4 promised and then no conversation has pursued and its
5 been almost three years since we started having these
6 conversations is a problem.

8 MATTHEW CHARNEY: I didn't mean to imply there
9 hasn't been a conversation about the funding and the
10 development team is working on securing funding for
11 that senior center.

12 COUNCIL MEMBER AYALA: I've met with a million
13 people and I haven't seen any evidence that there has
14 been any conversation, so that's why I bring it
15 because I consider myself a partner. Like, I am a
16 reasonable individual. I understand the conditions
17 that my residents are living under and I applaud the
18 efforts, I am a supporter of the RAD program because
19 of the that because I believe that we need to bring
20 in all of the necessary revenue immediately to
21 rectify this and so, I want to help you, but you need
22 to help me help you is really what I'm saying.

23 Then, in terms of the RAD program, so, I've seen
24 the work, beautiful work. I'm really excited we're
25

1
2 getting Betances houses and this is really going to
3 be transformative.

4 In terms of the work that's being done, do you
5 know if that work includes work to the existing water
6 main pipes and gas risers that we're seeing really
7 have aged already and have outlived their life
8 expectancy? Because I know a lot of the work seems
9 to be kind of undersurface, so we're getting a new
10 bathtub. We're getting new kitchen renovation, but
11 does that include interior work to the infrastructure
12 of the building itself?

13 SIDEYA SHERMAN: So, yes, the work does include
14 building systems and other infrastructure and I think
15 if there is a specific project, we can get back to
16 you with a scope. So that we can identify what
17 specifically is being addressed in those buildings.

18 COUNCIL MEMBER AYALA: If you could please
19 because I think that some of my resident leaders are
20 concerned that you know, in a few years we're going
21 to start to see that gas risers are going to go.
22 We're just going to see the same issues that we're
23 having in NYCHA now, right? When the pipes burst in
24 the middle of the night and I have these massive you
25 know, leaks and so your investing money but if you're

1 not really addressing the infrastructural
2 deficiencies then in the long run, its just more
3 expensive and I think my last question is really
4 regarding the - and its not really a question again,
5 it's a statement. You know again, I said I've
6 supported RAD. I think that its sad that we have to
7 get here but my residents cannot afford to wait
8 another 20 years to see if the federal government or
9 the state are sympathetic and want to increase the
10 revenue and so, we need this money now and so, we're
11 kind of forced between a rock and a hard place where
12 this is the best alternative. But I also support the
13 workers that have been working for NYCHA because many
14 of them happen to be public housing residents that
15 have been working in substandard conditions for many,
16 many, many years and so to have a plan to transfer
17 the units over to the RAD program that does not
18 include a plan for what happens with the staff that
19 has been in place for many, many years. To me is a
20 missed opportunity and I hope to see that you know,
21 this is rectified, and I hope that we can do better
22 as we continue to add units to the program. Thank
23 you.
24

1
2 CHAIRPERSON AMPRY-SAMUEL: And Majority Leader
3 Cumbo.

4 MAJORITY LEADER CUMBO: Thank you Chair and thank
5 you all for being here especially so many of the NYCHA
6 residents who have been here for a very long time
7 today seeking real answers, but most importantly
8 solutions.

9 So, I wanted to build on the questions that
10 Council Member Ayala was asking but I want to dive
11 specifically into Section 3. So, in NYCHA NextGen,
12 how many projects that have been identified, have
13 shovels in the ground and construction has already
14 begun on those identified NextGen projects?

15 MATTHEW CHARNEY: So, we have six new affordable
16 housing buildings and Ocean Bayside which is the RAD
17 -

18 MAJORITY LEADER CUMBO: So, you said you have
19 six projects with shovels in the ground where
20 construction has begun.

21 MATTHEW CHARNEY: Six affordable housing
22 projects in the RAD preservation work at Ocean Bay.
23 So, seven projects.

24 MAJORITY LEADER CUMBO: Okay, can you tell me
25 out of those six projects, what has been the local

1 hiring plan for those six projects and how has
2 Section 3 been implemented on those six particular
3 projects? And from that, my more specific question
4 will be on Ingersoll, which is in my district. I
5 want to know the workforce on there and what
6 percentage of those hires are part of the Section 3
7 program? So, I have a lot of questions about Section
8 3.
9

10 SIDEYA SHERMAN: Sure, so I can just jump in on
11 this question. So, as Matt mentioned, we have a
12 number of projects in the pipeline, six of which have
13 started or in very early stages. Across our
14 portfolio, there have been around 200 resident hires
15 on projects this far. A lot of that is specifically
16 with the RAD project in Ocean Bay which closed.
17 We've had 165 residents who have accessed training
18 that have been provided by the development partners
19 and so, that work is ongoing.

20 With respect to Ingersoll - I'm sorry - go
21 ahead, go ahead. With respect to Ingersoll, I don't
22 have the specific hiring plan for that development.
23 We can certainly provide that to your office, but I
24 know there have been at least eleven resident hires
25 so far in that project. My understanding is that,

1 that developer also bought on a partner to
2 specifically focus on resident hiring. So, they've
3 hired a local resident to also be a partner in their
4 hiring plan and I know that developer has also hired
5 residents on additional projects in their portfolio.
6

7 MAJORITY LEADER CUMBO: Let me ask you this
8 question, because the residents at Ingersoll are
9 saying something in great opposition to what your
10 saying. So, and these testimonies are under oath, so
11 I just want to be clear about that in terms of
12 repeating what you're saying. So, you're saying you
13 have six projects and out of those six projects,
14 approximately - did you say 200 people?

15 SIDEYA SHERMAN: So, there are six real estate
16 projects and we can give you the exact number. So,
17 that includes what was mentioned by my colleague and
18 some of our legacy projects that are closing from
19 prior administrations and so, amongst their portfolio
20 since within this administration, we have had over
21 200 resident hires on those projects that are active
22 and there are other projects in the pipeline.

23 MAJORITY LEADER CUMBO: Okay, now let me ask you
24 this question. Who verifies that the local hiring
25 happens? Are you counting on the developer to tell

1
2 you that local hiring has happened? Does NYCHA come
3 onto the site and verify that local hiring is
4 happening or does some independent auditor or agency
5 come in to make sure that Section 3 local hiring is
6 happening? And let me just stop there.

7 SIDEYA SHERMAN: Okay, so a significant majority
8 – I would say most if not all, residents are
9 typically referred through our NYCHA office prior to
10 being selected by the contractors. So, this
11 engagement is partnered with information sessions.
12 Other opportunities for residents to register their
13 interest. So NYCHA would have knowledge of the
14 resident hire even at the point of referral but on
15 the backend NYCHA collects employment verification
16 from the employer that –

17 MAJORITY LEADER CUMBO: So, the developer gives
18 you the paperwork or the numbers?

19 SIDEYA SHERMAN: So, the developer would give
20 employment verification for each individual hire.
21 NYCHA also has a separate Section 3 compliance team
22 which is part of its prepermit infrastructure and they
23 have other documentation that would go to that team
24 as well.

1
2 MAJORITY LEADER CUMBO: Okay, now I want to get
3 specific with that. If you have six projects going,
4 are those six projects Section 3 compliant?

5 SIDEYA SHERMAN: So, not all of those projects
6 are actually subject to Section 3. So, the projects
7 that are fed— that use federal funds are subject to
8 Section 3. There are projects that do not use
9 federal funds, but we still have hiring plan
10 requirements for the developers. For the projects
11 tht we have in the pipeline right now, the only one
12 that has closed is Ocean Bay and, in that instance,
13 the developer exceeded their hiring plan. They're
14 still hiring even post-closing. These other projects
15 are still in process.

16 MAJORITY LEADER CUMBO: So, you don't know if a
17 project is Section 3 compliant until after the
18 project is completed. So, after that its — what
19 happens after the projects completed and the
20 developer wasn't in compliance? Is it just do better
21 next time, or how does that happen?

22 SIDEYA SHERMAN: Sure, I would just add that we
23 in partnership with our development team as well as
24 the Section 3 compliance union would engage the
25 contractor and developer throughout the project,

1 right? So, at different phases of the project, we're
2 consistently requesting job orders from the developer
3 and we're tracking to their hiring plan. If a
4 project is at 80 percent completion and there has
5 been no hiring activity for instance, that would have
6 already been addressed before it reached that point.
7 And so, if a project does close, and throughout the
8 process the contractor was noncompliant, NYCHA would
9 have it at its disposal any remedies available
10 through its operating agreement and its contract, but
11 our goal is to not reach that point.

12 And so, the developers are engaged from the
13 moment that they're brought on board. They have a
14 hiring plan, their expected to connect residents
15 throughout the process. I would you know, give the
16 example in Ocean Bay where we've had around 70
17 residents hired in that project. A significant
18 portion actually with the permanent jobs who work for
19 Wave Crest today and another 30 residents who were
20 hired through the FEMA funding. So, almost 100
21 residents hired. We didn't just turn it over to the
22 developer and say, report back to us in a year and a
23 half or two years and let us know what happened. We
24

1
2 work with them throughout to make sure that residents
3 were connected through each phase of the project.

4 MAJORITY LEADER CUMBO: What about retention on
5 jobs, that's a huge issue that I hear come up
6 frequently. That the developer will hire people from
7 the local community and shortly after the job begins,
8 their fired and from what I understand, the developer
9 is still able to claim those numbers when they want
10 to show that they are in compliance. Have you ever
11 heard of this particular dynamic happening?

12 SIDEYA SHERMAN: Sure, so -

13 MAJORITY LEADER CUMBO: Have you heard of it?

14 SIDEYA SHERMAN: Yes, I have.

15 MAJORITY LEADER CUMBO: Okay.

16 SIDEYA SHERMAN: So, the Section 3 regulations,
17 right? The way they are written technically would
18 allow for that. What NYCHA has put in place are
19 other measures to ensure that people are projecting
20 real jobs and long-term opportunities and so, with
21 respect to the examples that I gave at Ocean Bay,
22 people were put into jobs that were consistent
23 throughout the phases of construction. They're in
24 permanent opportunities that are real jobs that the
25 developer or the management agent needs. Our goals

1
2 are to make sure that they are actually projecting
3 what their real hiring needs are and that these are
4 positions that are sustainable throughout the
5 duration of the project. I would say that in
6 addition to training that has been offered by the
7 developer, NYCHA has its own training vehicles. We
8 have our resident training academy which has been our
9 primary vehicle for training residents. Over 90
10 percent of residents graduate, 80 percent of our
11 construction grads are placed and they have about 80
12 percent retention for their first year of employment
13 and so, we do track residents who go through
14 particular program and for the developers who
15 invested in training, I mentioned over 165 resident
16 training for the developers, the expectation is that
17 they're making that investment to be able to bring
18 people in their workforce with this project but also
19 from other projects. So, we do have examples even in
20 the projects underway where developers have placed
21 residents and work not related to NYCHA because they
22 were able to source additional candidates from the
23 development.

24 MAJORITY LEADER CUMBO: Its just interesting
25 what you're saying because when you're on the ground

1
2 and you're walking through the developments and
3 you're meeting with your tenants, and whether its
4 many of the young men and women on the community that
5 are telling you about it or their parents or
6 grandparents, who are desperately trying to seek
7 employment for their children, it's really
8 interesting to hear about all of these hiring numbers
9 but the reality is from what I'm hearing on the work
10 sites, these numbers are not coming together in the
11 way that you're projecting. Let me just ask you this
12 final two questions. Of NYCHA's different
13 construction projects outside of NYCHA NextGen, what
14 percentage of those projects are Section 3 compliant?

15 SIDEYA SHERMAN: So, I wouldn't be able to give
16 that number to you. I mean there's a portion of our
17 portfolio that is subject to Section 3. I mean
18 overall, since we've released our Next Generation
19 plan, we've had 10,000 resident placements but that's
20 across a number of projects that may or may not be
21 Section 3 eligible. So, we certainly can follow up
22 with you and into your questions about Ingersoll in
23 particular, we're happy to meet with your office and
24 go through what the jobs are there and who's been
25 hired, etc.

1
2 MAJORITY LEADER CUMBO: I think to Council
3 Member Chin's point, NYCHA seems to work in many ways
4 independent of the Council Member's of the districts.
5 So, you're stating that you're doing a lot of
6 different things and I'm experiencing something very
7 different. So, if you're going to be doing a NYCHA
8 hiring plan in Ingersoll in my district, it would be
9 to the betterment of both entities, NYCHA as well as
10 the Council Member to say, we have this hiring goal,
11 this hiring plan, because as Council Member Chin
12 said, we almost in our offices have to hire a person
13 or two just to deal with the amount of complaints
14 that come in related to NYCHA.

15 So, we got a whole list of people that are
16 looking for work, that are looking for employment.
17 So, that if you were to reach out to our offices and
18 say, we want to work with you, then we could give you
19 that list of all of those individuals or those
20 individuals could be placed in your training
21 programs. So, you're saying that you have these
22 training programs. I'm not aware of them. I don't
23 know where they exist. I don't know where they look
24 like, I don't know where they happen. I don't know
25 where to direct someone to go to and when or where

1
2 for the training program and I would venture to say,
3 I'm sure if I ask my TA leaders at Ingersoll when and
4 where and how it's happening, they probably don't
5 know either. So, we have to figure out a way to
6 actually have this Section 3 become real and to have
7 real understandings of the retention that should
8 happen, so that people aren't hiring on the front end
9 and hiring on the backend, and still claiming that
10 they are adhering to Section 3. We need to make sure
11 that moving forward that we have these meetings to
12 address these issues. So, this Section 3 is a really
13 important part of NYCHA NextGen and I want to know
14 then those workforce development recruitment
15 activities are happening because I'll be perfectly
16 honest, I've never heard of one. So, thank you.

17 CHAIRPERSON AMPRY-SAMUEL: Thank you Majority
18 Leader Cumbo and just for point of clarification, Ms.
19 Sherman can you explain what you meant by not all
20 developments are Section 3 eligible. Can you just
21 explain to us what that means?

22 SIDEYA SHERMAN: Sure, so if federal funding is
23 not being used in the project, they are not
24 necessarily subject to Section 3. NYCHA is still
25

1
2 requesting that the developer provide a hiring plan
3 and work with us to recruit residents for jobs.

4 CHAIRPERSON AMPRY-SAMUEL: Okay and besides
5 construction jobs, can you just give us an insight as
6 to what other jobs would be available.

7 SIDEYA SHERMAN: Sure, so the majority of the
8 work is construction and part of the rehab of the
9 buildings are new construction, but this does include
10 maintenance worker positions, office administration
11 positions. It could be back office security
12 positions that are related to the construction in the
13 rehab or to the day to day building operations.

14 CHAIRPERSON AMPRY-SAMUEL: Okay, thank you and
15 one last thing related to Section 3 and employment of
16 the residents. Have you made the hiring of
17 resident's part of the actual language in the RFP's?
18 A requirement not a preference but an actual
19 requirement to hire residents.

20 SIDEYA SHERMAN: So, where Section 3 applies,
21 the Section 3 clause is part of the contract and its
22 also in the RFP as a requirement and the hiring plan
23 is also a requirement in the language as well.

24

25

1
2 CHAIRPERSON AMPRY-SAMUEL: Alright, thank you so
3 much and that will conclude the round one and we just
4 have a couple of other questions and clarifications.

5 You mentioned - a lot of conversation was around
6 Section 8 and the conversions, can you give us an
7 indication of the long term affordability of the
8 actual Section 3 units themselves, because there's
9 been some concern about once a resident leaves the
10 apartment and there's a vacancy or after 25 years or
11 30 years, that unit may not necessarily continue to
12 be affordable and also, if you're putting all your
13 chips in a basket with these units for Section 8
14 conversions. In the event there begins to be a
15 decrease in funding to Section 8, just like there was
16 a decrease in funding to Section 9, can you give us
17 some kind of indication as to what NYCHA is thinking
18 about along those lines? So, the sustainability of
19 the Section 8 in the event there is a decrease in
20 funding and the long-term affordability of the actual
21 units.

22 STANLEY BREZENOFF: So, this is a long-term
23 contract, I think its 20 years and renewable. I'm
24 sorry? Automatically renewed, so I guess that's at
25 least 40 years. Section 8 is subject to a federal

1
2 appropriation but every year in the recent past there
3 has been an increase in Section 8 and I anticipate
4 that Section 8 will be around but like Section 9,
5 there is no forever guarantee but history tells us
6 that Section 8 will continue to be funded.

7 As I understand it, the tenant selection is for
8 vacant apartments is from the Section 8 waiting list.
9 That's where the tenants to fill vacancies would come
10 from the Section 8 waiting list.

11 CHAIRPERSON AMPRY-SAMUEL: Okay, and did you get
12 an answer back in reference to Van Dyke being a sale
13 or a lease?

14 MATTHEW CHARNEY: Yes, it was, thanks for
15 bringing that back. It was a sale for the Van Dyke
16 Camba project to Camba.

17 CHAIRPERSON AMPRY-SAMUEL: So, NYCHA sold the
18 land to Camba?

19 MATTHEW CHARNEY: NYCHA sold that land.

20 CHAIRPERSON AMPRY-SAMUEL: It was not a ground
21 lease, it was an actual sale?

22 MATTHEW CHARNEY: As it had done with some
23 previous development projects. Our current policy is
24 - and all of our newer projects are long-term ground
25 leases, usually 99 years.

1
2 CHAIRPERSON AMPRY-SAMUEL: Okay, I just want to
3 - when we ask questions, its very helpful to be able
4 to have a response that is a real response, as
5 opposed to trying to figure out politically if you
6 should respond. And the reason why I say that is
7 because there was a conversation in the back about
8 responses to some of our questions during this
9 hearing and I know that this conversation around the
10 sale and a sublease, at that particular development
11 was an ongoing conversation and that point was made
12 clear several times. So, when we ask that question
13 it would have been helpful to just say, you know,
14 that was a sale as opposed to how we should answer
15 this question. So, I don't know what the
16 conversation was in the background, but the sale of
17 that particular -

18 MATTHEW CHARNEY: I just misspoke, it was just a
19 mistake on my part and we just got the answer. I
20 mean, it was a sale. The transaction redeemed by
21 employment hear at NYCHA.

22 CHAIRPERSON AMPRY-SAMUEL: Okay, but you were at
23 that meeting in Van Dyke where the conversation came
24 up about there being a ground lease or sale?

25

1
2 MATTHEW CHARNEY: I'm sorry, I just - I don't
3 remember that.

4 CHAIRPERSON AMPRY-SAMUEL: Okay, alright and the
5 last thing - second to last thing, I just want to
6 mention the Camba - well the Department of Finance
7 Planning and Analysis for the Camba I expenses at
8 NYCHA when resident president Lisa Kenner mentioned a
9 \$17,474.00 that was spent on office equipment at the
10 property management office. I'm looking at an email
11 from the property manager with a breakdown of how the
12 money was spent and \$14,474.00 was spent on the
13 office furniture in the property management office,
14 and so, if that was supposed to be funding that's
15 utilized for the residents and to go back to what the
16 residents said they actually needed and if we're
17 talking about painting or - I know that some of the
18 funding was used for refrigerators and stoves,
19 \$17,474.00 could have been utilized within the
20 residents units or building spaces and not
21 necessarily the project management office. Just the
22 optics of it just does not look good at all and so,
23 as we're talking about resident engagement and just
24 real engagement, just look to some of the examples
25 that came out of this hearing and have a meaningful

1 conversation when you go back across the street as to
2 whats really happening and how you should move
3 forward with the engagement process with the
4 residents and what you put into the plan with NextGen
5 2.0 or the revised version, or whatever its called
6 and that you really look to this Council body for
7 assistance because as Majority Leader Cumbo stated,
8 we do get inundated with comments and concerns and
9 complaints and we all have to have extra staff on
10 board just because of NYCHA and it would be helpful
11 to utilize or office as a true partner because that's
12 what we're hear for. It's not a gotcha moment or a
13 ha moment, this is really genuine. We really want to
14 be able to provide the best level of representation
15 for our constituents but also be able to make sure
16 that you have the information and resources that you
17 need to do a better job.

18
19 So, this is supposed to be a collaborative
20 effort in the partnership and I really hope that you
21 would utilize our offices for that.

22 And one last thing. Oh, and there was a mention
23 about the URLURP process earlier with the Holmes and
24 the Wyckoff. So, just for clarifications around
25

1
2 that, is NYCHA relying on Mayoral Zoning overrides to
3 deal with or may be avoid the ULURP process?

4 MATTHEW CHARNEY: Some of our projects have used
5 Mayoral Zoning overrides in the past and we expect
6 some to go in forward, but there's also projects that
7 we have that go through ULURP.

8 CHAIRPERSON AMPRY-SAMUEL: Okay, so with that
9 being said, thank you so much for showing up today
10 and thank you for another several hours of productive
11 discussion. And as we transition out of the NYCHA
12 panel, the next panel we will hear from is the Labor
13 Panel and Union. So, we'll hear from President
14 Gregory Floyd of Teamsters Local 237 and Joshua
15 Barnett Local 375 with DC 37. And please let us know
16 from NYCHA who is going to remain.

17 It's been a very long morning and long day, so I
18 thank you so much for your patience. I know you were
19 here during the entire hearing, and so I appreciate
20 that, and I know you've heard a lot just now and so
21 with that, you can state your name and provide the
22 testimony.

23 GREGORY FLOYD: Good afternoon. I am Gregory
24 Floyd, President of Local 237 Teamsters. The union
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1
2 that represents the largest number of public workers
3 at NYCHA.

4 One third of those 8,000 member are also
5 residents. So, we know the problems with NYCHA both
6 professionally and personally. We also know that the
7 privatization of NYCHA is not the answer.

8 Programs like RAD are nothing more than a land-
9 grab by private developers under the guise of saving
10 public housing. Nothing could be further from the
11 truth. The money supposedly generated by RAD is
12 insufficient and unproven. It does not justify a
13 wholesale giveaway of public property for private
14 profit. Gentrification is the result.

15 It will ultimately displace NYCAH residents and
16 rob them of their community. There are many others
17 who agree. For example, I have copies of a letter
18 written by Congresswoman Maxine Waters to president
19 Obama in 2014 and to the GAO in 2014 to express her
20 concern.

21 Yes, NYCHA is broken but our members have been
22 trying to fix it and its Local 237 members who know
23 the developments best. They have worked hard to keep
24 the buildings operating despite years of gross
25 mismanagement at the highest levels and they worked

1
2 hard despite diminished funding and limited resources
3 but now our members are worried about loosing their
4 jobs or being displaced.

5 NYCHA was once a place of pride to live in. It
6 was considered the shining example of civic
7 responsibility.

8 How did the national model become a national
9 nightmare for so many people? Privatization is not
10 the savior of public housing. It is the exact
11 opposite. Privatization is a Hoax and good PR.

12 There are some real solutions, more funding at
13 all levels of government, better management at the
14 top, and let our members do the work that they're
15 trained to do in developments that they know. Those
16 are just some real solutions.

17 I therefore urge the Council to vote no to
18 privatization of public housing. Public housing
19 should not be sold off. That is a false, quick-fix
20 to a difficulty problem that promises to have long-
21 term consequences that few can live with and many
22 will regret and I also want to add that at the
23 beginning of the de Blasio administration, Local 237
24 offered their services to go to Washington DC to
25 lobby with the City to try to get funding for NYCHA

1
2 and we were told no. So, to hear that this is the
3 only way of funding when no one has gone to the
4 federal government to propose alternative funding,
5 more funding for NYCHA is ridiculous. You don't get
6 what you don't ask for and Cambridge Massachusetts
7 has managed to leverage \$250 million of their funding
8 into \$3 billion. This is no secret formula and
9 Cambridge is willing to share that information with
10 NYCHA. They have RAD up there and the program is
11 working very well. They still have the unionize
12 employees. They've been able to come up with new
13 central heating and air conditioning where they moved
14 the units to the top floors, so if there is ever a
15 flood that these units aren't flooded out. They have
16 new pipes, they have brand new apartments renovated
17 and the residents up there are very happy and it's
18 just a short drive to go to Cambridge, Massachusetts
19 to see how their operating and the Mayor only grew up
20 seven blocks away from where this development is.

21 JOSHUA BARNETT: Good afternoon. My name is
22 Josh Barnett, I have to second everything brother
23 Floyd just said.

24 I represent Local 375 DC 37 asked me, and I'm
25 also a NYCHA employee. I am an architect in the

1
2 Design Department of the Capital Projects Division
3 where I've worked since 1999. I also used to work
4 for the Boston Housing Authority. Privatization o
5 the job is something we deal with every day, since in
6 addition to growing private management and private
7 development at NYCHA, which we oppose we've seen a
8 rise in outsourcing of work and a decline in the
9 staff, to the detriment of the residents the city and
10 the taxpayers.

11 When I started at NYCHA in 1999, there were
12 almost 16,000 employees. We're down to under 12,000
13 now. In my union, Chapter 25 Local 375, which
14 represents architects, engineers and other technical
15 titles at NYCHA, we had 445 members in 1999, we're
16 down to 198 today, a loss of almost 60 percent of our
17 staff. Yet the NYCHA email list includes almost 620
18 consultants. The NYCHA telephone directory has
19 almost 300 consultants.

20 In the Capital Projects Division, where I work,
21 we're even starting to see consultants in supervisory
22 positions and we have consultants working in NYCHA
23 cubicles, using NYCHA phones and computers. Going
24 back to 2004, NYCHA initiated the
25 Construction/Management CM Build program hiring

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2 private firms to oversee capital projects supposedly
3 to improve the on time and on budget completion rate
4 but 14 years later, no data has been gathered to show
5 if the program is working but the contracts are still
6 in place. All the design work to address the \$3.2
7 billion FEMA awarded to NYCHA after Hurricane Sandy
8 was outsourced to private firm. Is it all cost
9 effective? We don't know. NYCHA won't conduct an
10 audit and NYCHA routinely exempts itself from New
11 York City Local Law 63 which requires a cost-benefit
12 analysis for outsourcing of work.

13 This affects us on the job, but this is much
14 more than the erosion of the union workforce and an
15 attack on civil service. It's an added expense when
16 the authority is already facing \$32 billion in
17 capital repairs. Thousands of units are again this
18 winter facing lack of heat, after NYCHA laid off
19 boiler workers. We hear about chronic mold
20 infestation and lead-based paint, but the workers who
21 could perform the testing and abatement are long
22 gone. Field staff are cut back after decades of
23 already deferred maintenance. As you said,
24 privatization always means spending more money for
25

1 less service, but that historic lesson seems to be
2 lost on NYCHA.

3
4 We know the problems, we know we're dealing with
5 over thirty years of cuts to public housing nationally
6 and a huge deficit here. NYCHA definitely needs more
7 support at all levels of government and we all need a
8 national shift away from supporting greed to
9 supporting need. But with the loss of staff and
10 increase of on the job privatization, NYCHA is making
11 the worst of a bad situation. IN the face of hyper
12 gentrification, public housing is a resource that
13 cannot be put up for sale. We need a full audit of
14 all NYCHA private contracts, a moratorium on
15 outsourcing, and hiring more staff and more NYCHA
16 residents back to former staffing levels. The
17 privatization here has to stop for the sake of public
18 housing, the residents, the staff, and the city.
19 Thank you.

20 CHAIRPERSON AMPRY-SAMUEL: Thank you and I know
21 you're short for time, I understand that. I just
22 have a few questions. Because of your unique
23 perspective of representing residents who are also
24 employees, because of that, have you had
25 conversations or meetings, or discussions with the

1
2 executive at NYCHA to be able to provide a level on
3 input or feedback to all of this development that
4 they have discussed and not just the privatization
5 part of it but other ways to be able to properly
6 manage developments. We heard from Ms. Kenner, who
7 stated that at Van Dyke, there were only six
8 maintenance workers as opposed to what it used to be
9 13 - I'm sure it's a need for 20 or 25 at this point
10 but have you been able to have fruitful conversations
11 or meetings with this administration and with the
12 NYCHA executives about your concerns or input?

13 GREGORY FLOYD: We've had a few meetings.
14 However, I probably would be better off talking to
15 the pictures on the wall because at least I know the
16 pictures aren't going to listen. The management,
17 they have their way of doing things. They do not
18 want any help. They didn't want us to help them with
19 lobbying, which was absurd because we lobbied Albany
20 [SP] to get \$100 million for the last four years.

21 First it was Keith Wright and then it was
22 Speaker Heastie's and every year they call, and they
23 say, we're going to put in the same amount of money
24 for NYCHA. It started off with \$25 million that they
25 were going to do - before they came up with \$25

1 million, they increase it to \$100 and then the Mayor
2 and the Governor got into a I will say a spat, over
3 how they want to spend the money. The Governor
4 wanted accounting for the \$100 million. He didn't
5 just want to give them \$100 million and find out it
6 was wasted. NYCHA didn't want to give the state, the
7 accounting, they never drew on the money. So, that
8 money is still sitting there. So, when they come to
9 the table and they say, we're going to get \$65
10 million over ten years, when the state has given them
11 \$400 million over four years and they have yet to
12 spend it, somethings wrong. \$65 million over ten
13 years, \$400 million over four years. You're
14 privatizing and you're selling off to get to \$65
15 million. With the state, all they want is accounting
16 and you can go through the dormitory. So, I don't
17 know what NYCHA is doing. I don't know what their
18 trying to hide. Why they don't want to get the state
19 or the accounting on how they're going to spend the
20 money? Senator Schumer got \$3 billion dollars for
21 FEMA which I have yet to see them start doing that
22 work. That \$3 billion is not going to sit there from
23 the federal government for long. Why aren't they
24 acting on the monies that they have already?
25

1
2 CHAIRPERSON AMPRY-SAMUEL: Okay, do you have
3 anything to add.

4 JOSHUA BARNETT: I will just signify that but
5 also just one small example. In terms of lack of the
6 dialog, we share the same frustration that the
7 residents do. We have bimonthly labor management
8 meetings, but you may as well be talking to the
9 pictures, I like that analogy. We've actually had to
10 file a grievance because under our contract, NYCHA is
11 required to deal with the union prior to outsourcing
12 any work, but we have never been informed about
13 hiring any consultants. So, we've had to grief of
14 the enforcement of the contract. Its just an example
15 about the lack of dialog people actually deal with.

16 CHAIRPERSON AMPRY-SAMUEL: Okay, thank you so
17 much for your testimony and if there is any way we
18 can be helpful in the Council, please let us know.

19 GREGORY FLOYD: At any time if you want, we can
20 go up to Cambridge Massachusetts, we could convene a
21 meeting and you could see how our housing authority
22 has made the most with the least amount of money and
23 you will be amazed and see what they've done up
24 there.

1
2 CHAIRPERSON AMPRY-SAMUEL: Okay, alright. Thank
3 you. Next, we have a panel of advocacy groups in
4 NYCHA residents we have with Margaret Massa from
5 Ocean Bay – Ocean side, Dena Davis of the Westside
6 Federation for seniors and supportive housing,
7 Crystal Glover of Washington Heights East Harlem, and
8 Michael Kirsten from Penrose and Mr. Morris from
9 Stanley Isaacs Neighborhood Center.

10 The developer from Penrose – are you – there was
11 another developer here from Fetner, is Fetner still
12 here? Oh, okay. Okay, we'll start with the
13 residents first.

14 MARGARET MASSA: My name is Margaret Massa from
15 Oceanside. That's across the street from Ocean Bay
16 where RAD was put in. We don't have RAD but from
17 listening to everything that's been going on for
18 months, I just see that the disinvestment is just
19 pure – it's like drum warfare. It's the same thing
20 where the other government, I don't remember, some
21 place in the middle east where they threw chemicals
22 on their own citizens.

23 This is the same thing and this is not a third
24 world, a second world where if you know that the
25 disinvestment is going to cause mold, leak, lead

1
2 paint situation, and people freezing, that's a direct
3 attack on the people that elected you into office and
4 there's no if, but, about it and to make it seem
5 like RAD is our savior, that's just like putting a gun
6 to your head.

7 Starving somebody for months, malnourished, very
8 sick, and telling them they have to accept this in
9 order to get better and the RAD, to me, just seems
10 like, it's just there to make rich people richer.
11 It's not just there for the people because the same
12 tax money you have for Section 9 is the same that you
13 have for Section 8. It's the same people given the
14 same money but you're just switching hands stating
15 that its going into private developers pockets
16 straight and also, with the tax breaks, and it also
17 shows like, even with the shelter situation, where
18 the shelter you pay like four times the amount of
19 rent per month that you would if you had somebody
20 living in a regular apartment, even market rate.

21 Even market rate, because the government is
22 spending more money to make those landlords richer
23 off of the backs of poor people which is not right,
24 and I also do agree with the union gentlemen's that
25 stated - before they even said it, that I don't

1
2 understand why Washington was not lobbied. When we
3 found out that the money was just being taken away
4 from the people. Whether NYCHA should have lobbied
5 them or even our elected officials which I'm very
6 grateful for being able to speak and for this hearing
7 but we cannot just sit back, and watch crimes being
8 done against people because this is just what it is.
9 Crimes being done because somebodies getting sick,
10 because you took the money away from them. That this
11 is tax payer's money and it's not the money to just
12 make people rich, and its just unfair to just
13 disregard people.

14 Just like in the movie Elephant Man where he was
15 just telling people, I'm human. You know its really
16 bad to just - having to be a NYCHA resident to tell
17 somebody. Its very disheartening to tell them I'm
18 human too. You should not be doing this to me. No
19 matter which way you look at it because you can't do
20 it to an animal shelter, why should you even think
21 about just you know, disinvesting money from people
22 that really need the money because living in an
23 apartment is a human right. Its not an option,
24 especially most of the people that live in these
25 affordable housing they work, some of them have two

1 jobs and affordable housing, the Mayor is talking
2 about he wants to produce more affordable housing but
3 yet you're trying to get rid of these ones and that's
4 no fair and to always says that their buildings are
5 50 years old.
6

7 So, many other buildings are 100 years old. You
8 don't hear complaints about them, so what somebodies
9 building is 50 years old, 60 years old, or whatever
10 the situation be. That gives you no excuse that I
11 just have to just put it out there. That's in my
12 heart, that this is done on purpose, you know and its
13 not right and I just have to say, and I just hope and
14 appreciate that the officials will continue to fight
15 for us and even take it to a higher level.

16 This is something that we have to continue doing
17 and as a person, I retired last year as a City worker
18 and it feels like I can't relax as a person that
19 retired, because I have to come to all these
20 hearings. I have to go to all these rallies where
21 the community voices are heard or anybody else. I'm
22 supposed to be relaxing, not fighting just to make
23 sure that somebody even just mops the floor in the
24 building because what their doing now is just too
25 degrading and that should not be like that and I just

1
2 have to speak on it and I just thank you for your
3 time for letting me speak.

4 COUNCIL MEMBER AMPRY-SAMUEL: Thank you. Ms.
5 Glover.

6 CRYSTAL GLOVER: Good afternoon. Let me first
7 say I want to thank you Ms. Alicka Ampry-Samuel. I
8 hope I'm pronouncing your name right. You might have
9 - we've been in a room together at a forum and you
10 may have a different perspective of me, but you know
11 my heart because you even said people are here, their
12 upset. So, you know the deal and if I hurt your
13 feelings at, I want to openly say, I apologize.

14 I want to thank you for this hearing. I am a
15 little bit nervous. I've been here since ten
16 o'clock, hopefully I'll be able to say a mouthful.

17 I want to thank my Council Woman Diana Ayala.
18 She is my Council Woman. I think Melissa Viverito
19 was before her and I remember Diana, she was the
20 deputy for Melissa and she was the only neatness,
21 preparedness, and preparedness for the big Melissa to
22 enter the room and so now she's here,
23 congratulations.

24 I'd like to say that my name is Crystal Glover.
25 I live in Manhattan. The name of my housing project

1 is Washington Houses. We are located in East Harlem,
2 I noticed a lot of conversation today was about the
3 Bronx, Brooklyn, Staten Island, The Rockaways and
4 those kinds of things here. I am El Barrio. I was a
5 tenant association president back in 2011, November
6 of 2011. Before I say what, I am getting ready to
7 say, I want to say that Washington Houses is like the
8 Tumbleweed in the old western movies. We are that
9 tumbleweed blowing in the wind. We have I didn't
10 grow up in Washington houses, but I've been in public
11 housing for at least two decades and I really believe
12 this whole lead thing is not a new thing. I think
13 this lead has been in the waters since I was in
14 elementary school and I can go on and on about that
15 piece but anyway.

17 So, we have this tumbleweed blowing in the wind.
18 Nobody recognizes south, Manhattan south. Manhattan
19 south is currently in litigations with the **[inaudible**
20 **4:12:27]** district Council with presidents. We have
21 newer businesses representatives at the district
22 Council of Presidents. We were told that they're in
23 some type of litigation and all this type of thing
24 here, so we have zero representation over at
25 Manhattan south. Manhattan north gets all the glory

1
2 and all types of things here while little old me
3 Crystal Glover, is here today and I am not a tenant
4 association president currently. I will be taking
5 all this information back to my resident association
6 president. I've been sitting here since ten o'clock
7 because I feel the need - the last time I was here,
8 or the time before that time, was 2011 - no, it was
9 2013. The day before my daughter's funeral and we
10 were having problems with heat and hot water and my
11 mother got me into all this politic stuff. She was
12 one of the people who started tenant associations and
13 RAD and all that back in the 70's and so, I'm the
14 little girl who hanging onto her skirt and so, I
15 always wanted to be President in Washington Houses.
16 The opportunity came, I did it and a lot of
17 information I found out about housing was through a
18 hummer.

19 I repeated some of this stuff I'm seeing now.
20 The last time I was here was I believe it was a few
21 months ago, last year. Infill came to our
22 development December of 2011 and we were under
23 community operations and I'll never forget Mr.
24 Williams who just left with the rest of them came and
25 met. He was sweaty, smelling like he had been at

1
2 other meetings, and he said to me, well there's
3 infill in Bloomberg and Infill RFP is a request for
4 proposal for unutilized properties and one of the
5 properties that they wanted to build on top was the
6 empty spot right in front of my building. The other
7 one was a management office and the other one was
8 behind 109. Okay, we fought it and how we fought it
9 was because of me, Crystal Glover, who always had an
10 ear. My mother told me I should have been a cop.
11 She said your ears are always open.

12 Talking to a woman from Share for Life, she's a
13 licensed consultant. She was on a way to a meeting
14 and she told me, she said, I'm packing my bags and
15 getting ready to go to conference and I said,
16 conference where? She says, well you know,
17 conference - this conference is going to be in the
18 Poconos. Tenant participation activity moneys etc.,
19 etc. and I'm like conferences TPA. What are you
20 talking about and that's how I found out about the
21 conferences and the TPA money and ever since then,
22 Washington Houses we went on conferences, we learned
23 all about the housing and HUD moneys and how we could
24 utilize that money and we had something like \$290,000

25

1
2 when I was in there. A lot of those people have
3 moved on quick etc., etc.

4 So, whats my point? This is going - I would
5 love to read some of this. This former New York City
6 Mayor LaGuardia created NYCHA in 1934, right? I can
7 go on in the senior packet.

8 I want to say that when I was living in Central
9 Harlem before I came to Washington Houses, I can
10 remember when the crack epidemic hit but before it
11 hit there was a program called tenant participation
12 activity and that's when the chain links - remember
13 the chain links around the grass and you knew that
14 you could stroke the chain but you're going to have
15 to your butt in that grass. NYCHA was about their
16 business. They would interview residents. If you
17 were a bum you didn't stay. If you didn't clean your
18 house, they would give you ten days to get your house
19 together. NYCHA was on top of their game. Once
20 crack came in and tenant participation program came
21 in, the chain links went. The heavy bars came in,
22 the laundry rooms that we had - remember the laundry
23 rooms where we could take our laundry and do our
24 laundry became crack bens and as a result, they had
25 to close the laundry rooms which participated into

1 residents buying washing machines and dryers and it
2 became a free for all.

3
4 So, there's a lot of blame to go around for
5 everybody. NYCHA didn't stay on top of their game.
6 You had lines from what I heard that there were lines
7 of up to 100 people Ms. Samuels buying crack. NYCHA
8 new that crack was being distributed in those
9 development. They even knew when heroin was being
10 distributed in the 70's. So, how can you be a
11 landlord and not know what goes on? If I'm a
12 landlord in my apartment, I know what goes on in my
13 house. No one is going to come into my house and
14 tell me what to do. I know whats going on in my
15 house. So, NYCHA is a criminality. They have a lot
16 of heroin, crack and any other thing you can think
17 of. To go on in these developments and now we are,
18 and I thank you for giving me the time to speak.

19 We've seen on the news, you got rats the size of
20 shackle O'Neal sneakers running through people's
21 kitchen floors. It wouldn't be in Washington Houses.
22 I can guarantee you that.

23 There are procedures where you are supposed to
24 enforce. A lot of tenants are not doing - listen, I
25 don't want to start pointing fingers. These tenant

1 association Alicka, I would love for you to do this
2 for me because a lot of the tenant association are
3 not informed. They don't know really how to operate.
4

5 When I was TPA president, I would always tell my
6 tenants, I don't plan on being here forever. I would
7 tell them that and I must say - when that infill
8 piece came to Washington Houses in 2011, we took
9 \$4,000 of our TPA money. The lady who's Chairing,
10 what's that organization, Community Voices Heard, Afua
11 Mensah. She was the lawyer for Urban Justice her and
12 another sister, who we paid \$4,000 of our TPA money
13 to fight for us that that infill piece would not be
14 in our development and it did not happen under
15 Crystal Glovers watch and I'm going to toot my horn
16 because I work hard. I do a lot of work and I hope
17 my tenant association is listening and watching and
18 that we can mend whatever issues we have. Whatever
19 happened, we got to work together because we are
20 about to be homeless.

21 CHAIRPERSON AMPRY-SAMUEL: Thank you so much Ms.
22 Glover.

23 CRYSTAL GLOVER: Thank you. Oh, one thing - I
24 have a flyer because we know NYCHA has no respect for
25 us. We have 325 developments, 173,946 families.

1
2 NYCHA residents are about to be homeless. We are
3 going to rally in front of 250 Broadway and shut it
4 down. All tenant association leaders unite, pick a
5 spot where you want to meet because the ball is in
6 your court. We get no respect from NYCHA and they
7 could care a rats patootie about whether we live or
8 die.

9 CHAIRPERSON AMPRY-SAMUEL: Thank you Ms. Glover.

10 CRYSTAL GLOVER: I want to thank you.

11 CHAIRPERSON AMPRY-SAMUEL: Thank you so much and
12 I don't put a timer on residents for so many reasons.
13 I believe that for so many years of going through so
14 much pain and heartache and disrespect, this is an
15 opportunity and it's a rare opportunity for you to be
16 able to have a voice and voice your concerns and put
17 it on the record. But I just want to make sure that
18 people understand why we do what we do and why we
19 don't cut residents off.

20 CRYSTAL GLOVER: We saw you on TV. We saw King
21 Towers - you have to let me say this. Martin Luther
22 King Towers which is on 115th Street Central Harlem.
23 Their community center which has been privatized
24 under the leadership of Rudy Kitchen who is now
25 deceased. Its privatized the community center. You

1 spoke to Ms. Shoemaker who is the Vice President now
2 acting Chair Vice President. You spoke to her, she
3 told you what was going on with the community center.
4 They didn't have any heat over the summer not heat,
5 there was no air conditioning, tiles falling off the
6 ceiling. She contacted Melissa from Channel 11 news
7 and it was on Facebook. Melissa from - is her name
8 Melissa Morales went into King Towers and did an
9 interview and a walk through.
10

11 CHAIRPERSON AMPRY-SAMUEL: Yes.

12 CRYSTAL GLOVER: Because she got in touch with
13 you. I just wanted to say that.

14 CHAIRPERSON AMPRY-SAMUEL: Okay.

15 CRYSTAL GLOVER: Thank you.

16 CHAIRPERSON AMPRY-SAMUEL: Thank you again.

17 Next.

18 DENA DAVIS: Yes, thank you Council Woman Ampry-
19 Samuel and Council Woman Ayala for having me hear.
20 My name is Dena Davis ad I am a Senior Project
21 Manager for Real Estate Development at the West Side
22 Federation for Senior and Supportive Housing which is
23 also known as WSFSSH. We are a non-profit housing
24 and social service provider in New York City with
25

1
2 over 40 years of development experience and owning,
3 managing 100 percent affordable housing.

4 WSFSSH both acquires existing housing and builds
5 new housing. We own 27 building and we are in the
6 process of building three more. Within this 30-
7 building portfolio, eight of our development have
8 been built from the ground up and all eight have been
9 built on publicly provided land. I mention this fact
10 because it points to the absolutely critical role
11 that public sites play in the effort to create new
12 affordable housing. Quite simply, there is neither
13 enough privately-owned developable land nor
14 reasonably priced privately owned land to build
15 housing that is affordable to those who are
16 economically in need of it.

17 WSFSSH builds housing exclusively for vulnerable
18 households. This includes, first and foremost very
19 low-income older adults, but it also includes low-
20 income families. We house older adults who have
21 become homeless, whether for economic reasons, for
22 lack of services or support, or both. Accordingly,
23 we are uniquely positioned to understand two critical
24 concerns with the New York City housing market:
25 there is a crisis of housing affordability. A recent

1
2 report from the New York City Office of the
3 Comptroller indicates that 400,000 affordable
4 apartments have been lost since 2005. There is a
5 growing problem population of older adults without
6 the economic means and support services to live
7 independently in the community. According to LiveOn,
8 by 2030 the number of people over the age of 60 will
9 be \$1.84 million, a 47 percent increase from 2000,
10 more than 20 percent of whom will live in poverty.

11 This hearing is about both development and
12 privatization of NYCHA land. We are asked to answer
13 two questions: whether new development is necessary
14 and appropriate, and if so, whether it is reasonable
15 for this to be done with private partners.

16 In answering the first question, I would stress
17 that we cannot begin to address the concerns that
18 I've mentioned above without building more housing.
19 NYCHA's efforts to create housing on its under-
20 developed land have been vital in furthering new
21 affordable housing opportunities in New York City and
22 it must continue.

23 And yet, new development on NYCHA land can be
24 done in a way that also benefits NYCHA residents.
25 WSFSSH has partnered with NYCHA on several 100

1
2 percent affordable projects, two of which have been
3 sited on NYCHA land and one of which is sited across
4 the street from NYCHA land. In building and managing
5 these buildings, we have witnessed important ways in
6 which NYCHA residents benefit from new development.
7 Each development incorporates ground level community-
8 oriented retail spaces that were previously lacking
9 in the neighborhood. We are selecting commercial
10 tenants who will provide a variety of community
11 needs. This includes senior centers, a dental clinic
12 run by Montefiore Hospital, a federally qualified
13 health center, and retail pharmacy.

14 Many NYCHA residents have aged-in-place and are
15 in need of more service-enriched housing than NYCHA
16 can offer. We recognized this challenge more than a
17 decade ago when we first partnered with NYCAH to
18 create Grandparent Family Apartments, a building
19 exclusively for NYCHA senior citizens with parental
20 custody of their grandchildren.

21 This month we began renting units in a new
22 senior housing development called Tres Puentes. We
23 received over 1700 interested application for 175
24 available apartments. Of the 154 applicants we've
25 interviewed so far, 27 percent live in NYCHA housing.

1
2 shareholders and we cannot distribute profits. Thus,
3 every dollar we earn is reinvested back into our
4 buildings to ensure appropriate staffing and
5 maintenance, with the goal of preserving perpetual
6 affordability.

7 Land is one of our city's scarcest commodities.
8 By prioritizing the expansion of its underutilized
9 sites for affordable housing development and by
10 working with responsible nonprofit partners, NYCHA
11 can help address the crisis of affordability that is
12 preventing seniors and many others from living in
13 dignity. Thank you.

14 CHAIRPERSON AMPRY-SAMUEL: Thank you and because
15 of time, I'm going to now have to put everybody on a
16 two-minute clock. I was hoping that we would be able
17 to **[inaudible 4:28:06]** but it's not working out.

18 MICHAEL KORNSPUN: Okay, good afternoon. My
19 name is Michael Kornspun. I am a senior developer
20 for Penrose the designated developer for Brooklyn
21 Bundle 1, the Bushwick bundle, and RAD bundle.

22 It's a privilege to address you here today
23 regarding the work that Penrose and NYCHA are
24 partnering together to accomplish. Earlier this
25 summer, my colleagues at Penrose completed the final

1 residential phase of Prospect Plaza in Ocean Hill
2 Brownsville, on what was, and partially remains NYCHA
3 owned land. This was a new construction project, 394
4 housing units, 100 percent affordable, of which 80
5 are public housing units. Prospect Plaza also
6 includes a three-quarter acre park that's currently
7 under construction which includes a playground,
8 basketball courts, game tables, and walking paths,
9 and which we'll permanently turn over to Parks at
10 completion for a permanent community enjoyment.
11

12 We're currently in the advanced phases of pre-
13 development with NYCHA, our partners at the Acacia
14 Network on Brooklyn Bundle 1, a 1,315-scatter site
15 development in Bushwick that includes Hope Gardens,
16 Palmetto Gardens, Bushwick II Groups A&C, Groups B&D
17 and Group E. Most people just call it Hope Gardens.
18 Closing is scheduled for March 2019. Through the RAD
19 program, Section 18 subsidy, a valuable allocation of
20 state HFA private activity bonds, federal tax credits
21 and our public private partnership with NYCHA. We
22 will be substantially replacing all of the complexes
23 boilers, roofs and windows, renovating all the
24 kitchens and baths, providing all new appliances and
25 window air conditioners, vastly improving the site

1
2 lighting, security monitoring, remediating the
3 environmental condition, renovating and re-imagining
4 the green space which is a unique neighborhood
5 resource, redoing the building entrances and
6 hallways, improving energy usage and provision, and
7 engineering permanent solutions to deal with the
8 persistent resident complaints of sewer back-ups.
9 The entire focus of the pre-development, project
10 scoping has been to improve the living conditions of
11 the residents on a long-term basis and protect the
12 properties from future economic vulnerability.
13 Through RAD, no tenant will be displaced, and
14 everyone's rent will remain as it is now, at 30
15 percent of income. Roughly 4,000 residents call Hope
16 Gardens home. Most really like Bushwick but are
17 frustrated and disheartened at the conditions of the
18 buildings. All we need to do, and what we going to
19 do, is upgrade the physical plan to create a more
20 secure and more pleasant home environment.

21 CHAIRPERSON AMPRY-SAMUEL: Thank you. You don't
22 have to read the last paragraph because it kind of
23 goes into detail about the great work that you've
24 done and what you plan to do.

25 MICHAEL KORNSPUN: Okay.

1
2 CHAIRPERSON AMPRY-SAMUEL: Have you met with the
3 elected official that represents that district?

4 MICHAEL KORNSPUN: Yes.

5 CHAIRPERSON AMPRY-SAMUEL: And you all have had
6 ongoing conversations?

7 MICHAEL KORNSPUN: Yeah.

8 CHAIRPERSON AMPRY-SAMUEL: Okay, thank you.

9 MICHAEL KORNSPUN: Okay.

10 GREGORY MORRIS: Thank you Chair Ampry-Samuel.

11 My name is Greg Morris. I am President and Executive
12 Director of the Stanley Isaacs Neighborhood Center, a
13 multi-service, multi-generational non-profit
14 organization. We operate the senior center and the
15 youth center within the Isaacs Holmes Public Housing
16 development. We've done that since our founding in
17 1964. A couple points of clarification for the
18 record. The Interim Chair who spoke earlier noted
19 that this infill project happening at Holmes had a
20 new community center attached to it. That was not
21 accurate. There is a community facility attached to
22 it which is a basketball court. We are and have been
23 as I mentioned for a long time, the operator of
24 Social Services in that development.

1
2 Second point of clarification, Ms. Sherman noted
3 that there had been an engagement between children
4 and the developer to rebuild the playground.

5 Actually, that's not exactly the way it worked, I
6 know, I was there. The Isaac Center invited the
7 developer to talk to children to think about the
8 playground. They talked about the project and never
9 came back to talk to the children again.

10 Third, Mr. Charney referenced life safety
11 issues, I look forward to hearing about those. In
12 fact, while I was sitting waiting for my turn to
13 talk, I got an email from one of my staff members, a
14 case manager, about a resident who hasn't had their
15 mold remediation taken care of in their apartment.
16 They have COPD and asthma and it is a life-
17 threatening situation. So, I'm hoping that Mr.
18 Charney and the NYCHA team is on top of that
19 particular issue.

20 Last year, the Isaac Center served 6,000 New
21 Yorkers including Holmes residents, three generation.
22 Children, parents, and grandparents and I can tell
23 you that these are working class people. These are
24 the elderly, these are folks on fixed incomes, these
25 are immigrants, these are the disabled. They rely on

1 public housing. They rely on the programs and
2 services of the Isaac Center. They fill ignored by
3 the Housing Authority and the HUD report that was in
4 the paper confirmed that as it wasn't referenced
5 earlier but the Holmes development, the Isaac's home
6 development was indicated as one of the worst
7 developments in the City and in the country. The
8 residents feel shunned by the Mayor, who lives three
9 blocks away from the Holmes development and they
10 certainly feel marginalized by this infill project
11 which has not reflected their needs and interest. Of
12 which, as noted in the RFP specifically indicated a
13 desire for things like health services, and legal
14 services and vocational training programs.

16 I want to implore the Chair, I thank the Chair,
17 but implore the Chair to work to introduce in past
18 legislation requiring private developers with
19 development projects on public land to invest in
20 those community-based agencies who are already part
21 of those housing developments because we know best
22 what services and supports residents need. Why?
23 Because we work with and within those developments
24 and we have history working with them and that's the
25 only way in which actual change comes. It's going to

1
2 require legislation and I can tell you that
3 personally from my experience with developers.

4 CHAIRPERSON AMPRY-SAMUEL: Thank you so much and
5 I appreciate it and we do have your testimony for the
6 record as well that will be included.

7 GREGORY MORRIS: Thank you.

8 CHAIRPERSON AMPRY-SAMUEL: Thank you. The next
9 panel we will hear from will be Lucy Newman with the
10 Legal Aid Society, Victor Bach with Community Service
11 Society and Michelle Mulcahy with Enterprise
12 Community Partners. And I really do appreciate you
13 being here for the whole day, but I just ask that you

14 -

15 VICTOR BACH: Its been a long day, yes, thank
16 you. As already been said, in New York, land is a
17 scarce commodity for building any kind of housing.
18 I'm going to focus my remarks on the production side
19 of the hearing. Lucy and our joined testimony will
20 be talking about the conversion processes.

21 CHAIRPERSON AMPRY-SAMUEL: Could you state your
22 name?

23 VICTOR BACH: I'm Victor Bach, I'm with
24 Community Services Society. Public land like NYCHA
25 land comes at no or at low-cost. In an ideal world

1
2 it should be used for building affordable housing,
3 100 percent affordable housing but we all know NYCHA
4 faces a \$32 billion capital backlog and there has to
5 be some trade offs between using that land to build
6 market rate housing that generates revenue and on the
7 other hand, building affordable housing and using no
8 cost land effectively.

9 If Harborview is a sign of things to come, we're
10 facing infill development that's going to be 70/30.
11 70 percent market rate, 30 percent affordable. That
12 ratio is no better than the Mayor does in his
13 mandatory inclusionary housing which is 70/30, or a
14 normal 80/20 housing and that's on land where
15 developers pay high land cost, a significant part of
16 construction costs. So, we find that 70/30 ratio is
17 inappropriate and disproportionate for housing built
18 on NYCHA land and we wanted to register that here.

19 We're also concerned about how the revenue
20 generated is distributed. As of NYCHA's policy as of
21 right, has been to allocate half the revenue to deal
22 with capital needs at the development and half goes
23 into its operating fund. We think that's
24 inappropriate. We think that all of the revenue
25 generated should be used to meet the capital needs at

1
2 the development in question and if needed, addition
3 city subsidies should be put into the deal to see
4 that that happens. I have yet to see an estimate of
5 how much revenue NYCHA stepped up infill program will
6 generate. Chair Brezenoff indicated hundreds of
7 millions but the infill program has never been the
8 primary revenue generator in NYCHA's plan.

9 Compared to the RAD program and the NYCHA
10 original plan, it would account for \$3 billion of
11 NYCHA's capital backlog whereas, infill only
12 accounted for \$400 to \$600 million. So, I would
13 think there's some flexibility in the construction
14 program to include a high proportion of affordable
15 housing or stick with the 50/50 original plan. Thank
16 you.

17 LUCY NEWMAN: Good afternoon. Thank you very
18 much for having this hearing and again, for your
19 commitment to public housing. As Vic mentioned, you
20 know these are obviously tough times. We've heard so
21 much over the course of the past year or two about
22 the tough times that NYCHA was facing, but I do think
23 that we have to really urge caution about how we go
24 about trying to raise the funds necessary to save the
25 homes of hundreds of thousands of New Yorkers and

1
2 hopefully for future generations millions of New
3 Yorkers.

4 There's been a lot of talk about Ocean Bay,
5 Bayside and I want to talk about it as kind of the
6 shining light example of a RAD deal, but I do think
7 its important for people to understand that that deal
8 came with hundreds of millions of dollars of FEMA
9 funding and that application for RAD was actually
10 filed under the previous administration because of
11 the fact that they had this access to the FEMA
12 funding.

13 So, we talk about RAD bringing lots of dollars
14 to save NYCHA, but we have to be clear here that what
15 we're talking about is really the privatization of
16 public housing in the form of what we call in public
17 and private partnerships. So, just by way of
18 background, 1,400 units of public housing were
19 converted in December 2015 through the RAD deal but
20 that was RAD plus a really big injection of cash from
21 FEMA.

22 In 2015 under the first generation, Next
23 generation NYCHA 1.0 plan, they announced 15,000
24 units would be converted under RAD and at that point,
25 the plan really said that RAD was going to cover

1 scatter site and obsolete units and what we do know
2 right now is that the new letter that was submitted
3 to HUD recently for another 26,000 units really
4 wasn't focused on scatter site and obsolete. Its not
5 actually kind of - they're looking to convert what we
6 really are looking as traditional public housing
7 towers in the park. So, for example, the latest
8 letter to HUD covered Patterson Houses which is a
9 classic NYCHA development.
10

11 The RAD statute has certain rights and
12 protections built into it. Which in addition to the
13 RAD roundtables guide and principles really does
14 serve to protect public housing residents after
15 conversion including the renewal of the Section 8
16 contract at the end of the 20 years and the automatic
17 renewal and the 20 years physical needs that has to
18 be met through that deal.

19 Today, what we've heard is RAD, RAD, RAD, but I
20 want people to understand that we're not actually
21 looking at RAD. NYCHA was planning on doing what
22 they call impact conversions, which is a blending of
23 Section 18 and RAD. And the deals that they're
24 currently doing, the 1,700 units including the 400
25 that they're closing today are about 60 percent

1 Section 18 disposition and about 40 percent RAD, and
2 NYCHA has not been transparent about this including
3 in the annual plan for fiscal year 2019. They
4 weren't upfront about the fact that what their doing
5 is blending Section 18 with RAD. They called them
6 adjacent HUD programs and we think its really
7 important that residents understand that what their
8 doing here is not RAD. What their doing is Section
9 18 disposition blended with RAD and we urge NYCHA to
10 file the guiding principles and file something on
11 record with HUD that would require any of these
12 blended transactions to be covered by all of the
13 protections that the RAD statute offers and our
14 guiding principles.

15
16 We're very concerned about they are insuring the
17 renewal rights to the Section 8 contracts at the end
18 of the 20-year plan and other protections that are
19 built into RAD.

20 In addition, we mentioned the unfunded units.
21 Again, its very unclear what kind of physical needs
22 are going to be covered when they do those
23 transactions. Obviously, its important that funding
24 does get to those 30 - I think it's 3,900 units at
25 this point, but we would urge NYCHA to basically

1
2 include them under their PACT umbrella and ensure
3 that all of the protections that their other PACT and
4 RAD transactions are getting. Covering those of the
5 unfunded units and then very briefly, to the tenant
6 protections and participation aspect, we would urge
7 that we come back to the table to ensure that the 964
8 regs around tenant associations and obligation of new
9 owners to recognize them be put in place for all of
10 these PACT conversions and that an MOU be signed by
11 any developer that lays out the work that's going to
12 be done and what kind of community benefits are going
13 to be offered to the residents who are undergoing
14 these conversions and also that those who are
15 converted, have access to NYCHA's kind of central
16 services of job programs and other programs that they
17 get benefit of being a public housing resident but
18 after conversion of being a project based Section 8
19 resident.

20 CHAIRPERSON AMPRY-SAMUEL: Thank you Ms. Newman.
21 Are you able to meet with residents who are projected
22 to go through the conversions ahead of like any kind
23 of formal meetings or formal processes with NYCHA?
24 Are you able to like to sit down with residents and
25 be able to provide them with your levels of concern

1
2 or/and are you a part of the stakeholder or
3 roundtable conversation, like around the guiding
4 principles?

5 LUCY NEWMAN: So, Bach from Community Services
6 Society and Enterprise, they convened the RAD
7 roundtable and we were part of the RAD roundtable.
8 Vic and I have actually been doing briefings to
9 residents that are undergoing RAD conversion and the
10 Legal Aid Society has also been doing what we call
11 lease addition days. Where we go to every
12 development and we do two or three lease addition
13 days to help residents register household members and
14 pets and any of the things that need to be taken care
15 of before the conversion happened but yes, we are
16 very available. Obviously, one of our concerns is
17 that if they are about to do 70,000 units at RAD
18 conversion, this is something that we need to kind of
19 tackle on a much greater basis and obviously with the
20 three of us, we can't do -

21 VICTORY BACH: I should add also that our three
22 organizations have put together a resident handbook
23 on RAD conversion and its available from any of our
24 organizations.

1
2 CHAIRPERSON AMPRY-SAMUEL: Okay, and are you
3 meeting with the elected officials who represent
4 those districts with an online –

5 LUCY NEWMAN: Yeah, we've been having meetings
6 with each of the current – the City Council members
7 and also state assembly members and sometimes you
8 have RAD currently in their districts and we'll be
9 doing that as of when new developments get rolled
10 out.

11 CHAIRPERSON AMPRY-SAMUEL: Okay, thank you.

12 MICHELLE MULCAHY: Thank you and my name is
13 Michelle Mulcahy on behalf of Enterprise Community
14 Partners. I would like to thank Chair Ampry-Samuel
15 and the City Council Committee on Public Housing for
16 the opportunity to testify today. Enterprise is a
17 non-profit affordable housing organization with more
18 than 35 years of experience in creating and
19 preserving safe and decent homes for low-income
20 people.

21 The single largest portfolio of affordable
22 housing in the country is owned and managed by NYCHA.
23 Our city's public housing stock provides stable and
24 affordable homes to more than 400,000 New Yorkers,
25 including both our most vulnerable residents and

1
2 those that make the city function every day. Public
3 housing has been a stabilizing force and a
4 springboard for opportunity for so many, including
5 civic, business, and cultural leaders.

6 So, preserving NYCHA for this purpose for
7 generations to come is one of the most important
8 tasks we face as a city. Unfortunately, as we've
9 been hearing today, NYCHA is in danger both
10 physically and financially with a backlog of \$32
11 billion in unmet capital needs. Many of which lead
12 to serious health and quality of life challenges for
13 residents. We believe that the rental assistance
14 administration program or RAD provides an effective
15 framework for preservation through public private
16 partnership that both protects residents' rights and
17 has become necessary given the trend in funding for
18 public housing. RAD is the best tool we have to make
19 much needed repairs. The RAD program provides long
20 term affordability protections for residents and
21 ensures the continuation of key resident rights.

22 Other programs under the PACT umbrella, if
23 bolstered with the similar resident protections, can
24 enable even more homes to be preserved.

1
2 As my colleagues here, reference beyond the
3 national regulations NYCHA has collaborated with a
4 broad set of stakeholders to enhance protections
5 through the RAD roundtable for resident rights and
6 protections, which was co-convened by Enterprise
7 Community Service Society and included other advocacy
8 organizations, community-based organization and
9 resident leaders including Legal Aid Society and
10 several residents that are here today.

11 We've also developed as my colleague mentioned a
12 RAD handbook, which we have available. Which
13 provides an introduction to the RAD program, an
14 overview of resident rights as well as guidance on
15 how residents can prepare and engage through out the
16 RAD conversion process.

17 We've distributed over 2,000 copies so far and
18 hope to distribute more so that residents can be
19 fully informed and engaged throughout the process.

20 With NYCHA's ongoing commitment to ensuring
21 resident rights and protections, we support the use
22 of the RAD program and think it can be expanded
23 beyond the 15,000 units committed in the NextGen
24 NYCHA plan to improve the condition of public housing
25 for New Yorkers. This does not mean that we should

1
2 stop advocating for more federal, state and local
3 dollars to preserve public housing. RAD should be a
4 tool in addition to and not instead of other
5 coordinated and long-term strategies to eliminate
6 NYCA's capital backlog. Thank you again for the
7 opportunity to testify.

8 CHAIRPERSON AMPRY-SAMUEL: Thank you so much
9 everyone. The next panel will be Paula Segal with
10 the Community Development Project, Justin La Mort
11 with the Mobilization for Justice, and Katelyn Hosey
12 with LiveOn New York. Two minutes and please state
13 your name and organization.

14 PAULA SEGAL: Sure, Paula Segal. I am Senior
15 Staff Attorney the Community Development project. A
16 non-profit legal services organization that works
17 with grassroots and community-based groups in New
18 York City to dismantle racial, economic and social
19 oppression. We work under the Urban Justice Center
20 umbrella, so this is not our first rodeo in the NYCHA
21 infill arena.

22 You have my written testimony and I'll hit a
23 couple points that came up in today's hearing very
24 quickly. So, I'm going to read some pieces and not
25 others. We work directly with residents of Wyckoff

1 Gardens, LaGuardia Houses, and Cooper Park Houses.

2 You heard Ms. Karen Leader testify this morning. We

3 represent the Cooper Park resident's council. These

4 are three of the four sites where NYCHA and HPD have

5 publicized an intention to allow private developers

6 to construct half-market rate and half below-market

7 rate housing. At this time, we are aware of four

8 50/50 projects as we've been talking about today and

9 thirteen 100 percent affordable ones that are in the

10 NextGen pipeline, although the method NYCHA has used

11 to announce which sites are targeted for infill is

12 outside the mandatory and annual fiscal planning

13 process and extremely difficult to keep track of. We

14 have actually been collecting their announcements and

15 other relevant documents making them accessible at NY

16 Commons.org, that's a website that everybody has

17 access to, just so we can keep track of what is going

18 on.

19
20 As you heard from Ms. Leader, its been

21 incredibly incoherent to find out when NYCHA is

22 actually planning to pop a building in the middle of

23 the campus you live on. This is just the beginning,

24 the

25

1 original NYCHA NextGen plan announced that it
2 will allow developers to build 30 to 40 market rate
3 buildings and an additional 50 to 60 100 percent
4 affordable buildings. Its is absolutely not clear
5 how NYCHA is picking which campuses and we're talking
6 about 80 to 100 campuses now and it is not clear how
7 they're making a decision of which program is going
8 to go on each campus.

9
10 The residents we represent are particularly
11 concerned about the health impacts of construction
12 especially in environmental justice communities where
13 whats buried beneath the earth is rumored to cause
14 cancer and worse. What is extremely frustrating is
15 that there has been no environmental review process
16 and NYCHA has said their environmental review will be
17 the responsibility of the developers. That is not
18 the law. Under the state and federal law, the
19 environmental impact of projects like this must be
20 given meaningful consideration at a time when
21 alternatives can be considered.

22 NYCHA seems to be intentionally waiting until it
23 is much, much to late and then punting the
24 responsibility to a financially interested party.
25 There has been no opportunity for environmental

1
2 review of potential health impacts of the lost light
3 and air. Of all of the issues that residents brought
4 to you today and have brought to you today because
5 there has been forum for those issues to be brought.

6 We talked about the lack of financial benefits
7 earlier, I don't need to hammer that home. We also
8 heard a couple people today asking the Council to
9 vote against this. I really wish you could. The way
10 the law is structured now, you can't but we have the
11 power to change this. Right now, the disposition of
12 city owned land goes through ULURP. The disposition
13 of Public Housing Authority land does not and it's a
14 simple change that can be made in the Charter and
15 luckily, we have a charter revision that's convened
16 right now that can make that change. NYCHA must put
17 through ULURP any projects that are not complying
18 with the underlying zoning, but it admitted to under
19 oath today, that their choosing not to do that in
20 places where they fear that the Council will vote it
21 down. So, their using the sneaky little mechanism
22 called the Mayoral zoning override which lets them
23 not even bring things to this chamber that actually
24 belong here under the current charter.

1
2 We heard from Council Member Chin that her
3 residents want a grocery store. NYCHA's told those
4 residents they can't have one because the zoning
5 doesn't allow it. That is true but if their willing
6 to use the zoning override to allow a massive terror
7 on a narrow street where the zoning code doesn't
8 allow it, in the Holmes Tower developments, they can
9 certainly use one to put a grocery store in. So,
10 they're really talking out the sides of their mouths.
11 Those are the highlights.

12 JUSTIN LA MORT: Good afternoon. My name is
13 Justin La Mort. I am the Chair of the Housing
14 Committee at the New York City Bar Association,
15 managed the Housing Rights Clinic at Brooklyn Law
16 School and I'm a supervisor at Mobilization for
17 Justice.

18 We at Mobilization for Justice envision a
19 society where there is justice for all and I wish
20 that NYCHA would show the same caution they do
21 towards receivership as they do towards
22 privatization. I want to start off with a couple
23 issues that haven't been spoken about RAD, primarily
24 that it is unproven. It has only been around 2012
25 and we don't know the impact that it has on tenants'

1 lives. The US Government Accounting Office found
2 that HUD does not track the impact of RAD and when
3 they found that in one sample, 57 percent of RAD
4 converted tenants had an increase in their rent that
5 HUD could not explain was that an increase in a rent
6 of burden or whether because it was increase in
7 income because HUD does not care what happens to the
8 tenants. What they measure is how many are converted
9 from Section 9 to Section 8 and that is not the
10 metrics that we should be focusing upon and we hear
11 today that there a few reasons why you should do RAD.
12 Those don't make sense when you look at the
13 implementation. If you believe in RAD and what they
14 said today is a potentially 41,000 units, it's
15 because it will solve the mismanagement from NYCHA.
16 You have to trust that private management because the
17 authority and the accountability of the private
18 managers will be the oversight by NYCHA and HUD and
19 if you believe in RAD because that's where the money
20 is, then you have to question that the same
21 neoliberal policy makers that have led to the
22 destruction of public housing are the same
23 individuals in congress and the Trump administration
24
25

1 who will be funding or de-funding Section 8 in the
2 future which has fewer protections in public housing.

3
4 When finally, we get to the infill issue, it has
5 been very disturbing to see the waffling from
6 projects that were 100 affordable to now possibly 70
7 percent luxury and when we look at other venues of
8 the city doing these types of program, whether its
9 privately-owned public spaces or 421A's these have
10 been bad deals that only benefit private profits and
11 not the public.

12 So, with that I just ask that whatever oversight
13 you can do, because if we set this precedent under a
14 progressive administration, what will happen when
15 people are in power who do not respect and value
16 public housing or the 400,000 neighbors that call it
17 home. Thank you.

18 CHAIRPERSON AMPRY-SAMUEL: Thank you.

19 KATELYN HOSEY: My name is Katelyn Hosey. I am
20 here representing LiveOn NY and I'm going to diverge
21 from my written testimony a little bit. I've been
22 taking a lot of notes today and first and foremost, I
23 want to say thank you to all of the individuals -

24 CHAIRPERSON AMPRY-SAMUEL: Within two minutes.

25 KATELYN HOSEY: Yes, with all the individuals.

1
2 CHAIRPERSON AMPRY-SAMUEL: I looked and saw your
3 testimony and it was like okay, this is really short.

4 KATELYN HOSEY: Don't worry, but I want to thank
5 all of the individuals here today. LiveOn NY firmly
6 believes in making New York a better place to age and
7 making NYCHA a better place to age is certainly one
8 critical way to do that given the fact that NYCHA is
9 currently headed by 38 percent of the individual
10 there are older adults and so, NYCHA and the Section
11 202, HUD 202 program, are some of the largest
12 available affordable opportunities for older adults
13 in New York and we know that there is seeming less
14 endless demand to fill with over 200,000 seniors
15 waiting for housing through the HUD 202 program and
16 200,000 seniors waiting for housing through the NYCHA
17 program.

18 So, there's certainly a need here and there's
19 definitely a lack of federal resources, a lack of
20 land, all of that has been explicated. So, we need
21 innovative solutions moving forward as to how to
22 continue to house the older adults within New York.
23 What LiveOn NY would like to emphasize is the
24 importance of communicating with community-based
25 organizations as these innovative solutions come to

1
2 take hold. That means that ensuring that community-
3 based organizations are aware of what is going on in
4 their NYCHA development areas as well as have the
5 funding to be able to ameliorate resident concerns as
6 those arise as often especially for older adults when
7 they hear having historically grounded information of
8 NYCHA, when an older adult hears of a potential
9 issue, they turn to their trusted community based
10 organization in order to figure out what's happening
11 now and whats coming next. And the community-based
12 organizations need that information in order to be a
13 part of this process and to be a partner to the city
14 as is appropriate. So, we appreciate this
15 opportunity. Thank you.

16 CHAIRPERSON AMPRY-SAMUEL: Thank you so much and
17 I know that Mr. Morris from Isaac mentioned the same
18 thing and we look to you as well to provide us with
19 information as to whats happening on the ground. The
20 next panel we will hear from - thank you so much.
21 The next panel we'll hear from is Ocean Bay, so,
22 Yoselin Maria Perez, Iris Collado, and Lolita P.
23 Miller who is the resident Council Treasurer of Ocean
24 Bay RAD program. So, I know I mentioned that you
25 know, we want to make sure that the residents have a

1
2 voice, but I do have to state that there is a program
3 that's being held here and so, we are really behind
4 time and we still have four more panels to speak. You
5 can proceed and just please just state your name.

6 YOSELIN MARIA PEREZ: Okay, my name is Yoselin
7 Maria Perez. I work in Ocean Bay and I'm also one of
8 the tenants that live there. So, what I have to say
9 seems RAD and all these renovations teams come in. I
10 see a lot of different. One, the violence is down
11 because **[inaudible 5:01:30]**. Also, the buildings,
12 the way they look now and the way that they were
13 looking before is totally different. Now you can
14 bring friends, even my kids, I've got four boys and
15 he is 26 and the other one is 11. They say mommy, I
16 can bring friends now home. So, it's a lot different
17 how the elevator is maintaining and clean. You come
18 to the complex you see from outside the different
19 **[inaudible 5:01:59]** ground. How they maintain the
20 ground and everything at work there. So, I came to
21 show you both sides.

22 Like, the tenants are great. I know that it's
23 difficult because they're in constructions. So,
24 sometimes **[inaudible 5:02:14]** when you look how its
25 closed or difficult to work through the street but

1
2 it's worth it. At the end, all that we're passing
3 through right now is worth it. How my apartment
4 looks now and how it was before is a lot different.

5 So, can I say right now, its good to have the
6 renovation in the House in NYCHA.

7 IRIS COLLADO: Good afternoon. Thank you for
8 the opportunity to speak at this hearing. My name is
9 Iris Collado. A resident at the Ocean Bay projects.
10 I'm also an administrative assistant in the
11 construction company that's doing the construction in
12 the site.

13 So, as she was stating there's a lot of
14 difference in reference to the progress that has been
15 conducted and that is still going on. There is a lot
16 of changes. We do see a lot of - the violence has
17 gone down enormously. You feel now like you're able
18 to tell your family, come visit me. Its looking
19 very, very nice and the atmosphere is totally
20 different from before, but as far as the maintenance
21 staff [inaudible 5:03:44] hiring procedure was put in
22 place for permanent maintenance staff. To date, 17
23 NYCHA residents and 12 of our residents were hired.
24 The new staff were staged hours to ensure that the
25 needs of the residents are met. In addition, a live

1 and super assistance and super were hired. Thereby
2 insuring 24/7 presidents of ownership and management.

3
4 Crime reduction in conjunction with working with
5 the local NYPD and installing numerous interactive
6 cameras. Crime at the site was reduced significantly
7 68 percent in 2017 and with no major crime today, a
8 100 percent reduction in 2018. Engagement of
9 residents continuing the process of resident
10 engagement at NYCHA started well before the actual
11 RAD conversion of the site and the development team,
12 continues to have ongoing meetings with the resident
13 association and the residents at large to ensure that
14 the residents have a voice regarding their community.

15 Overall, we're very satisfied with the outcome
16 of the renovations in the site and very, very
17 grateful.

18 LOLITA P. MILLER: Good afternoon. My name is
19 Lolita P. Miller and I live in the Ocean Bay
20 apartments. I am a retiree from NYCHA twenty years
21 and I devoted my time and effort in the community to
22 service the people. I sit at the RAD table when it
23 all started in 2011 and never knew of it and one
24 friend came to me and asked me, why are you not at
25 the RAD meeting, you're always in something? And I

1 better and after I implement the RAD, and I produce
2 it to HUD, myself, and they accepted the RAD, my
3 congressman signed off on it and here we are,
4 beautiful place. Mrs. Samuel, I thank you for coming
5 to see our place and we want you to come back again,
6 so you can see the difference from when you were
7 there at first and now. Its awesome. The flood
8 walls are up. Everything is going great at Ocean
9 Bay. I am very pleased with my apartment. I am very
10 pleased with what I see. All the managers and all
11 the workers in collaboration to make it the way it
12 is. MDG, all the stakeholders their there OSEA OBCBC
13 and catholic charity, they're there. Everything is
14 working wonderful. We have various programs that we
15 have put in forward. Now, we are looking forward to
16 our election for the resident council and I told them
17 that I don't want business as usual. I want it to be
18 better than what it was, and I want the Mayor to come
19 and walk the street of Ocean Bay, not to be in the
20 community center or nowhere, walk the street with the
21 residents. Let them know the Mayor of the City of
22 New York. Let him see what he gives us, how we are
23 taking care of it because they appreciate what he
24 does. If he didn't sign off on things, we wouldn't
25

1
2 have it. I thank the Mayor. I thank the City
3 Council to have us today and I thank you Ms. Samuel
4 and bring your compadre with us and come and see us
5 again. Thank you for having us.

6 CHAIRPERSON AMPRY-SAMUEL: Thank you so much and
7 I'm glad that you're able to actually feel
8 comfortable in your homes and be able to invite
9 family and friends over and not feel embarrassed.
10 So, I'm glad to see some smiling faces and
11 prayerfully we'll be able to use your experiences in
12 helping other NYCHA -

13 LOLITA P. MILLER: Yeah, well I always wanted to
14 enhance what I learned at Enterprise and our
15 colleagues that was there all of the big bosses, I
16 went to Baltimore and presented the RAD. The RAD
17 came here and I am ready to help anyone who wants the
18 RAD or wants to know of the RAD, I am here. My name
19 is Lolita Miller, I live in Ocean Bay and my
20 telephone number is 516-581-4985.

21 CHAIRPERSON AMPRY-SAMUEL: Thank you.

22 LOLITA P. MILLER: Thank you.

23 CHAIRPERSON AMPRY-SAMUEL: Thank you, thank you,
24 thank you. So, the next panel we'll hear from is
25 Manuel Martinez of South Jamaica Houses Tenant

1 Association, Michael Higgins of FUREE, Karen Blondel
2 and Ms. Quinons[SP?] left, and Dr. John Derek Norvell
3 from Lincoln Houses.
4

5 Thank you so much.

6 CHAIRPERSON AMPRY-SAMUEL: Can you turn on the
7 mic?

8 MANUEL MARTINEZ: Yes, thank you so much for me
9 being a part of this very, very important hearing and
10 I will be brief. In fact, what I will read to you is
11 what I read last month to Judge Pauly about the
12 hearings there. About the issue of the monitor with
13 NYCHA and that and I'll start off with this.

14 Our constitutional and civil rights as public
15 housing residents have been trampled underfoot, we
16 need a resident bill of rights first as an intro in
17 the City Council that will become a template for
18 widespread legislation at the state and national
19 level. We would like those law students preparing
20 for their JED to assist us in this effort. The 964
21 regulations are transitory in nature. They must be
22 made statutory where relevant. We are most concerned
23 with Provisions in RAD that could result in massive
24 evictions, in deed the termination of public housing
25 if any public housing authority goes into default.

1
2 If default happens, the for-profit owners of tax
3 credits can seize the buildings, raise them with a Z,
4 build high rise developments and constructively evict
5 all public housing residents who can't afford them.
6 The municipalities would keep the land, but the
7 residents would be gone.

8 Residents must have protections against this
9 doom's day possibility. We have no knowledge of who
10 the tax credit individual is because they are not on
11 record in the hall of record due to Mayoral executive
12 privilege given to NYCHA by the previous Mayor
13 Bloomberg. In addition, Bloomberg interfered with
14 state statutes concerning resident participation on
15 the NYCHA board whereas other municipalities in the
16 states like Buffalo are allowed to elect those
17 residents to sit on the board. Bloomberg obtained
18 the privilege to subvert this right to public housing
19 residents in New York City by employing residents to
20 sit at the Mayor's pleasure. Transparency and
21 democratic representation must be restored to public
22 housing.

23 Even now, we got a notice just three weeks ago
24 about applying for the Mayors board in which he would
25 hire people to sit at the Mayor's privilege, at the

1
2 Mayor's pleasure instead of being elected. We must
3 have transparency, we must be elected and part of the
4 reason why you're not getting all the information
5 that you should get is because NYCHA having this
6 Mayoral privilege is not required to give anything to
7 the hall of records. You'd have to a form request
8 for some of these items and some of these things but
9 I was an activist and went to DC and we confronted
10 Congressman Ellison about RAD and it is just dooms
11 day prevision in RAD that I haven't heard from
12 anybody whether that dooms day prevision is removed
13 and that is if anybody, I mean any public housing
14 authority in the nation, if they go into default, and
15 we know how bad NYCHA is about money. If they go
16 into default, the for-profit tax credit people will
17 come in and they will seize the buildings and the
18 municipalities, the state will keep the land, but the
19 builders will be seized. They can tear them down,
20 they can build whatever they wish and what you will
21 have will be massive constructive eviction and so we
22 must have protection. So, what I ask of you is what
23 I even asked in my last sentence to the Judge, Judge
24 Pauly. I said to him, in conclusion I pray that the
25 court will consider these legal issues as well as

1
2 other structural issues in these deliberations today
3 concerning any covenants or agreements with NYCHA.
4 Protect our rights. What I ask of you and I met you
5 – I think I met you earlier in the year and you were
6 a public housing resident and what I'm asking of you
7 is that we have JED students that work with you in
8 that to help us put together a resident bill of
9 rights to protect us against any of the deficiencies
10 that are in RAD and also to restore some
11 constitutional rights. Like, [inaudible 5:16:29] for
12 instance that forces us to do community service, and
13 we've lost 13th and 14th amendment rights and I feel
14 that we need to restore that. Even if it means going
15 against the courts. We have the federal court now on
16 our side, but I've heard the excuse, well, this is a
17 federal law we can't go against it but that's what
18 supreme courts are for. But we need to have our
19 rights protected. Now I have heard at the you know,
20 meetings and stuff about you know, these legal folks
21 and stuff and I'd like to employ them to also put
22 together a bill because if you have regulation, NYCHA
23 can put those regulations forward on Monday and take
24 them back on Tuesday but if there statute, they can't
25 mess around with statute. So, I ask for your help

1
2 and oh, I forgot to mention that I am a public
3 housing resident of Abraham Lincoln Houses and I've
4 been an activist back in forth for the national low-
5 income housing coalition and also that I'm head of an
6 organization called the Pinkster committee which we
7 are all public housing residents and Pinkster's the
8 oldest African-American holiday of New York going
9 back to 1626. But what we do is that in the
10 tradition of an African kind of pinkster, which they
11 had here until 1811 when Pinkster was outlawed, and
12 they brought the holiday back. The African king,
13 even though he was a slave, he stood up for people in
14 the courts and for their rights, he was a champion of
15 the people and so we decided that we would do the
16 same thing in terms of housing rights and other
17 rights and since we're public housing residents. We
18 took that very much to heart and so, that's what we
19 are part of and that's why I'm head of the African-
20 American Pinkster Committee of New York. Thank you.

21 KAREN BLONDEL: Thank you. Thank you for having
22 this hearing today. My name is Karen Blondel. I am
23 a resident of public housing in the Red Hook Houses
24 and as a public housing resident, I'm also a
25 professional organizer for a community based

1 organization and I created two workshops recently for
2 public housing residents to know their rights and the
3 reason why I had to create these is because I've been
4 a long term member of the resident council in my area
5 but even though I've been long term there since the
6 1990's, I have yet to hear financial report. I have
7 yet to have them follow the order of business that is
8 located the abide laws and so, as I was reading from
9 the New York City Housing Authority tenant
10 participation, resident council guidebook, which I
11 did bring a copy of to you today in preparation for
12 my workshop. I was reflecting on the many years I
13 have been an active member of resident council.

14 In the guide book, the resident council is given
15 the power by the federal government to be the
16 representative voice of each development. Through
17 the code of Title 24-part 964 A, B, and C in addition
18 to a PIA2 notice 2013, 2021 that was administered on
19 August 23, 2013 which is also attached to my
20 testimony.

21 As an active member of resident council and an
22 occupant of public housing, I'm requesting a
23 moratorium on RAD, on infill, on solar panels, on
24 public housing roofs that are going to be benefiting
25

1
2 affordable housing. First of all, most people in
3 this city don't understand the difference between
4 public housing and affordable housing and there's a
5 big difference.

6 Secondly, I'm not understanding why infill and
7 RAD are pilot programs that only receive
8 appropriation from the federal government for the
9 next 20 years but NYCHA's offering 99-year leases,
10 why? Why when appropriation may not be there? So, I
11 agree with this brother right here that there maybe
12 some issues down the road with us leaving New York
13 and the great migration going back south when we only
14 migrated here from the south of North America between
15 1916 and 1970. So, I would also like to just say
16 that HUD, Housing at Urban Development not only
17 supplied the full amount for 2018 that was requested
18 by New York City Housing Authority, it actually gave
19 a 10 percent increase for fiscal year 2018 and 2019.
20 We just looked at it. So, they have more money for
21 homes, for first home owners from public housing and
22 one of the things I'm asking for is if public housing
23 units are brought off line, that there's a one for
24 one match in that same community for residents and
25 finally, I'd just like to say that HUD offers a range

1
2 of programs including Choice Neighborhood Grants,
3 where they allow neighborhoods to actually adopt
4 their development and so, we should look at all of
5 the examples of things like -I'm a public housing
6 resident and I didn't know that with a 500 credit
7 score, I am eligible through FHA to be a first home
8 owner and I know that's not a house in New York City,
9 but I'd like to own my apartment since I've been in
10 there since 1989. I pay over a thousand dollars a
11 month in rent. I pulled myself up from my boots. I
12 don't have college, but I've educated myself. I've
13 learned about repairs and modernization. Why will
14 they not listen to tenants? Please give us a chance.
15 Thank you.

16 MICHAEL HIGGINS: Hi, good afternoon Madam
17 Chair. So, I'll be very brief. I know its been a
18 very long day for you and me both. I just want to
19 highlight just some very quick points from my
20 testimony and a [inaudible 5:22:41] that just came
21 out in city limits this morning. So, my name is
22 Michael Higgins. I am a community organizer for a
23 group called FUREE, Families United for Race and
24 Economic Equality. We're also members of the Gowanus
25 Neighborhood Coalition for Justice GNCJ and members

1
2 of the Turn the Time initiative around environmental
3 justice and public housing residents.

4 So, to be really brief, I want to highlight and
5 focus on and refocus on the need for a moratorium
6 right, so if NYCHA is under federal investigation,
7 around the settlement case that's still being I guess
8 figured out by Judge Pauly, there should be no
9 additional moving in terms of RAD, in terms of
10 infill, there should be a stop. If anything, there
11 should be a moment of clarity in terms of a potential
12 audit, in terms of what programs is NYCHA offering in
13 terms of the NextGen 1.0 or 2.0. In terms of the
14 number of units that their promising and where is
15 that funding coming from?

16 Second, and you know, just a case study of
17 privatization that I don't think has been mentioned
18 today but is in your council **[inaudible 5:23:51]**.
19 Prospect Park and Prospect Plaza, sorry. You know
20 well the story of how those four buildings were
21 essentially demolished and now there is mixed income
22 housing but unfortunately there are only 80 units
23 coming back and there are 360 that originally existed
24 and for which there is no tangible measuring in terms
25 of where the residents of those developments have

1
2 gone and is there any focus in trying to bring them
3 back if they want to come back?

4 Last but not least, I think it's important to
5 make sure that you know, within the Mayor's Housing
6 Plan, he's put a focus on affordable housing and has
7 chosen 15 new neighborhoods to be rezoned but has not
8 put any talk in terms of how do we take that real
9 estate revenue that's going to be created through
10 those rezoning's and connect it to public housing.
11 Essentially the Mayor is allowing billions of dollars
12 to be made out of thin air through rezoning and
13 through the densification of these neighborhoods and
14 that should be siphoned into communities that need it
15 the most. Thank you.

16 CHAIRPERSON AMPRY-SAMUEL: Thank you so much. I
17 just wanted to mention, did you receive notice about
18 the home ownership opportunities, the NYCHA update?
19 There was a release about affordable homes.

20 KAREN BLONDEL: Yesterday.

21 MANUEL MARTINEZ: I haven't at all.

22 LOLITA MILLER: But I haven't been in public
23 housing since 1989.

24 MANUEL MARTINEZ: I've been in public housing
25 since 1974.

1 LOLITA MILLER: I wish I heard about it sooner.

2 CHAIRPERSON AMPRY-SAMUEL: Yeah, and I just see
3 the list of their informational sessions and its
4 Thursday. Anyway, thank you so much.

5 MICHAEL HIGGINS: Thank you Madam Chair.

6 MANUEL MARTINEZ: Thank you.

7 CHAIRPERSON AMPRY-SAMUEL: Okay, final two
8 panels. John Falcone for United Neighborhood Houses,
9 Rachael Fee, New York Housing Conference, Patrick Lee
10 from Trinity finance, and Simon Bacchus with the
11 Arker Companies and Holly Chu, Robert Madison, Jacob
12 Riis Neighborhood Settlement and David Beer, Breaking
13 Ground. Okay, that should be everyone. Okay, this
14 is it.

15 ROBERT MADISON: Well thank you very much and
16 good morning Chair Ampry and members of the City
17 Council on the Public Housing. My name is Bob
18 Madison. I'm the associate executive director of
19 Jacob Riis Settlement and I am here on behalf of Riis
20 to lend a voice in support of the requests made by a
21 number of settlement houses and CBO's for the
22 administration to convene a joint task force
23 comprised of across section of stakeholders in order
24 to establish a clear process that governs a roll out
25

1 of privatization and development at NYCHA owned
2 properties. It's understood that the U.S. Department
3 of Housing and Urban Development HUD, rental
4 assistant demonstration at RAD, is already an
5 operation and will expand to other NYCHA properties
6 throughout the city in the near future. This is
7 causing a growing level of concern amongst NYCHA
8 residents who do not fully understand the RAD
9 process. These residents are reaching out to their
10 local settlement house and CBO's in the community
11 with questions such as, when is this happening to my
12 community? Will I be displaced and what is it all
13 about? It's our contingent that having CBO's at the
14 table as key stakeholders in helping to develop
15 strategies to roll out and planning is an excellent
16 one.

18 Excellence in incorporating the voice of the
19 community, the CBO's have decades of ten year and
20 many of the NYCHA communities where they are housed.
21 They know the community, they can connect more
22 effectively with those residents and the
23 dissemination of accurate information to the
24 community by our agencies increases transparency and
25 encourages the greater confidence in the process.

1
2 We act as the credible messengers of guidance
3 and direction. Our voice at the table will echo the
4 sentiments and concerns of the community and allow
5 stakeholders to build a just process.

6 In Queens Bridge alone, there are 3,099 house
7 holds and for decades resettlement has served as a
8 beacon for the community hosting forums, meetings,
9 workshops, and press conferences to share in support
10 the community with the necessary information for a
11 healthy community.

12 The administration should allow us and other
13 settlement houses and CBO's to continue in that role
14 by having us on a task force as a stakeholder in the
15 process. I want to thank you for your time, your
16 attention, and thank you for the opportunity to
17 testify.

18 CHAIRPERSON AMPRY-SAMUEL: Thank you, thank you.

19 J.T. Falcone: Good afternoon Chair Ampry-
20 Samuel. I'm here on behalf of United Neighborhood
21 Houses. My name is J.T. Falcone. We have 40 members
22 settlement houses. Resettlement is one, Isaac Center
23 is another who testified earlier. Settlement houses
24 are partnered with NYCHA since it was established in
25 the 1930's and settlement house leaders helped to

1 bring the national public housing movement to New
2 York and we're integral in the founding and early
3 success of NYCHA. I'm going to cut to the chase here
4 because its been a really long day. As Bob said,
5 we're here to call the city council to work with the
6 administration to convene a joint task force. The
7 task force would be comprised of a cross section of
8 stakeholders and it would be charged with the
9 establishment of a clear process that governs the
10 roll out of RAD or infill, or other projects on NYCHA
11 on properties. This has been an inconsistent process
12 and there isn't written record of what the engagement
13 procedure are for NYCHA. As NYCHA's move forward
14 with PACT, the local implementation of RAD, they've
15 done so with limited input from external
16 stakeholders. NYCHA leans on southern houses in
17 community-based organizations informally to support
18 their work as community liaison or to get messages
19 out to residents but in terms of opportunities to
20 proactively contribute to the planning process, its
21 not necessarily there. There are some instances
22 where it works and there's some instances where its
23 not and we think at the end of the day there needs to
24 be a clear written process against which we are
25

1 referring in order to make sure that there is
2 consistency in the role out of these.

3
4 CHAIRPERSON AMPRY-SAMUEL: Thank you and I just
5 want to say on the record that I appreciate being
6 able to add my voice and my lens onto [**inaudible**
7 **5:30:59**] that we were able to put out and so, I
8 appreciate the collaboration and look forward to
9 continuing our work together.

10 J.T. Falcone: It was a pleasure working
11 together.

12 PATRICK LEE: Good afternoon Madam Chair. My
13 name is Patrick Lee with Trinity Financial. We are a
14 real estate company with a headquarters in Boston and
15 also here in Manhattan. Thomas Brown is here with
16 me, you know him. He runs our office here in
17 Manhattan.

18 We have developed more than 9,000 units of
19 housing and a lot of what we do is public housing
20 redevelopment. We've done some 30 of these
21 transactions over the last 20 years, including the
22 Randolph Houses Development on 114 Street in Harlem
23 and that is a development that we did with NYCHA. It
24 is all affordable permanently affordable. It
25 includes 147 units of public housing. It is a

1
2 development that included quite a bit of resident
3 engagement and we're particularly proud of the fact
4 that we had a private local non-profit organization.

5 West Harlem Group Assistance working with us
6 because they are developing a full array of social
7 services to the residents that are there.

8 I would encourage the Council, NYCHA, the City
9 to continue its efforts to embark upon public/private
10 partnerships. The private partners in the
11 transactions that we have worked on have brought
12 substantial resources to the development. The
13 Randolph Houses development some 60 percent of the
14 resources were from private resources. We bring
15 guarantees to the development to ensure that the
16 construction is completed, and the development
17 operated in accordance the way that it should, and
18 these partnerships can be put together in a way that
19 there are good safeguards for the residents as well.

20 Safeguards are like strong leases that are
21 agreed to in advance of them being put in place.
22 Grievance procedures for the residents, if there are
23 issues. So, there are many things that can be done.
24 Is the system perfect? Its not perfect but we're
25 living in a world where there are very few choices

1
2 for how we a. Raise the resources and b. Protect the
3 residents and I think that there are some good
4 examples out there that we can learn from.

5 CHAIRPERSON AMPRY-SAMUEL: Thank you so much for
6 your testimony and I will add that any time you have
7 resident association president Lisa Kenner sit here
8 and testify of her optimism to a project that was
9 very contentious in the community, in the district,
10 and for her to be able to have some good words about
11 her meeting with Trinity, that's a good thing and I
12 do look forward to our next meeting when we discuss
13 Van Dyke and the collaboration with Northeast
14 Brooklyn.

15 So, I do appreciate your work and I look forward
16 to continued conversations on behalf of the 41st.

17 PATRICK LEE: Thank you.

18 CHAIRPERSON AMPRY-SAMUEL: Alright.

19 Hi, good afternoon Chair Ampry-Samuel. Thank
20 you for having this hearing. My name is Holly Chu
21 and I am reading testimony on behave of Manhattan
22 Bureau President Gale Brewer. Just to I guess skip
23 over the beginning in the interest of time, the
24 background is about NextGen Neighborhoods and
25 specifically for Holmes Tower, which is ongoing right

1 now in Manhattan, upper eastside. NYCHA for NextGen
2 Neighborhoods program projected a \$300 to \$600
3 million in terms of money bringing in through NextGen
4 infill project over the next 10 years and then for
5 the Holmes Tower, Fetner Property selected as the
6 developer. Their proposal is \$26.25 million for the
7 ground lease for the 99 years in order to construct
8 on top of the land.
9

10 So, going down, I and my staff have met with
11 Fetner several times over the past year. It is my
12 understanding that in order to finance the
13 construction of the affordable units, Fetner
14 Properties expect to leverage Low Income Housing Tax
15 Credit and also city subsidies to HPD and then
16 through Fetner properties has not yet confirmed which
17 subsidy but has mentioned that they are planning to
18 use ELLA, one of the HPD programs and under ELLA
19 specifically affordable units HPD subsidizes anywhere
20 from \$130,000 to \$150,000 for each affordable unit
21 and then at Holmes Tower, it is 175 affordable units
22 projected for that project.

23 So, in my conversation with Fetner properties, I
24 understand that Fetner is seeking higher subsidy
25 amounts that what ELLA is offering, but even without

1 knowing the exact layering of finances, if we simply
2 calculate \$150,000 of potential ELLA subsidies for
3 the 175 affordable units, we would arrive at \$26.25
4 million. The same amount that Fetner is offering to
5 NYCHA for the ground lease.
6

7 So, it cost the city just as much or more to
8 generate capital repair dollars for NYCHA through
9 infill. The administration may as well write a check
10 to NYCHA and save on the years of construction and
11 loss of open space to Holmes residents.

12 The question that needs answering is whether
13 NextGen Neighborhoods is as a profitable revenue
14 generating strategy as NYCHA has helped to bring in
15 the projected \$300 to \$600 million for capital
16 repairs, how many tens or hundreds of millions of
17 dollars would the city contribute in subsidies.

18 I urge members of this committee to look into
19 the other 50/50 infill, the Wyckoff Garden in
20 Brooklyn. On that projects net cost for the city and
21 in Manhattan with La Guardia next in the pipeline,
22 the financing of that project will also shed light on
23 the true cost of infill developments. Now, I
24 understand that any affordable housing project needs
25 government subsidies for it to be financially viable

1 and in light of New York City's lack of affordable
2 housing, a certain amount of city subsidies should be
3 expected of all projects including NYCHA infills. In
4 fact, I have been focal about the needs for all
5 NextGen Neighborhoods projects to be 100 percent
6 affordable, which will require more subsidies but
7 while subsidies are an integral part of reaching
8 300,000 units of affordable housing in New York City
9 as a way to generate capital repair money for NYCHA,
10 it is clearly not profitable. We all recognize that
11 NYCHA needs money, and that infill projects can be
12 part of that solution toward closing NYCHA's capital
13 shortfall. This is why we must ensure that future
14 infill projects should at the minimum generate higher
15 ground lease payments than the amount of subsidies
16 that the city will contribute.

17
18 And then closing, because of the infill at
19 Holmes does not require ULURP, I strongly believe at
20 all NextGen neighborhood project must trigger ULURP
21 so that Community Board members, Borough Presidents,
22 and Council members can work with NYCHA residents and
23 other community stakeholders to review project plans
24 and approve only the proposals that will benefit both
25 NYCHA and the community and I apologize. I will

1 submit an updated written testimony, but the Borough
2 President also added a paragraph, its not in there,
3 so I just want to read that. Regardless of a
4 project's finances, affordable units promise to the
5 community must be honored. I continue to support 100
6 percent of affordable units with no additional market
7 rate housing for the proposed new construction at
8 Harborview Terrace. This project was the combination
9 of a community development plan negotiated after an
10 extensive community process that included NYCHA
11 tenants, community members, and elected officials for
12 the purpose of offsetting massive market rate
13 development at Hudson Yards to incorporate market
14 units into the Harborview project, not only negates
15 the fundamental purpose of the community development
16 plan, but it is an insult to tenants at Harborview
17 Terraces who supported a fully affordable project.

18 So, thank you for the opportunity to testify and
19 I will submit a testimony afterwards to you.

20 CHAIRPERSON AMPRY-SAMUEL: Thank you so much Ms.
21 Chu. So, I just want to add for the record, we
22 received testimony from Kevin Norman, Director of
23 Public Housing Teamsters Local 237, New York Housing
24 Conference, testimony from Rachael Fee, Executive
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Director, Joshua Barnett, Design Department of
Capital Projects Division as well as Fetner, with
Fetner Properties regarding Holmes Tower. So, that's
just testimony for the record. So, this completes
our oversight hearing on NYCHA development and
privatization and RAD after a total of nearly five
hours and forty minutes and that just goes to show
the level of importance that these subjects have on
the impact to residents and I look forward to
continued conversations with the administration,
NYCHA, the residents, as well as the advocacy groups
that presented today. Thank you so much everyone and
with that the hearing is now over. [GAVEL]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify 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 April 1, 2018