

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON PUBLIC HOUSING

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September 22, 2023

Start: 10:23 a.m.

Recess: 1:43 p.m.

HELD AT: COUNCIL CHAMBERS - CITY HALL

B E F O R E: Alexa Avilés, Chairperson

COUNCIL MEMBERS:

Diana Ayala
Charles Barron
Darlene Mealy
Chi A. Ossé
Lincoln Restler
Rafael Salamanca, Jr.
Pierina Ana Sanchez

OTHER COUNCIL MEMBERS ATTENDING:

Christopher Marte
Gale A. Brewer

A P P E A R A N C E S

Renee Keitt, Elliott-Chelsea Houses resident

Aixa Torres, Resident Association President of Alfred E. Smith Houses

Sophie Cohen, Staff Attorney with the New York Legal Assistance Group's Public Housing Justice Project

Shaan Mavani, Chief Asset & Capital Management Officer at New York City Housing Authority

Brian Honan, Senior Vice President of Intergovernmental Affairs at New York City Housing Authority

Matthew Charney, Vice President of Design & Construction at New York City Housing Authority

Andrew Kaplan, Chief-of-Staff at New York City Housing Authority

Christina Chaise, Second Vice President of the Ravenswood Houses Resident Association and Advocacy Coordinator at TakeRoot Justice

Crystal Glover, NYCHA resident

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

Dana Elden, President of St Mary's Park House Resident Council

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

Danette Chavis, LaGuardia Houses

Jacqueline Lara, resident at Fulton Houses

Ramona Ferreyra (Guatu Ke Ini Inaru), Save
Section 9

2 SERGEANT-AT-ARMS: This is a sound check
3 for the Committee on Public Housing. Today's date is
4 September 22, 2023. Being recorded by Danny Huang
5 (phonetic) in the Chambers.

6 SERGEANT-AT-ARMS: Good morning and
7 welcome to New York City Council hearing for the
8 Committee on Public Housing.

9 At this time, please silence your phone.

10 If you wish to submit a testimony, you
11 may do so via email at testimony@council.nyc.gov.

12 Just a friendly reminder, do not approach
13 the dais at any moment. If you need assistance, you
14 may ask one of the Sergeants-at-Arms.

15 Chair, we are ready to begin.

16 CHAIRPERSON AVILES: [GAVEL] This meeting
17 is coming to order. Good morning, everyone, and
18 welcome to this hearing of the Committee on Public
19 Housing. I am Council Member Alexa Avilés, the
20 Chair of the New York City Council Committee on
21 Public Housing.

22 I'd like to thank you all for attending
23 this oversight hearing on the New York City Housing
24 Authority's 2023 Physical Needs Assessment which

2 found more than 78 billion dollars in needs across
3 NYCHA's portfolio over the next 20 years.

4 We are joined by my Colleagues, Council
5 Member Chi Osse, Council Member Christopher Marte,
6 Council Member Brewer, and online Council Member
7 Barron. Thank you all for being.

8 I want to start by repeating the 2023
9 Physical Needs Assessment concluded that NYCHA
10 buildings need more than 78 billion dollars in the
11 next 20 years. That is more than all the estimated
12 damage of Hurricane Sandy that was caused in 24
13 states and several countries. 78 billion dollars in
14 needs is more than the needs found in the last three
15 years of Physical Needs Assessments combined, in the
16 last three, not three years. While this number on its
17 own is shocking, it's important to remember what the
18 number represents, which is the fact that every day
19 NYCHA residents live with the consequences of decades
20 of defunding. Every five years, NYCHA takes stock of
21 its buildings and grounds to determine the amount
22 needed to repair and replace the various aspects of
23 NYCHA's developments. The end result of this review
24 is the Physical Needs Assessment, a document which
25 puts a dollar amount on the needs throughout NYCHA's

2 portfolio. This process is an incredibly important
3 tool intended to help NYCHA make informed capital
4 decisions and justify investments needed to prevent
5 NYCHA properties from falling further into disrepair.
6 This year's PNA found an alarming increase from the
7 2017 PNA which had found then a staggering 45.3
8 billion dollars in 20-year needs. This massive
9 increase would be concerning enough on its own, but
10 there are several underlying factors within the PNA
11 report that make this jump even more alarming. As an
12 initial matter, the main driver of the increase, a
13 full 61 percent of the increase from 45.3 billion to
14 more than 78 billion, was market price escalation.
15 This is not unexpected as the review occurred in 2023
16 when inflation was at its peak. Part of what we want
17 to find out today is how NYCHA is interpreting this
18 price given inflation has lessened, even if only
19 slightly.

20 Second, the 2023 PNA does not include
21 NYCHA developments which have been converted to the
22 RAD-PACT program, which so far includes 61
23 developments with over 14,000 apartments. Whether
24 that need was adequately addressed through RAD-PACT
25 is unaccounted for in these documents, and we would

2 like more information on exactly how NYCHA is also
3 tracking the needs within converted developments.

4 Finally, I'd like to hear just how this
5 PNA is going to be used in the capital planning
6 process and to hopefully avoid a 2028 PNA with an
7 even greater amount in need.

8 I think it's also, lastly, important to
9 note that as see the 2017 PNA noted 31.8 billion in
10 critical capital needs and what critical capital
11 needs means is needs that must be addressed within
12 five years, and here we are in 2023 with a now
13 estimated 60.32 billion in critical capital needs,
14 and yet at the last adopted budget, despite knowing
15 that there is this ongoing widening gap of critical
16 needs, at the adopted budget there was no additional
17 capital dollars dedicated to NYCHA, and I think that
18 is simply appalling.

19 With that, I'd like to thank my Staff,
20 Christina Bottego and Edward Cerna, along with the
21 Public Housing Committee Staff, Jose Conde, Charles
22 Kim, Connor Mealey, Christopher Zawora, Nicholas
23 Montalbano for all t he work that they've put into
24 this hearing.

2 In keeping with the tradition of this
3 Committee, before we hear from NYCHA, we will first
4 hear from a panel of residents and experts, and I
5 will turn it over to Committee Counsel to call up the
6 first witnesses.

7 COMMITTEE COUNSEL: We'll now have the
8 pre-panel. Will Marquis Jenkins, Renee Keitt, and
9 Sophie Cohen please come up to the dais?

10 Aixa Torres.

11 CHAIRPERSON AVILES: We just want to
12 recognize we've been joined by Council Member Lincoln
13 Restler.

14 COMMITTEE COUNSEL: If you'd like to
15 begin.

16 RENEE KEITT: My name is Renee Keitt. I'm
17 a resident of Elliott-Chelsea Houses which has been
18 allegedly slated for demolition because we allegedly
19 voted for it, or should I say there was a survey
20 taken. There are no conditions in our home that
21 justify demolition so one thing I want to say, no
22 demolition. We are being portrayed as
23 intergenerational poverty. That is inaccurate. We are
24 a community, a mixed-income community, primarily
25 BIPOC residents who live together, making New York a

2 diverse community. We are not to be a sacrifice, to
3 be the continued trend of enriching related companies
4 to the detriment of NYCHA developments. We are low-
5 and moderate-income. We help to run this city. We
6 don't run. We stayed. Hudson Yards was built on the
7 back of George Washington Carver Houses, Frederick
8 Douglass Houses, Jefferson Houses, DeWitt Clinton,
9 and East River. We do not plan to have the Elliott-
10 Chelsea or Fulton Houses be the next sacrifice to
11 enrich a man that is already worth billions. As I
12 said before, it was a survey. To this day, everyone
13 keeps saying we voted. We did not. We do not know how
14 Elliott-Chelsea, Chelsea Addition, and Fulton have
15 voted, or should I say the survey totals for each
16 development. We have asked our City Council Member,
17 our State. We have asked repeatedly of many people.
18 No one is willing. We are not to be sacrificed. You
19 continue the trend of using black and brown
20 communities to build this city thinking we are
21 disposable. We are not. We are not the Indians on the
22 reservation. That is what is going to be. We are not
23 to be sacrificed. I am tired of it. Everyone keeps
24 saying we're not doing the same thing. It continues.
25 I end with one thing. No demolition. We want to know

2 what happened. We are always being told things after
3 it. I hear the word resident. Resident as in the TA.
4 There are thousands of residents in Elliott-Chelsea,
5 Chelsea Addition, and Fulton. We are not being
6 listened to, and people are refusing to hear. I do
7 not enjoy being gaslit by my City Council Member,
8 Eric Bottcher. I do not enjoy when he dehumanizes us,
9 calling us intergenerational poverty, and our TA
10 presidents are sitting right there, or standing right
11 there, listening to him. They are part of what he is
12 discussing and what he is talking about. We are human
13 being. We are not to be used to make this man any
14 richer than he is. I end with one thing. No
15 demolition. Thank you.

16 CHAIRPERSON AVILES: Thank you. I'm going
17 to ask questions after all the panel testifies.

18 AIXA TORRES: Good morning. I thank the
19 Chairwoman and all the Members of this Committee for
20 holding this hearing. My name is Aixa Torres, and I
21 am the Resident Association President of Alfred E.
22 Smith Houses. I also am a sitting member of CCOP, the
23 Citywide Council of Presidents.

24 This Needs Assessment needs to be done
25 again by the residents. The issue is, and this is

2 something that I've been for the last two years when
3 I was on my campaign to be the Chairperson of NYCHA
4 is who better knows, as one of my former residents
5 who Chaired my grievance committee, knows what is
6 wrong in our apartments and in our buildings than the
7 residents who live there. To hire people to come into
8 our developments who don't have a clue, don't ask the
9 questions, and really don't do what needs to be done
10 to do an assessment is totally unconscionable. I am
11 clear as the President of Alfred E. Smith Houses what
12 our needs are, what needs to be finished, what needs
13 to be done. Right now, I have a boiler replacement,
14 and, just for the record, we were allocated from the
15 State 31 million dollars. They put in a contract for
16 21 million, and every time we go into a meeting and I
17 ask for something on behalf of the residents, oh,
18 there's no money, and I say find my 10 million
19 dollars because we lobbied for that money, the
20 residents of Alfred E. Smith, and so I say all of
21 this, I'm not the only resident association president
22 who's going through this, and when we really complain
23 and talk about what needs to be done, no one is
24 listening to us, and they need to. The assessment has
25 to come from the residents, it has to come from us,

2 and it has to be a dual venture where the residents
3 with management go through every aspect of the
4 development and figure out what exactly is it that
5 you need. Not what somebody who got hired that's
6 never been in our property to decide oh, they need
7 this, they need that, they need this. No. We know
8 exactly what we need, and the most crucial thing for
9 Alfred E. Smith and like other developments that are
10 the same age is we need our piping system to be
11 replaced, the same way that the City all the way from
12 South Ferry to 14th Street, east to west, is changing
13 the pipes in the streets, they need to do that in our
14 developments that are over 50 years old. I thank you
15 for this opportunity to express the real needs that
16 the residents in public housing have.

17 CHAIRPERSON AVILES: Thank you, Miss
18 Torres.

19 SOPHIE COHEN: Good morning, Chair Avilés
20 and Members of the Committee. Thank you so much for
21 holding this session. My name is Sophie Cohen, and
22 I'm a Staff Attorney with the New York Legal
23 Assistance Group's Public Housing Justice Project. We
24 are the first team of attorneys and legal workers in
25 New York City dedicated solely to representing public

2 housing tenants and residents. We will submit written
3 testimony, but I would like to offer this testimony
4 now, and we offer this testimony to remind City
5 Council of the following, that regardless of the
6 expected costs over the next 20 years, the New York
7 City Housing Authority remains responsible for
8 maintaining its buildings and ensuring that all NYCHA
9 residents, our clients included, are afforded safe
10 inhabitable homes, homes that they can live in with
11 dignity. The PNA and the expected high costs of
12 necessary work are not an excuse to not provide
13 repairs, to not turn over vacant apartments of which
14 there are at least 3,300, and it is not an excuse or
15 a rationale to privatize public housing. NYCHA's PNA
16 is not a justification for its failure to provide
17 safe and healthy housing to current residents and New
18 Yorkers in need. As a landlord, NYCHA is obligated to
19 ensure that its residents, apartments, and buildings
20 are safe and livable. Just to remind everybody, NYCHA
21 holds 7 percent of the rental housing in the city,
22 and NYCHA is home to at least 500,000 New Yorkers.
23 This is more than the population of large cities like
24 Atlanta and Miami. That said, when residents in NYCHA
25 raise very real conditions, concerns, instead of

2 conducting repairs in a reasonable time or
3 predictable manner, NYCHA staff look for any
4 opportunity to close out repair tickets without
5 actually fixing the problem. Often we see NYCHA staff
6 leaving notes at our clients' doors, claiming that
7 they weren't home when they in fact were. NYCHA staff
8 regularly point to the PNA as an excuse for why it
9 cannot fix even simple problems, and we see this all
10 the time. You've already heard from NYCHA residents
11 what they are experiencing, but I will share a couple
12 examples that we've seen with our clients.

13 In one holdover proceeding in Manhattan
14 Housing Court, a NYCHA attorney refused to agree to
15 replace a broken sink in a resident's apartment. This
16 is a cheap fix and a necessary part of a home. They
17 refused to do this relying on the PNA and claiming
18 that they would be fired if they agreed to provide a
19 sink. Similarly, one of our clients has been waiting
20 for a functional kitchen sink for over a year. NYCHA
21 removed the old sink and has yet to install a
22 permanent one, despite repeated requests and our
23 requests to attorneys within NYCHA. In yet another
24 example of a very simple fix, we have a client whose
25 mailbox lock has been broken for months. This means

2 that her legal and personal mail has been left
3 unsecured, and even though her mailbox can be fixed
4 with a single screw, NYCHA has refused, telling her
5 that she has to wait until they have the money to
6 replace all the mailboxes in the entire development.
7 These are just a few examples of many.

8 I also want to talk about RAD. The PNA
9 does not justify the continued privatization of
10 public housing through PACT or the Preservation
11 Trust. In the PNA, NYCHA relies on the PACT program
12 and Preservation Trust privatization in its plan to
13 close the gap in its sorely needed funding. However,
14 City Council must not allow NYCHA to use the PNA to
15 justify the privatization of an essential public good
16 at the expense of the rights and security of public
17 housing tenants. We see the destabilizing effects of
18 privatization. We see increased evictions, we see the
19 demolition of homes, and we see all of this without
20 access to any of the repairs that NYCHA residents
21 have been promised. PACT is not a silver bullet.
22 NYCHA induces its residents to vote in favor of these
23 privatization schemes by making promises of improved
24 conditions and access to repairs that even after
25 conversion these residents will likely never see. I

1 will include just a couple of examples, but there are
2 many more. A client of ours, Miss F., who was a NYCHA
3 tenant for decades before RAD conversion had been
4 living with a broken fridge before conversion and for
5 years after conversion. Additionally, when Miss F.'s
6 granddaughter who has been living with her for her
7 whole life alerted the new private management about
8 mold and health concerns in the apartment, she was
9 told by private management that she should sue her
10 grandmother, Miss F., instead of the management
11 company taking responsibility and doing the work
12 required of them. Another client of ours, Miss J.,
13 after a long fight to finally receive a lease in her
14 name for an apartment she had lived in for years
15 finally got a lease, and this was years after RAD
16 conversion and still Section 8 denied her application
17 after inspecting the apartment because of the
18 extensive repairs that needed to be done. These were
19 repairs with issues with wiring, with mold concerns,
20 and these were issues that our client, Miss J., had
21 been asking about for years. Suffice to say, NYCHA
22 use the PNA to evade accountability and quite
23 literally pass the buck to private companies which
24 mimic NYCHA and shirk their obligations to residents.
25

2 The conditions in PACT buildings are so bad that they
3 have forced international human rights organizations
4 to take notice. In January 2022, Human Rights Watch
5 published a damning report called The Tenant Never
6 Wins about the terrible conditions in PACT
7 developments. City Council must take action to stop
8 NYCHA's misuse of the PNA.

9 I will wrap up and say that we implore
10 the City Council to mobilize and appropriate the
11 money to fund NYCHA adequately to invest in our
12 public housing residents and to provide the ongoing
13 guidance, accountability, and oversight required to
14 ensure that NYCHA does not evade its responsibilities
15 leaving public housing residents to suffer the
16 consequences. We strongly this Council to act now in
17 collaboration with the state and federal governments
18 to fully fund Section 9 and ensure that no public
19 housing tenant in New York City has to compromise
20 their rights to keep their home and to have a safe
21 inhabitable home. We also urge this Council to
22 provide oversight and guidance to ensure the PNA is
23 not used to justify NYCHA's failure to meet its
24 obligations to individual residents in need of
25 repairs or as an excuse for allowing apartments to

2 lay vacant for years. Thank you for your attention to
3 this urgent issue.

4 CHAIRPERSON AVILES: Thank you so much to
5 this first panel, giving us clear insight into the
6 daily experiences of residents and those who support
7 them in managing through these unfortunate
8 experiences.

9 To the residents, thank you always for
10 your fight and holding us to a much higher standard,
11 unfortunately to a basic standard which we seem not
12 to be able to meet in this circumstance. I'd like to
13 know, Miss Keitt, before we move to NYCHA, can you
14 tell me what the engagement process has been from
15 your perspective in Chelsea-Elliott.

16 RENEE KEITT: It's actually the Elliott-
17 Chelsea Houses. One of the things I'm insisting on is
18 it actually be called that. When we do that, it's
19 because the Chair ended, prior Chair, Greg Russ,
20 would always call it the Chelsea-Elliott, centering
21 the neighborhood and not the people. So Chelsea is
22 not the (INAUDIBLE) neighborhood everyone thinks it
23 is. We know that. We live there. We've been there
24 when the highline was doing it, when it was actually
25 the operational railroad, and I'm saying this because

2 I want to remind people that we are the people who
3 have been there all along. The gas stations, the post
4 office that runs there, the taxi depots. We are an
5 environmental justice area. Our trees mitigate that.
6 We have at least 40 trees on one block. Very few
7 people have that. That's what we do.

8 The engagement, I would say it's not
9 engagement. What NYCHA staff does or anyone does is
10 actually have a sign-in sheet and all they do is sign
11 their name. I admit that. That is not engagement.
12 That is just we're saying these many people show up
13 and that's what we did. The engagement process, when
14 we found out about demolition, how should I begin
15 this, there's nothing like finding out that your home
16 is about to be destroyed from a newspaper and from
17 the executive board of the Community Board. That was
18 quite something to hear about. A packet, or should I
19 say a one-pager, was put in our doorway and said we
20 have a unique opportunity. Earlier that day, the New
21 York Times ran an article. I found out about that two
22 days later in a meeting with RPPH. That was highly
23 unpleasant. Then I'm looking at the Community Board
24 and hearing from the executive committee that they've
25 already been down to City Hall. May I simply say that

2 is not engagement. That is finding about destruction
3 of your home and the discussion with everyone else
4 then you are being told you are being engaged and
5 this is resident driven. It is not a lie. It's a
6 resident. The TA presidents are residents. There are
7 thousands of other people you have to speak to as
8 well. That has not been done. We've had meetings,
9 yes. One was done on Saturday, another was done on
10 Monday. Of course, there was only one pager put up,
11 and it was in English. As I said before, we are a
12 diverse community. It can't just be in English. We
13 have a great many Spanish speakers, Cantonese and
14 Mandarin speakers, and Russian speakers. Engagement
15 is minimal.

16 CHAIRPERSON AVILES: Thank you so much,
17 Miss Keitt. It's clear that we need to have a
18 significant public discussion on this entire issue.
19 Thank you.

20 I'd like to direct a question to Miss
21 Cohen. Miss Cohen, can you tell me a little bit more
22 specifically about what you're seeing in housing
23 court as it relates to the PNA?

24 SOPHIE COHEN: Yes, absolutely. Thank you.
25 We provided just a couple of examples today, and the

2 examples we see are similar, and I will give some
3 specifics. We have clients, I'll speak about one in
4 particular, Miss S., who had brought NYCHA to housing
5 court many times in HP actions seeking to have
6 conditions fixed. There were large issues like broken
7 elevators that so many NYCHA residents experience to
8 much easier, quicker fixes like replacing a
9 toothbrush holder or replacing a bar in the sink so
10 that she could safely bathe her son. When we asked
11 for these repairs to be made, NYCHA reminds us that
12 there have been a report, there's 78 billion dollars'
13 worth of needs unmet, and that for that reason our
14 clients will have to wait for these very basic fixes
15 that provide dignified homes. What we see is that
16 because these defenses are presented to housing court
17 judges on a regular basis, the housing court judges
18 who are there to hold NYCHA accountable to its
19 residents have started to believe that these repairs
20 are impossible to be done and have said things like
21 they don't want to make an order for NYCHA to make
22 fixes because they don't want to make an order that
23 they know will go undone, and so that's an example of
24 what we see all on the basis of pointing to this PNA
25 or this number that feels untenable but does not mean

2 that our clients and NYCHA residents do not deserve
3 to live with dignity.

4 CHAIRPERSON AVILES: Thank you so much. It
5 is truly concerning, and part of this situation,
6 while there are obviously challenges in resources, it
7 doesn't mean that we don't have the refrigerators and
8 microwaves, the ability to make the actual repair
9 with a screw because there are current resources in
10 place to address these issues. There's a clear
11 disconnect.

12 SOPHIE COHEN: That is absolutely right.
13 Thank you.

14 CHAIRPERSON AVILES: And a methodology
15 that is really painful.

16 I'd like to just switch quickly to Miss
17 Torres. As a TA president, as CCOP member, long-time
18 leader in NYCHA, you have seen the many PNAs
19 throughout the years. In particular to at least 2017
20 where all of the developments were surveyed, have
21 residents ever been engaged in the PNA process, has
22 CCOP been engaged in the PNA process beyond just
23 reporting back to you all?

24 AIXA TORRES: I will not talk about CCOP
25 at that point because I just became a member last

2 year, and so I really can't, but I can speak about
3 Smith and I can speak about the neighboring
4 developments. No. We did have a manager though. We
5 were fortunate. We had a grievance committee, and,
6 unfortunately, my manager and my grievance committee
7 chair have since passed, but locked heads, but that
8 was the assessment we did at the ground level, not
9 with the NYCHA hierarchy, and when we met with
10 management, we were able to say these were our
11 priorities, and the reason I did that was when I went
12 to elected officials to ask them for capital monies,
13 I would need it to be clear about what I was asking
14 for, and that's why I say that the needs assessment
15 has to be done at the ground level with the residents
16 so that you're clear. We took NYCHA on the HPD class
17 action suit, one of the reasons we went was because
18 the grievance committee documented everything, and we
19 were able to show what needed to be fixed, and they
20 fixed the apartments. However, so everybody is clear.
21 The issue is if you don't maintain, and that's what
22 has happened in NYCHA, we have a saying in Spanish if
23 the drop continues to fall on the rock, eventually
24 the rock will burst. If we don't maintain, and that's
25 what has happened in NYCHA, there has been no

2 maintenance. Things that are simple that can maybe
3 cost 100 dollars. By the time it gets fixed, it's
4 1,000, and you multiply that, and so that's how you
5 end up getting figures like that, but some of the
6 fixes that they're so simple that it is beyond
7 ridiculous, and they don't do it. It's always about a
8 major thing. Once again, the needs assessment needs
9 to be done on ground level with the resident
10 association and hopefully the resident association
11 will have like a grievance committee, some kind of
12 committee that they'll volunteer to knock with
13 management so that we can get a true sense of what
14 really needs to be fixed, and that has been the
15 issue, that we're totally excluded from the process.
16 Even though the HUD regulations, 964, says we're
17 supposed to be included from conception, we're not.
18 We're not. Because of that, these are the things that
19 happen.

20 CHAIRPERSON AVILES: One last question. In
21 terms of CCOP and I appreciate you were not there
22 then, but, in terms of CCOP right now, has there been
23 dialogue with NYCHA or an expectation that post-PNA
24 you will sit down and look at how prioritization of
25 addressing these needs will occur?

2 AIXA TORRES: I don't want to answer that
3 because there has been dialogue, but there's an issue
4 that we're having with NYCHA about representation
5 where two-thirds of Brooklyn and half of Queens are
6 excluded from the meeting, and, because of that, they
7 have approached and they've done presentations, but I
8 have, personally, I'll speak for myself, I'm not
9 going to speak for the other CCOP members, I have not
10 been present, on principle and about integrity.

11 CHAIRPERSON AVILES: Thank you, Miss
12 Torres. Thank you to the panel. Thank you for being
13 here.

14 COMMITTEE COUNSEL: We'll now move on to
15 the panel from NYCHA. If you all want to come up and
16 we'll swear you in.

17 If you all could just raise your hand,
18 I'll administer the oath and then I'd ask that you
19 all state your name and title for the record.

20 Do you affirm to tell the truth, the
21 whole truth, and nothing but the truth in your
22 testimony before this Committee and to respond
23 honestly to Council Member questions?

24 CHIEF OFFICER MAVANI: I do.

25 VICE PRESIDENT CHARNEY: I do.

1 COMMITTEE ON PUBLIC HOUSING

26

2 SENIOR VICE PRESIDENT HONAN: I do.

3 COMMITTEE COUNSEL: State your name and
4 your title, and I believe we have the PowerPoint set
5 up so you can tell the person on the Zoom move
6 forward as you go.

7 CHIEF OFFICER MAVANI: Sure. Shaan Mavani,
8 Chief Asset and Capital Management Officer at NYCHA.

9 VICE PRESIDENT CHARNEY: Matthew Charney,
10 Vice President of Design and Construction for the
11 Real Estate Development Department.

12 SENIOR VICE PRESIDENT HONAN: Brian Honan,
13 Senior Vice President NYCHA Intergovernmental.

14 CHAIRPERSON AVILES: Before you jump into
15 your presentation, I just want to acknowledge we've
16 been joined by Council Member Mealy and Council
17 Member Sanchez. Thank you.

18 CHIEF OFFICER MAVANI: Thank you. Chair
19 Alexa Avilés, Members of the Committee on Public
20 Housing, other distinguished Members of the City
21 Council, NYCHA residents, community advocates, and
22 members of the public, good morning. I am Shaan
23 Mavani, NYCHA's Chief Asset and Capital Management
24 Officer. I am pleased to be joined by Vice President
25 of Design and Construction for Real Estate

2 Development Matthew Charney sitting on my left and
3 Senior Vice President of Intergovernmental Affairs
4 Brian Honan.

5 Thank you, again, for this opportunity to
6 discuss the significant capital needs across NYCHA's
7 portfolio and the ways we are addressing them to
8 bring residents the quality of life they deserve. Our
9 number one priority is to ensure the health and
10 safety of our properties for today's residents and
11 the generations to come, and there are a number of
12 critical housing preservation initiatives underway to
13 comprehensively rehabilitate NYCHA developments and
14 better support the communities we serve.

15 NYCHA's 2023 Physical Needs Assessment or
16 PNA estimates the 20-year physical needs at 78.3
17 billion across 264 public housing properties that
18 NYCHA currently directly manages, comprising 161,400
19 apartments. This represents a 73 percent increase
20 from the 2017 PNA's total estimated needs of 45.3
21 billion.

22 The PNA is a critical resource for
23 effectively evaluating capital investment needs as
24 well as for planning and prioritizing capital
25 investments across our properties. Conducted

2 approximately every five years as recommended by the
3 U.S. Department of Housing and Urban Development or
4 HUD, the PNA involves assessing when in the next 20
5 years the physical assets that make up NYCHA's
6 buildings and campuses will require replacement or
7 upgrade and then estimating the costs for these
8 renovations based on current market prices and
9 NYCHA's recent contracts.

10 NYCHA has undertaken PNAs since 2006. A
11 20-year capital investment outlook is recommended by
12 HUD as it is a real estate industry standard and it
13 captures the magnitude of capital investment required
14 to comprehensively address the conditions of NYCHA's
15 aging buildings and campuses to bring them to a good
16 state of repair and ensure their long-term viability.
17 Going forward, NYCHA will update the 2023 PNA results
18 on an annual basis. This will ensure that estimates
19 can reflect both increases in needs due to market
20 price escalation or other causes as well as needs
21 that have been addressed through completed capital
22 projects and other programs.

23 NYCHA's 2017 PNA included architectural
24 and engineering assessments at all buildings and
25 grounds for more than 300 NYCHA properties, and it

2 generated over 40,000 data points and hundreds of
3 reports. Many physical assets and building systems
4 were found to be close to, at, or beyond their useful
5 life. Because the 2017 PNA collected so much baseline
6 information for assessing asset conditions and
7 modeling future deterioration, NYCHA focused the 2023
8 PNA on inspections at a representative sample of 30
9 properties with approximately 29,000 apartments. The
10 purpose of these on-site inspections was to verify
11 and update the asset deterioration forecasts applied
12 to all properties, as is common practice in the
13 industry.

14 This was done through surveys and
15 interviews of property staff and resident leaders at
16 these sites, joint walkthroughs, and architectural
17 and engineering assessments in all buildings, 10 to
18 15 percent of apartments in each property, and the
19 grounds. While physical needs assessments typically
20 focus on visual inspection of physical assets, one
21 apartment wall was opened for a sample of apartments
22 and buildings at the different properties to also
23 allow assessment of the condition of piping and other
24 elements behind the walls.

2 Data from various recent analyses, work
3 order data, environmental testing results, and field
4 assessments undertaken by NYCHA were also used in the
5 2023 PNA to further validate the inspection results
6 and to incorporate new areas of scope not included in
7 2017, such as lead- based paint abatement,
8 decarbonization of heating systems, and open spaces
9 enhancements.

10 Approximately two-thirds of the 73
11 percent increase from the 2017 to the 2023 PNA is
12 driven by market price escalation, and the remaining
13 one-third by the additional scope areas I mentioned,
14 accelerated asset deterioration, and methodology
15 refinements. I would also like to note that the 2023
16 PNA figure excludes approximately 10.5 billion of
17 needs addressed since 2017 through completed capital
18 projects and the PACT program. Moving to the
19 presentation, if we can move to slide two which shows
20 some of the numbers that I just quoted around the
21 change between the 2017 and the 2023 PNA, and we can
22 also move to slide three, please.

23 It's important to note that 54 percent or
24 42.1 billion of the total need identified relates to
25 assets already at the end of their useful life and

2 requiring replacement immediately or within the next
3 year, and 77 percent or 60.3 billion of the total
4 need identified relates to assets requiring
5 replacement within the next five years. Thus, while
6 the PNA is a 20-year physical needs estimate, the
7 majority of these needs require capital investment in
8 the very short term. Next slide, please.

9 NYCHA's capital investments are currently
10 focused on major building systems in line with the
11 requirements of the HUD Agreement, including heating
12 systems, elevators, waste management infrastructure,
13 building exteriors to reduce mold, and lead-based
14 paint abatement as well as safety and security-
15 related systems. Apartments therefore comprise the
16 largest share of physical needs as shown on the slide
17 followed by additional investments required in
18 heating systems, building exteriors, and plumbing in
19 particular. These areas together account for 57.8
20 billion or 74 percent of the total physical needs
21 across our properties. The remaining 26 percent
22 comprise a range of building systems and components
23 as well as grounds improvements. Next slide, please.

24 The per-apartment average physical need,
25 including all assets within the buildings and

2 campuses, is approximately 485,000 dollars. Of
3 course, the level of physical needs can vary
4 significantly among our properties. Buildings
5 comprising 61 percent of NYCHA apartments have less
6 than an average 500,000 dollars in per-apartment
7 physical needs while 39 percent require more than
8 500,000 dollars of investment. In addition, the
9 actual cost of any individual project to address
10 specific assets at each property can vary
11 significantly from these figures due to factors such
12 as the project's particular scope of work and
13 procurement approach.

14 To tackle these enormous needs, we are
15 executing a large capital projects portfolio as well
16 as pursuing a variety of innovative and vital housing
17 preservation initiatives. Next slide, please. We must
18 use every tool and strategy available to improve
19 residents' quality of life through desperately needed
20 investment.

21 As shown on this slide, we believe that
22 approximately 38 billion or 49 percent of the 20-year
23 PNA estimate can be addressed through ongoing and
24 planned capital projects, the PACT program, and the
25 Public Housing Preservation Trust. There are

2 currently more than 750 ongoing and planned capital
3 projects focused on almost 5 billion of investment in
4 individual building systems and components or
5 comprehensive modernization of properties. In
6 collaboration with our partners, we aim to fully
7 rehabilitate an additional 47,000 apartments through
8 PACT, and the Public Housing Preservation Trust law
9 currently allows for the comprehensive renovation of
10 25,000 apartments.

11 The majority of NYCHA's properties are
12 more than a half century old, and they have not
13 received the regular investment that all buildings
14 require to remain in a state of good repair. Our
15 mission is to bring our developments the massive
16 investment needed through all avenues possible, to
17 support the health, safety, and quality of life of
18 NYCHA families. Funding is required from all levels
19 of government, in particular the State and federal
20 government, to help address these needs. Thank you
21 for your partnership as we ensure that NYCHA remains
22 a vital bastion of affordable housing for the decades
23 to come.

24 Thank you, again, and we are happy to
25 answer any questions you may have today.

2 CHAIRPERSON AVILES: Thank you so much for
3 your testimony. I'll open with a few questions then
4 we'll turn it over to my Colleagues because I know
5 they have to run but you get to sit with me as long
6 as it takes so I'll take privilege in that.

7 I guess just to jump into some of the
8 particulars. Can you identify how much of a
9 percentage increase you've seen in construction
10 costs?

11 CHIEF OFFICER MAVANI: Sure. Thank you,
12 again, for the question. The PNA exercise identified
13 a significant increase in construction costs that
14 accounted for almost two-thirds of the total increase
15 from 2017 to 2023. That's a result of both general
16 inflation and, in particular, the high levels of
17 inflation we've seen after COVID, but also impacts on
18 supply chains globally and in the U.S. in
19 construction indices prices so the construction
20 industry indices that we track had historic increases
21 in 2021 and 2022, which has kind of raised the
22 baseline level of construction work in the city and I
23 think across the country.

24 CHAIRPERSON AVILES: Thank you. In 2017,
25 some of the biggest costs were attributable to

2 architectural needs at about 11 billion, windows,
3 roofs, and mechanical about 3 billion. How have the
4 physical needs in these particular categories changed
5 in the past five years?

6 CHIEF OFFICER MAVANI: Some of those
7 architectural aspects like windows, roofs, and
8 façades are critical for the investments that we're
9 making under the HUD agreement, in particular around
10 mold remediation. The majority of our investments in
11 the 2017 to 2023 period have been around roofing out
12 of those types of assets, in particular because of
13 the City-funded Mayoral Roofing program that we've
14 been implementing for several years now. We have not
15 been able to invest a significant amount in windows,
16 which you highlighted, and that continues to be a
17 major part of the need and one of the reasons why the
18 building exterior's component that was highlighted on
19 one of the slides is one of the biggest categories of
20 needs that we have. Façades of buildings, exteriors
21 also continue be a major area of need. As
22 highlighted, we are increasingly making more
23 investments in façades as we've been able to mobilize
24 more funding around that. Then the architectural
25 needs that are within apartments, which I think you

2 also noted, is a key area where we have not been able
3 to make the types of investments we'd like to simply
4 because we've been so focused on health and safety
5 through building systems investments and also
6 compliance requirements. Going forward through our
7 different programs and tools, we hope to very much
8 increase the amount of investment we can make in the
9 actual apartment architectural features.

10 CHAIRPERSON AVILES: Okay. In terms of the
11 PNA, Physical Needs Assessment, it's obviously
12 intended to be a comprehensive inventory of NYCHA's
13 capital needs. Do you believe that the 2023 PNA is an
14 accurate reflection of NYCHA's physical plant?

15 CHIEF OFFICER MAVANI: Yes. I think the
16 PNA is an accurate reflection of our overall needs,
17 Chair, as you highlighted earlier, the critical needs
18 in the next five years as well as the longer-term
19 needs. I think it is important to keep in mind that
20 the PNA is fundamentally a planning and capital
21 strategy development tool. It does inform the
22 specific planning of individual projects, budgeting,
23 and all of that, but it is not a replacement for cost
24 estimating and other activities we undertake when we
25 actually have a project and a budget so it is

2 extremely important in our process to allow us to
3 have a consistent yardstick to look across properties
4 to understand where systems are failing, where
5 investments are most critical, and then to be able to
6 make those one-off system investments as we do
7 through most of our capital portfolio, and it's very
8 informative for that process.

9 CHAIRPERSON AVILES: Thank you. That's an
10 area that is really, really difficult to see on the
11 ground how the PNA actually influences the capital
12 strategy and how the PNA, can you tell us more
13 specifically how you see that because it's very hard
14 to see that in practice? I'd like to know how you see
15 the PNA informing the capital planning specifically
16 and then how you see the PNA informing NYCHA's actual
17 operations.

18 CHIEF OFFICER MAVANI: Thank you for the
19 question. A very critical question I think for all of
20 our stakeholders to understand.

21 I'll give you an example maybe to start,
22 starting with the HUD agreement that we signed in
23 2019. The HUD agreement clarified that NYCHA should
24 be prioritizing five areas with our capital
25 investments as well as our operational improvements.

2 For example, heating systems and elevators were two
3 of the areas. Mold, lead-based paint, and waste
4 management. The PNA was utilized at the time to
5 identify which specific sites that we need to
6 prioritize, for example, boiler replacements or
7 heating system improvements. The PNA along with more
8 high-frequency work order data, operational data,
9 tenant input is used to then determine if we're going
10 to invest a large amount of funding across our
11 heating systems throughout the city, what specific
12 developments are most in need of those replacements
13 because the PNA captures the assets at the site, how
14 old they are, how they're operating, how many more
15 years they can operate effectively. It's a key input
16 to determine which specific assets we need to
17 prioritize with the funding we have in a specific
18 area so we used that back at that point to prioritize
19 each of those major capital pipelines and, together,
20 the investments that we're making due to the HUD
21 agreement comprises about 90 percent of our capital
22 portfolio, and we're currently in the middle of many
23 of those investments.

24 As we are able to mobilize additional
25 funding or receive additional federal, state, or city

2 grants, we always go back to that same approach of
3 utilizing the most recent PNA data along with the
4 most recent operational data and, where we have that
5 resident input, to then prioritize what specific
6 assets we allocate that funding against.

7 CHAIRPERSON AVILES: Okay, we're going to
8 get back to this because I think it's still very hard
9 to understand how the needs are actually getting
10 addressed, right, and obviously when we see the
11 physical need across the developments feeling like
12 underwater, it feels like nothing is ever getting
13 addressed and yet we have millions of dollars,
14 potentially billions, circulating through a system.
15 I'm going to pause on this, and I'd like to bring my
16 Colleagues into the conversation and we will get back
17 to this more specifically.

18 First, we'd like to have Council Member
19 Osse.

20 COUNCIL MEMBER OSSE: Thank you, Chair
21 Avilés, and good morning.

22 I have a bit of questions, but the first
23 one I wanted to start with was does NYCHA the need
24 status for RAD-PACT developments? Is there a similar
25

2 evaluation and inspection being done to all of our
3 developments?

4 CHIEF OFFICER MAVANI: Let me ask my
5 colleague, Matt, to take that question.

6 VICE PRESIDENT CHARNEY: Sure. Are you
7 asking about developments that have already converted
8 through RAD-PACT?

9 COUNCIL MEMBER OSSE: Yes.

10 VICE PRESIDENT CHARNEY: I guess I'll take
11 the opportunity, if you don't mind, to describe how
12 we use the PNA and we do other...

13 COUNCIL MEMBER OSSE: Sure.

14 VICE PRESIDENT CHARNEY: Okay. For RAD-
15 PACT, the PNA is really a starting point. It's the
16 best available information. HUD requires all RAD
17 projects to do what is called a CNA, a RAD CNA, it's
18 kind of a similar exercise to the PNA, a Capital
19 Needs Assessment, so we do with a third-party vendor.
20 We meet with residents before that, interview them,
21 interview property management. The inspectors go into
22 25 percent of the units, all of the vacant units,
23 investigate building systems, and the ancillary
24 residential spaces, and so that is then used and
25 developed through predevelopment and ultimately

2 results in the scope of work for the RAD project.

3 It's a requirement by HUD to meet the 20-year needs

4 of the development. That doesn't always mean that

5 everything is done upfront. Sometimes like, just to

6 give an example, like a roof NYCHA will have replaced

7 within the past five years. We're not going to

8 replace that roof through the RAD-PACT scope because

9 there's still useful life on it, but HUD requires

10 that we put funds aside through a capital reserve to

11 make sure we're addressing that in 15 years or

12 whenever the life of the roof is up so we do think

13 that these properties are in good shape, both with

14 the immediate repair needs that happen immediately

15 after conversion but also through the capital

16 reserves that are put in to the financing to address

17 any future unmet needs. There are also annual repair,

18 maintenance, operation budgets. We also require a 20-

19 year needs assessment every 20 years for RAD-PACT

20 projects or whenever our partner, HDC, requests it.

21 They do annual inspections. We oversee the project

22 through construction. We are collecting work order

23 data ongoing so if there are any spikes in heating

24 requests, we'll be able to see that on a monthly

25 basis so we'll know that there's a problem so we do

2 have ongoing reporting on work orders, and there's a
3 long-term plan for capital repairs and main.

4 COUNCIL MEMBER OSSE: Thank you. I want to
5 follow up with a very basic question that I think all
6 of us in this room and anyone listening and
7 especially my constituents would want to hear, but we
8 have these hearings multiple times a year, especially
9 when it comes to repairing the facilities and the
10 homes in which many of our constituents live in, and
11 a lot of the repairs that are being done are
12 patchwork, right? They're not the real work that is
13 needed for the infrastructure to be damaged once
14 again. What is the total cost that it would take for
15 us to not have to have these hearings and, excuse my
16 language but, bitch back and forth to the agency
17 about the work that's needed to be done to repair
18 NYCHA as a whole? I'm just wondering what the overall
19 cost would be.

20 CHIEF OFFICER MAVANI: Council Member
21 Osse, thank you for raising that question. To some
22 degree, the PNA is that number, right?

23 COUNCIL MEMBER OSSE: Okay, and that
24 number is?

2 CHIEF OFFICER MAVANI: In particular, I
3 would say what the Chair highlighted earlier, the
4 critical needs component, the 60-billion-dollar
5 investment that's required in the next five years
6 would mean that we would have fully renovated
7 properties in that state. Obviously, five years from
8 now or 10 years from now, additional investments will
9 always be required, but that's kind of I think the
10 best answer to your question.

11 COUNCIL MEMBER OSSE: Thank you. Do you
12 want to speak to that as well?

13 SENIOR VICE PRESIDENT HONAN: If I could
14 just chime in too, so the PNA and the capital work
15 that Shaan's talking about is just one part of it,
16 right. It's a very important part of it, and it's the
17 infrastructure, but then we also have two budgets,
18 right. We have an operating budget as well, and the
19 operating budget is the budget that takes care of
20 staff, that takes care of the day-to-day repairs, and
21 both of them are going up at the same time. Even if
22 Shaan somehow got a check when he comes back to the
23 office and there's a check waiting for him for 78
24 billion dollars, and he's able to do that work
25 quickly, we need to make sure that we're keeping up

2 in the operations side so we're able to maintain
3 that. When I first started at NYCHA, we had 16,000
4 employees. We're down to about 12,000, and so when
5 you take a hit like that and when I go to
6 developments and I speak to staff which is often,
7 staff don't tell me like I wish I had more vacation,
8 I wish I had a raise, I'm sure they would love that,
9 but what they say, but what they say is if you guys
10 just give me two or three more people, I think we
11 can...

12 COUNCIL MEMBER OSSE: I hear you, and
13 what's the price tag for that? Do you have an idea of
14 what the...

15 SENIOR VICE PRESIDENT HONAN: We can come
16 back with the Council on that.

17 SENIOR VICE PRESIDENT HONAN: But that
18 should be a number that we, right? I'm just saying
19 this because, and I know that it sounds a bit
20 agitated and I am and it's not at you folk, and I
21 really appreciate people who work for the City,
22 especially when so many people are not applying to
23 these jobs nor are you being paid enough, President
24 Joe Biden and our federal government passed the
25 Infrastructure and Jobs Act this year. That's over a

2 trillion dollars that's supposed to go towards
3 infrastructure and jobs. About 200 billion dollars is
4 supposed to go to New York State, and I want NYCHA, I
5 want our City agencies, I want our state government
6 to be moving with urgency on bringing that money
7 down, right. Say it's 78 billion dollars for the
8 infrastructural repair that is needed. There is money
9 from the federal government that our City government
10 should be pulling down to make sure that that price
11 tag isn't solely on the budget of the City, and I'm
12 wondering what your plan is, whether it's in
13 communication with HUD to bring that money down, to
14 communicate with our State partners in making sure
15 that that money that was passed this year, our
16 taxpayer dollars are going directly towards this
17 decades-long wait to repair public housing in New
18 York City so what is the strategy on bringing that
19 money down?

20 SENIOR VICE PRESIDENT HONAN: Thank you so
21 much, Council Member. Remember in the original
22 infrastructure bill, the Build Back Better bill, we
23 spent a lot of time both working with HUD, with
24 Congressional leaders. Unfortunately, that did not
25 happen. However, the infrastructure bill that did

2 pass, there is a significant amount of funding in
3 there through IJA and through other programs like
4 that which we are a part of the conversations. We
5 have several, and we can give the Council all of our
6 applications. We've given it to Congressional leaders
7 to back us in that. A lot of it is related to
8 sustainability, which is really important because if
9 we are going to invest we need to do it in a green
10 way, and we just recently announced at Woodside
11 Houses, which is a development that over the last few
12 winters has had significant issues, is going to have
13 a green system, is going to have a clean heating
14 system so, if there's money available, we're going to
15 take advantage of it, whether it's through security
16 funding, whether it's through green infrastructure,
17 but we're taking advantage of what's out there.

18 COUNCIL MEMBER OSSE: How much money have
19 you secured from the IJA.

20 SENIOR VICE PRESIDENT HONAN: We so far
21 have not secured it, but we have applications in, and
22 we can give the Council all of our applications and
23 the dollar amounts.

24 COUNCIL MEMBER OSSE: That would be great.
25 Listen, I would love for the Council to be supportive

2 of advocating for that funding, right? We are here to
3 also be a partner with City agencies on bringing that
4 money down. I just think we need to be moving with
5 urgency because there's going to be multiple folks
6 within the state that want that money, but this is a
7 pressing issue, right? I'm sure you don't like to
8 come here multiple times a year and have us hammer in
9 on these issues. I'm sure the people that live in
10 NYCHA are so uncomfortable with how there's been a
11 lack of urgency on repairs, on real repairs within
12 their living conditions so this is an opportunity for
13 us to really work together on making sure that that
14 money that was passed through the federal government
15 is truly invested within our NYCHA developments.

16 Can I ask one local, I'm so sorry, but my
17 Staff was at Albany Houses, and our TA President
18 Carolyn Johnson raised some repair issues. At 1414
19 Bergen and 1430 Bergen, there are lights that do not
20 work which makes it dangerous for the residents so if
21 we could get immediate inspections there and repairs,
22 that would be wonderful. There's also a fence missing
23 at the park between 1008 St. Marks and 1191 Park
24 Place so if we could look into that, that would be

2 wonderful, and if you can follow up with my office,
3 you know where to find me. Thank you, Chair.

4 SENIOR VICE PRESIDENT HONAN: Thank you,
5 Council Member. By the end of the day, we'll get you
6 an update and then we'll follow through early next
7 week.

8 COUNCIL MEMBER OSSE: Thank you.

9 CHAIRPERSON AVILES: Thank you, Council
10 Member. We can't underscore enough this notion of
11 partnership and certainly NYCHA has reached out to
12 our office in support of a federal application around
13 sustainability issues, but we haven't received any
14 other communication about other applications and so
15 where you can leverage our urgency, because we are
16 talking to the residents every day, we want to be a
17 part of that. We don't want to have to wait for a
18 hearing to ask about those applications because there
19 are additional federal resources we absolutely must
20 draw down on so I can't underscore that enough. A
21 partner in action, not after the fact.

22 I just wanted to ask one quick questions
23 then I'll turn it over to follow up on Council Member
24 Osse's questions around RAD and PACT, particularly
25 around the CNA. In terms of the Capital Needs

2 Assessment process, can you tell us are the Capital
3 Needs Assessments that are developed by the
4 developers provided to the residents during the
5 conversion process?

6 VICE PRESIDENT CHARNEY: Thanks for the
7 question. The CNAs are developed primarily by a third
8 party, not the development team that NYCHA hires
9 directly. We meet with the residents and sometimes
10 even tag along on those inspections, although it's a
11 lot, 25 percent of the units at some of these
12 developments is a lot.

13 CHAIRPERSON AVILES: Can you speak up,
14 please?

15 VICE PRESIDENT CHARNEY: Sorry, yeah. No,
16 typically we don't provide the CNAs in full to the
17 residents. We usually provide a summary, but we're
18 happy to when it's requested and if it's requested.
19 They're just pretty dense documents so we try to
20 summarize it for residents.

21 CHAIRPERSON AVILES: This third party
22 vendor, just to understand this process, so NYCHA
23 hires a third-party vendor who does a Capital Needs
24 Assessment for a private developer?

2 VICE PRESIDENT CHARNEY: We do a Capital
3 Needs Assessments on the properties that are planned
4 to go PACT, yeah.

5 CHAIRPERSON AVILES: Why are we
6 subsidizing work for developers?

7 VICE PRESIDENT CHARNEY: We're doing that
8 to get an idea of what the needs of the PACT project
9 are, of what needs to happen and the repairs. It's a
10 required part of the HUD RAD program.

11 CHIEF OFFICER MAVANI: Maybe I can help
12 here, Chair Avilés. The developer does their own deep
13 dive assessment, which takes six to nine months. They
14 do a whole battery of on-site inspections, testing,
15 and design work, and they come up with their own view
16 on the scope and the needs, and multiple developers
17 in the past can do that type of analysis and propose
18 different things for a property. What Matt is
19 referring to is we have to do our own due diligence
20 as a second layer of quality control. The reason that
21 we employ technical consultants on our side as NYCHA
22 is to ensure that we are fully aligned with whatever
23 work is coming out of the developer, and that is one
24 of the requirements so that when that goes to HUD for
25

2 approval, we're able to demonstrate our own due
3 diligence of that work as well.

4 CHAIRPERSON AVILES: Thank you. Coming in
5 for the save. I was about to lose my mind.

6 What you're speaking of is a second layer
7 of quality control from an initial developer-funded
8 assessment that they do on their own.

9 CHIEF OFFICER MAVANI: That's right. We
10 always have to have our independent view on whatever
11 it is that they're proposing.

12 CHAIRPERSON AVILES: Got it. In terms of
13 either of these assessments, I guess we heard the
14 second layer of quality control, we provide
15 summaries. Is the deep dive initial assessment done
16 by the developer provided to the residents? Is there
17 a way for them to access the assessments on their
18 properties?

19 CHIEF OFFICER MAVANI: I'll start and,
20 Matt, you can hide. Because they are doing a pretty
21 broad range of assessments, which typically goes, for
22 example, much deeper than the PNA, including probing,
23 piping, and behind walls and all that, there's a
24 whole range of inspections and testing they do, they
25 are also typically summarizing that and bringing that

2 to the resident conversations around the priority
3 scope where different funding will be utilized and
4 all of that so we don't have a requirement that they
5 have to share all of these very detailed inspections
6 report with residents, but it's part of the
7 discussion as residents are trying to prioritize what
8 they think are the most important needs to be
9 addressed through the conversion process.

10 CHAIRPERSON AVILES: Got it. I'd imagine
11 it's probably a small universe of companies that are
12 expert in these areas. I'm thinking third party
13 reviewers, vendors, and developers are probably all
14 good friends. What are the safeguards to make sure
15 that we do receive like truly independent third party
16 in such a small space?

17 CHIEF OFFICER MAVANI: It's a very good
18 question. Thank you for asking. The universe of these
19 types of consultants I don't think is so small so
20 basically any architectural engineering firm is able
21 to provide this type of assessment independently of
22 another firm so on our capital portfolio, for
23 example, we work with over 50 architectural
24 engineering firms of different sizes, we have cost-
25 estimating firms, and then the real estate

2 development community has a much broader capability
3 around that as well so I think it's definitely a good
4 thing that we look out for around any potential
5 conflict of interest given the variety of work that
6 we do, but we do have a battery of providers who can
7 do these things. We also have specific controls in
8 place that if a firm is involved in a project in one
9 way they can't be involved in the project any other
10 way, and so those are all in our contractual
11 requirements.

12 CHAIRPERSON AVILES: Thank you for finding
13 the words that I could not find, conflict of interest
14 and controls and firewalls between them. Thank you
15 for that.

16 Lastly, in terms of the CNA, Elliott-
17 Chelsea has had a CNA done as part of their early
18 potential process?

19 VICE PRESIDENT CHARNEY: No, not a RAD
20 CNA.

21 CHAIRPERSON AVILES: Okay, so the only
22 assessment Elliott-Chelsea has had is the PNA
23 component of 2017?

24 VICE PRESIDENT CHARNEY: 2017, 2023. It
25 was part of the 2023 PNA.

2 CHAIRPERSON AVILES: Right, but was it one
3 of the sites that was looked at specifically because
4 we know the 2023 PNA only looked at a sample. I think
5 30 percent or 20 percent of the actual developments.

6 CHIEF OFFICER MAVANI: No. Fulton,
7 Elliott-Chelsea, and Chelsea Addition were not some
8 of the 30 sites that we did the field inspections.
9 However, we did have a lot of data from the 2017 PNA.
10 While a formal CNA has not been completed, right, the
11 development team that was designated there last year
12 has been doing extensive investigations and testing
13 on-site, which is I think obviously one of the
14 drivers of what led resident leadership of those
15 sites to want to move in a different direction. The
16 findings from those assessments, the kind of cost
17 estimates to make repairs. I would say that the
18 independently while the designated firms were doing
19 their analysis, we were doing the 2023 PNA and the
20 numbers have landed in a similar place of just over a
21 billion dollars for a full comprehensive renovation.

22 CHAIRPERSON AVILES: All right. We're
23 going to get back to some of these pieces.

24 I will turn it over to Council Member
25 Brewer.

2 COUNCIL MEMBER BREWER: Thank you. First
3 of all, thank you, Brian Honan. I just want to make
4 that on the record.

5 When you have federal money, I should
6 know this because I did it many years ago, do you
7 need a match or is just application and you get it or
8 you don't?

9 CHIEF OFFICER MAVANI: It depends very
10 much, Council Member Brewer, on the type of funding
11 so our core, kind of HUD allocations and other
12 funding we may receive, for example, after disaster
13 recovery from the federal government may not require
14 a match, but there are a range of programs now,
15 especially with some of these new acts that have come
16 out that can require like a local match.

17 COUNCIL MEMBER BREWER: Okay, so the ones
18 that you're applying for, some do and some don't. If
19 they do require, do you have a match. Sometimes you
20 do have it.

21 CHIEF OFFICER MAVANI: Yes, sometimes we
22 do from an existing City allocation or sometimes we
23 request it through the process with the City to
24 satisfy that local match requirement.
25

2 COUNCIL MEMBER BREWER: Okay, just I
3 always look for every penny so I guess you could let
4 us know. It would be helpful for the Committee to
5 know we're applying, we have the match, we're
6 applying, we don't have the match. That would be
7 helpful for us to know.

8 My real issue, and maybe this is in the
9 PNA which I must admit I have not read, I am
10 embarrassed to say, but I have looked at your
11 summary. I am focused on I want to know how many,
12 6,900, 6,200, how many vacant apartments exist, I
13 know at Amsterdam Houses there are 40 exactly, and
14 then what's the cost to renovate them, and can you
15 renovate them? I don't know, this is across the
16 board, but can you renovate some, most without doing
17 a complete, I understand if the roof is leaking, why
18 do we renovate the apartment under the roof because
19 you're going to have mold, but is there some or has
20 it been looked at, I know that your CEO has been
21 talking about this, is there some way of addressing
22 some of the vacant apartments for the obvious reasons
23 we need affordable housing without the understandable
24 78, 60 billion, etc.? You get the point. Is there

2 something we can do for however many, how much does
3 it cost, are you thinking about that?

4 CHIEF OFFICER MAVANI: Let me clarify and
5 try to answer some parts of your question, and then I
6 think I'll call up Andrew Kaplan, our Chief-of-Staff
7 at NYCHA, to get into some more of the details that
8 you asked for.

9 I want to be clear that turning over
10 apartments for new tenants to come in once they're
11 vacant is not dependent on fully meeting all of the
12 capital repairs.

13 COUNCIL MEMBER BREWER: I understand that
14 but it's not happening so that's what I'm trying to
15 figure out.

16 CHIEF OFFICER MAVANI: We have a very
17 expansive turnover program in our operations function
18 where typically the two things we focus on is
19 bringing all elements of the apartment to a
20 reasonable state of repair without large capital
21 investment so redoing kitchen cabinetry, redoing
22 painting, things like that, and we also make sure
23 that we fully abate the apartment if it has any type
24 of lead and asbestos, and that's what our turnover

2 program comprises. It is not dependent on these
3 capital investments that we may be making.

4 COUNCIL MEMBER BREWER: Okay, so it could
5 be regarding the PNA or not, depending.

6 CHIEF OFFICER MAVANI: Yes, we have a
7 large team working extremely actively on turnovers at
8 any given time, and maybe Andrew can provide a little
9 bit more detail.

10 COUNCIL MEMBER BREWER: It's just my
11 experience that it's not happening. That's what I
12 wanted to know. Go ahead.

13 COMMITTEE COUNSEL: Before, if you could
14 raise your right hand?

15 Do you affirm to tell the truth, the
16 whole truth, and nothing but the truth in your
17 testimony before this Committee and to respond
18 honestly to Council Member questions?

19 CHIEF OF STAFF KAPLAN: I do. Thank you,
20 Council Member, and we can certainly follow up with
21 more information about this including the exact
22 number because I don't think any of us have it
23 offhand. It does depend on the specific instance so
24 some apartments are different than others, some
25 require a lot of work. We have a very extensive

2 length of time that many residents are in apartments
3 for and so sometimes it does require a lot of work...

4 COUNCIL MEMBER BREWER: I'm aware.

5 CHIEF OF STAFF KAPLAN: Which I know
6 you're aware of, and sometimes it's very low-income
7 touch, but like Shaan was mentioning, one of the
8 things that we've been putting in place over the last
9 few years is a quite extensive process of dealing
10 with environmental hazards where we are testing,
11 making sure that we understand the level of lead, the
12 level of asbestos that's in these apartments and
13 that, if there is any work required there, making
14 sure that we're doing that appropriately, and one of
15 the changes that I'll just note there is that when
16 the lead-based paint level dropped from 1 to 0.5,
17 that added an extra layer of work on these apartments
18 as well, but we know this is a very challenging issue
19 and something that the Authority is really focused
20 on.

21 COUNCIL MEMBER BREWER: Focused and doing,
22 so the PNA has nothing to do with it? In other words,
23 there's nothing in the PNA that has anything to do
24 because it's not the same kind of capital need. Is
25 that correct?

2 CHIEF OF STAFF KAPLAN: Shaan can
3 certainly speak more to the capital side of this. The
4 Physical Needs Assessment does cover apartment work
5 and it does cover lead-based paint abatement so many
6 of the things that we are doing on an operational
7 side in vacant units, that is covered in the PNA, but
8 a lot of the work that we're doing, the vast majority
9 of what we're doing in terms of day-to-day work is
10 some of what Brian was mentioning earlier, that
11 operational side where our staff or vendors are doing
12 the work.

13 COUNCIL MEMBER BREWER: I don't want to
14 take too much time. I want the Committee, if it's
15 appropriate to know, because we did give City Council
16 money for this also, there's capital money from the
17 Council for this effort, I'd like to know how many
18 are being done, how much it cost, how many there are,
19 where they, etc., etc. because there's nothing worse
20 than telling the public and New Yorkers I think the
21 number is either 6,200 or 6,900 vacant apartments at
22 NYCHA, and so the question is what are we doing about
23 it and how it could fit into the PNA. Seems to me if
24 I was the federal government, it would be nice to see
25 capital needs going towards that effort.

2 CHIEF OF STAFF KAPLAN: Council Member, we
3 can certainly follow up with all of those details.

4 COUNCIL MEMBER BREWER: Thank you. Thank
5 you, Madam Chair.

6 CHAIRPERSON AVILES: We want to
7 acknowledge we've been joined by Council Member
8 Salamanca and turn it over to Council Member Restler.

9 COUNCIL MEMBER RESTLER: Great. Thank you
10 so much. First, I just want to thank Chair Avilés
11 for focusing on this. The extraordinary increase in
12 the Physical Needs Assessment absolutely requires our
13 attention and oversight, and I'm really please that
14 we're having this hearing today.

15 We beat up NYCHA a lot so I'll start by
16 just saying something nice. Andrew, you are a
17 tremendous public servant, and I appreciate
18 everything you do, and Brian as well, you guys always
19 respond, you always try. I know that your jobs are
20 hard and that we have under-resourced, we, city,
21 state, federal, have under-resourced NYCHA for many,
22 many decades, and we see the deterioration in this
23 Physical Needs Assessment.

24 I was struck by the 78-billion-dollar
25 number. Last time around, it was 45 billion dollars,

2 10 billion was addressed through RAD and PACT
3 conversions and capital projects so really we're
4 saying there was a 43-billion-dollar increase in the
5 Physical Needs Assessment for a much substantially
6 smaller portfolio of NYCHA units, correct?

7 CHIEF OFFICER MAVANI: That's right. The
8 number of units has gone down I think by about 13,000
9 between those two numbers.

10 COUNCIL MEMBER RESTLER: We essentially
11 saw a doubling of the Physical Needs Assessment for a
12 smaller number of units.

13 CHIEF OFFICER MAVANI: I think yes if you
14 take into account the unit reduction, it's a
15 doubling, and that is relatively consistent with our
16 last three PNAs and how things have changed over
17 time.

18 COUNCIL MEMBER RESTLER: So it was 485,000
19 I believe per apartment in this PNA. What was it for
20 the previous PNA?

21 CHIEF OFFICER MAVANI: I believe it was in
22 the range of 240,000, around there.

23 COUNCIL MEMBER RESTLER: It's a startling
24 and dramatic increase in a short period of time. Of
25 course, you're attributing part of that to inflation,

2 but our failure to invest and maintain in these units
3 is we're watching them crumble before our very eyes,
4 and this Physical Needs Assessment shows it as
5 crisply as possible. In our community in Wyckoff and
6 Gowanus where we're doing a 250-million-dollar
7 comprehensive modernization project, we're addressing
8 25 percent, 30 percent of the need in those
9 developments so, as exciting as that is, we have
10 people who have horrible condition for years on end
11 that won't be addressed at all through this process.

12 I did have one question that I wanted
13 clarification on. In the Physical Needs Assessment in
14 Appendix F, you do a breakdown of every development
15 including the RAD and PACT developments. We have four
16 such developments in our District, but you list out a
17 Physical Needs Assessment estimate for each
18 development including the RAD and PACT developments.
19 For those developments, it amounts to 600 million
20 dollars real money so could you explain that or do
21 those developments continue to have a substantial
22 outstanding need that you're just taking off of your
23 books because it's the RAD and PACT developers'
24 responsibilities.

2 CHIEF OFFICER MAVANI: Thank you, Council
3 Member Restler. Maybe just to address your question,
4 we did include sites that had been converted between
5 2017 and 2023 to be able to understand exactly how
6 much capital need they've addressed from our
7 perspective, that would have been there if the
8 conversion hadn't happened, and that's why...

9 COUNCIL MEMBER RESTLER: Are you arguing
10 that they've addressed those capital needs or that
11 those are outstanding capital needs or a combination.

12 CHIEF OFFICER MAVANI: On that second
13 part, I'll go back to what Matt explained which is at
14 the time of conversion, they are required to address
15 all critical needs, typically whatever's required
16 investment in the next five years, and they're
17 required to demonstrate a plan with their capital
18 reserve to make any ongoing investments in the next
19 20 years. So that is typically what happens in the
20 kind of 18 months to three-year construction process
21 after a PACT conversion. They invest and addressed
22 all of those critical needs, and they start to hold
23 the capital reserve that would allow them to make
24 kind of year 5, year 10, 15 investments for remaining
25 needs.

2 COUNCIL MEMBER RESTLER: So they are on
3 the hook essentially to make those full investments
4 over the period of time?

5 CHIEF OFFICER MAVANI: That's right. That
6 is the plan that HUD approves with the conversion.

7 COUNCIL MEMBER RESTLER: What is the
8 mechanism for us to be updated on the actual
9 investments that are being made to be able to assure
10 tenants in our developments that these investments
11 are happening?

12 CHIEF OFFICER MAVANI: Within NYCHA, we
13 are receiving quarterly financial reports that
14 include any additional investments they're making as
15 well as operating investments they're making around
16 maintenance and repairs.

17 COUNCIL MEMBER RESTLER: Could those
18 reports be shared with me for our developments?

19 CHIEF OFFICER MAVANI: I think that we can
20 look into that with you and understand what would be
21 most useful information for you to have.

22 COUNCIL MEMBER RESTLER: Okay. I mean I
23 just want to make sure that we're holding these
24 developers accountable to make the investments that
25 they're required to make to actually fulfill the

2 outstanding 600 million dollars in investments that
3 are needed to improve the conditions for residents in
4 those developments.

5 CHAIRPERSON AVILES: Actually, would like
6 to know in terms of the quarterly financial reports,
7 are they verified? Are you going control checks to
8 make sure that what is reported is in fact what is
9 happening in those developments?

10 CHIEF OFFICER MAVANI: Within our Real
11 Estate Development Group who manages these PACT
12 projects, we have an asset management function which
13 we've discussed in previous hearings with you that
14 looks at the performance of the PACT developer across
15 multiple areas, and one of those areas is the
16 financial performance and reporting so we are getting
17 that information from them. We are also getting other
18 forms of information from their Section 8 reporting
19 that they do independently and watching what's
20 happening on that side so we do diligence around
21 those financial reports and monitor them and work
22 with them when we see problems or issues that we may
23 feel are concerning to make.

24 I just wanted to add one additional point
25 on Council Member Restler's question around the

2 funding. Matt highlighted and I reiterated that PACT
3 partners are required to have an investment plan to
4 meet those 20-year needs. The one thing to keep in
5 mind is that the PNA is very useful for NYCHA where
6 we're doing individual systems and asset replacements
7 in terms of pricing how much each of those may cost.
8 Our PACT partners or, as you mentioned, our Comp Mod
9 program that does these large integrated scope
10 projects often is able to achieve efficiencies and
11 economies which means they may not have to invest the
12 full 600 million dollars because they're able to do
13 all of these different assets at the same time and so
14 that's something to keep in mind.

15 COUNCIL MEMBER RESTLER: I have a few more
16 questions. Do you want me to come back later?

17 CHAIRPERSON AVILES: Mr. Mavani, if you
18 would, I think I lost in your response, are you
19 verifying the reports that you're receiving? It
20 definitely sounds like the Asset Management Group is
21 reviewing these reports, reviewing the other
22 reporting that is being submitted to HUD. What I was
23 asking is more basic like are we verifying that those
24 repairs that are being claimed in those reports are
25 actually happening on the ground?

2 CHIEF OFFICER MAVANI: On the repair side
3 of it, in addition to receiving data and analyzing
4 that data and looking for trends or issues, we are
5 making site visits. Matt can talk about the site
6 inspections and work that we do during construction
7 and then we continue to do the site validation of
8 what we're hearing from PACT partners, even after
9 construction. If you want to talk about that.

10 VICE PRESIDENT CHARNEY: I gave the
11 example of like a roof that we had just replaced
12 would be not done immediately, but the majority of
13 this work, and the immediate capital repairs, the
14 goal is to do all of the work that's needed upfront
15 so, Council Member Restler, for the developments in
16 your District which were part of what was known as
17 the Brooklyn Bundle, it included other developments
18 that I think are not in your District, but it was for
19 430 million dollars of work, almost nearly half a
20 billion dollars of work. That's all upfront. That's
21 all within that two months after, and we're tracking
22 that on a monthly basis, requisitions, we're doing
23 site inspections, we have a goal of getting into 10
24 percent of all the units after they're done, we're
25 actually 20, 30 percent, so we're really tracking

2 that. That's our primary. There is work that will be
3 done over time, but our goal is that work is very
4 minimal, but, as Shaan described, we are getting
5 regular reports and we do site visits, resident
6 surveys long after the repairs are done, and we plan
7 to do that kind of in perpetuity.

8 COUNCIL MEMBER RESTLER: Thank you. Could
9 I, is that okay? I'll just try to be brief. Firstly,
10 when you recently came to this Committee, NYCHA
11 informed us that there were smaller capital projects
12 that you could no longer perform or were delayed
13 indefinitely because you didn't have enough staff to
14 be able to execute on these capital projects. Is the
15 lack of staffing undermining NYCHA's ability to
16 execute on its currently capital plan to be able to
17 meet capital needs across the portfolio of NYCHA
18 housing?

19 CHIEF OFFICER MAVANI: Thank you for the
20 question. I don't believe that our operating budget
21 and obviously our staffing is undermining our plan. I
22 think for a few reasons. We've grown significantly in
23 the last five years whereas we used to implement less
24 than 200 capital projects at any given time. Even
25 with the 45 or so projects that we paused this year,

2 we are currently implementing close to 700 so we've
3 scaled more than three times in this period, and
4 we're able to manage a portfolio that's much larger
5 than we used to. We have not paused any critical kind
6 of HUD agreement investments, health and safety,
7 security-related investments. We continue to take on
8 new projects that relate to those HUD commitments
9 like heating, elevators, and other areas that we're
10 required to take on, and we have not had to delay
11 those projects because of operating budget or
12 staffing needs. Unfortunately, we have had to delay
13 the 40 to 50 also critical quality-of-life type of
14 projects, and we continue to have those paused, but
15 we do hope that with the projects that we're
16 completely every month at some point next year we'll
17 be able to restart some of those projects with a
18 phased plan.

19 COUNCIL MEMBER RESTLER: Okay. It's
20 something we're going to certainly be monitoring
21 closely here in the Council and especially with the
22 Mayor's proposed draconian budget cuts that would
23 severely undermine services across the budget,
24 reducing staffing at NYCHA would be highly
25 detrimental.

2 Last, if I may, vacancies. I appreciate
3 Council Member Brewer mentioning this. I don't think
4 I heard a clear number on the number of vacancies. I
5 know there are different categories of vacancies, but
6 not the total unoccupied but the vacant apartments
7 that are potentially habitable and with some amount
8 of work, where are we on those numbers now? They've
9 been skyrocketing under the Adams' Administration,
10 it's an area of great concern in a housing crisis.

11 CHIEF OF STAFF KAPLAN: Thank you, Council
12 Member. What I was saying to Council Member Brewer is
13 that I don't think any of us have the exact number,
14 but we can follow up with that after this hearing
15 immediately.

16 COUNCIL MEMBER RESTLER: Okay. I mean
17 we've seen an eightfold increase under this Mayor in
18 the number of vacant apartments, and we, thanks to
19 Chair Avilés leadership, pushed for 30-odd million
20 dollars in restoration of funding for repairs of
21 vacant units but we believe more money needs to be
22 pushed to address this and we will continue to
23 advocate for it.

24 In closing, we all have to push
25 Washington together. Congressman Velazquez and

2 Senator Schumer have been exceptional leaders in
3 fighting for more funding for public housing. I know
4 Leader Jeffries cares about this a great deal as
5 well. What Joe Manchin on Build Back Better was
6 unconscionable, and we should have had a historic
7 investment in public housing in that plan. It needs
8 to be in the next big thing that comes out of
9 Congress whenever we retake the House, and anything
10 we can do to help support that effort, please count
11 us in. Thank you.

12 CHAIRPERSON AVILES: Thank you, Council
13 Member Restler.

14 Just for a point of clarification. Mr.
15 Mavani, did you just say that the Council
16 discretionary projects that were placed on hold
17 because of lack of project management staff will be
18 coming online in a staggered way?

19 CHIEF OFFICER MAVANI: Yes, Chair. Once we
20 have capacity in our teams to start those projects up
21 again, we'll be developing out a kind of phased plan
22 to do that. There's obviously a range of
23 considerations around how we sequence that, and we'd
24 be happy to have that discussion with any Council
25 Member around projects that they funded.

2 CHAIRPERSON AVILES: So you currently do
3 not have the capacity for those projects, is that
4 correct?

5 CHIEF OFFICER MAVANI: That's right. We
6 have not restarted any of those projects as of today.

7 CHAIRPERSON AVILES: Do you have an
8 understanding of a secret stash of money that's
9 coming in that will bring these projects online any
10 time soon?

11 CHIEF OFFICER MAVANI: No, it's not
12 because of additional funding. It's because other
13 projects that we're currently managing will complete
14 and close off, and that will free up our teams to
15 then have capacity to increase the number of projects
16 they're managing, and so every year we complete, for
17 reference, between 120 and 140 projects, and so, you
18 know, throughout the year as projects are completing
19 and we are also starting other new HUD agreement
20 projects, we will also be trying to restart these
21 projects.

22 CHAIRPERSON AVILES: Got it. We'll talk
23 more about that, but I'd like to recognize Deputy
24 Speaker Ayala and also turn it over to Council Member
25 Salamanca.

2 COUNCIL MEMBER SALAMANCA: Thank you,
3 Madam Chair. It's frustrating to hear that funding
4 that the Council allocates to NYCHA is just sitting
5 there because you do not have the staffing, and
6 that's nothing new. In 2017, I allocated 3 million
7 dollars to NYCHA for Melrose Houses, and I know Brian
8 is here, I speak to Brian often. Brian, I have a lot
9 of respect for you. We work together. It's
10 unfortunate that you have to answer these questions,
11 but the 3 million dollars that my office allocated in
12 Fiscal Year 2018 for Melrose Houses for cameras and
13 (INAUDIBLE). Was that project completed?

14 SENIOR VICE PRESIDENT HONAN: Council
15 Member, we have good news on that project. I've been
16 looking forward to this day for a long time. In
17 November, those cameras will be turned on (INAUDIBLE)
18 construction will be completed so we want to plan
19 something public because I know those residents have
20 been waiting for a very long time, and I know that
21 you've been waiting for a long time so it's a really,
22 we got there.

23 COUNCIL MEMBER SALAMANCA: Six years it
24 took for you to complete a project. Why does it take
25 so long?

2 CHIEF OFFICER MAVANI: Thank you, Council
3 Member Salamanca, for the question. I think that's a
4 project that unfortunately got caught up as our
5 portfolio was growing and we were taking on new
6 responsibilities and priorities around the HUD
7 agreement. Some of the projects did not move nearly
8 as quickly as we wanted, and you have been a
9 continued advocate for us both in terms of providing
10 funding but also holding us accountable to move this
11 forward, and I want to add at last year's hearing,
12 after hearing from you, we went back and we
13 identified 70-plus projects like this that had
14 funding from 2017, 2018, 2019. We've made a very
15 concerted effort to progress and close those off. In
16 the kind of 15 or 16 months since then, we have
17 completed 30 of those 70, we have 28 in the
18 construction, and the remaining 14 or 15 are in
19 design and procurement so based on your push as well
20 as obviously feedback from others, we have really
21 tried to move forward any projects like that that had
22 money from several years back.

23 COUNCIL MEMBER SALAMANCA: Because NYCHA
24 works at such a snail pace on getting these projects,
25 Council-funded projects to move, we as a Council, me

2 as a Council Member, I don't feel confident in
3 allocating any funding for my capital dollars to
4 NYCHA, especially now that you're telling me that if
5 I give you money in this upcoming budget, it's just
6 going to sit there. Is that correct because you do
7 not have the staff or the capacity to even plan these
8 projects so how can we help you if we're giving you
9 the money and you're doing nothing with it?

10 CHIEF OFFICER MAVANI: I understand your
11 frustration and obviously the residents may feel. I
12 think there are two areas where you can help us, and
13 this is the approach we took this year and we may
14 take next year. We can leverage smaller-sized
15 projects where Council Members provide us expense
16 funding to move very quickly with those typically or
17 we do continue to have projects, discretionary
18 projects that remain underfunded and that require
19 additional funding. Some of the reason that these
20 projects do get held up is where the funding is not
21 sufficient to meet the full scope of work that
22 residents would like to see, and, as we continue to
23 advocate together with them, and so we can work with
24 you to identify projects in your District that could

2 utilize new funding additionally to meet resident
3 demand quickly and then ideally move those forward.

4 COUNCIL MEMBER SALAMANCA: Projects are
5 underfunded because you give us a price tag one year,
6 we give you the funding, you do nothing with it,
7 prices go up, and then you turn around and you say
8 you're underfunded on this project, and then we have
9 to wait for the next Fiscal Year to allocate more
10 funding so that we can cover that gap and then you
11 turn around and say hey, you're underfunded again.
12 This is a game you guys are playing with the lives of
13 NYCHA residents. We at the Council are doing our
14 jobs. We're giving you the funding that you need, and
15 you're not getting the work done. I call the
16 incompetence.

17 I just want to give you some data here.
18 You know, when I first got elected in 2016, NYCHA, in
19 2017, the PNA was 45.3 billion dollars. Today, it is
20 78.3 billion dollars. It's more than state budgets
21 throughout the United States of America. In
22 Massachusetts, they just passed a state budget, 55.9
23 billion dollars. The state of Louisiana, 47.7 billion
24 dollars. New Jersey, 54.3 billion dollars.
25 Connecticut, 51 billion dollars. NYCHA, in order for

2 us to fix NYCHA and give our residents in the City of
3 New York adequate housing is 78.3 billion dollars. Do
4 you see an ending to this? Does NYCHA see an ending
5 where they're going to get the funding necessary to
6 address proper housing for New Yorkers?

7 CHIEF OFFICER MAVANI: I appreciate your
8 question and for highlighting the magnitude of the
9 need we have. I tried to lay out earlier that with
10 our current tools that are available to us, we do
11 hope that we can address almost half of that need
12 utilizing those specific tools. Obviously, those
13 programs require some level of state, city, and
14 federal support as well, but they do generate a good
15 amount of financing to be able to meet these critical
16 needs for residents. The remainder of the need that's
17 unaddressed through those programs, I think that's
18 something we have to figure out together as we move
19 together, can we scale those programs further, are
20 there other ways that we can address the needs?

21 COUNCIL MEMBER SALAMANCA: I do understand
22 that there needs to be a collective, you need help
23 from the federal government, they need to do their
24 part in giving you the funding that you need and so
25 does the state, but, honestly, we as a Council, and I

2 think the feds are watching, City Council is giving
3 NYCHA funding to address basic needs and you're not
4 doing anything with the funding that we're giving
5 you, and maybe that's the problem why the federal
6 government is hesitant to give you the funding that
7 you need because they feel that you may sit on it and
8 the price may go up because nothing's getting done.

9 My last question, how much funding did
10 the City Council allocate to NYCHA in this last
11 fiscal budget?

12 CHIEF OFFICER MAVANI: I think in the last
13 fiscal budget, so FY-24 City budget, in terms of
14 capital funding, I think we've been allocated
15 something like 3 or 4 million dollars. I'll have to
16 check that number, but that's just my recollection
17 from the discussions we've been having recently?

18 COUNCIL MEMBER SALAMANCA: That's all the
19 City Council gave you?

20 SENIOR VICE PRESIDENT HONAN: Council
21 Member, it was a very low number because we came to
22 the Council early, the Committee and also to
23 leadership, for the first time ever we said if you're
24 going to invest in NYCHA, please give us operating
25 dollars and not capital dollars because you're 100

2 percent correct. Historically, we've had projects
3 that have sat there for years and years for various
4 reasons, and until we feel confident that we can
5 spend your money, we shouldn't be taking it, right,
6 and the other things that you had mentioned too.
7 These are not just issues that are unique to NYCHA.
8 If you look at the Philadelphia Housing Authority,
9 the Chicago Housing Authority, the Puerto Rico
10 Housing Authority, they are all facing the same
11 issues. This is a nationwide issue. NYCHA is not
12 unique in the fact that it has capital problems, and
13 we are, like other housing authorities throughout the
14 country, we're taking advantage where money is
15 available. In fact, in a lot of ways, there is more
16 local investment in NYCHA than there is in any of the
17 other housing authorities that I mentioned. We are
18 going after dollars where they are. Unfortunately, a
19 lot of it comes down to political will as well.

20 COUNCIL MEMBER SALAMANCA: All right.
21 Thank you, Madam Chair.

22 CHIEF OFFICER MAVANI: Chair, if you would
23 give me the opportunity to make one comment just to
24 contextualize the helpful comments that Council
25 Member Salamanca made. I think the discretionary

2 funding projects that we've had to pause are really
3 critical in many ways, but, at the same time, we are
4 doing our best to move the capital portfolio forward,
5 and, to give that context, we are committing close to
6 a billion dollars a year and spending close to a
7 billion dollars a year. We are completing over 100
8 projects a year similar to the CCTV project that will
9 close off soon, and the paused projects account for
10 less than 1 percent of our budget, and so it's
11 unfortunate that we don't have the capacity to move
12 them forward just now, and at the same time we've
13 tried to minimize any type of impact from our
14 resource constraints as an organization on our
15 ability to move the rest of the portfolio forward.

16 CHAIRPERSON AVILES: Thank you. It would
17 be actually quite helpful to know, I know there has
18 been a significant effort to move projects through
19 the capital process which was quite appalling years
20 ago, but it would be great to see the list of capital
21 projects that were completed with specifics so that
22 we can actually see and verify and get a sense of
23 what is being completed in this large scope of work
24 that's being demanded.

2 With that, I'd like to turn it over to
3 Deputy Speaker Ayala.

4 DEPUTY SPEAKER AYALA: Thank you, Madam
5 Chair. I have a couple of questions and a lot on my
6 mind so I'm trying to put them all together in a way
7 that they make sense, but of the estimated 78.3
8 billion dollars, does that number take into
9 consideration, does it account for buildings that are
10 transitioning out through PACT and RAD?

11 CHIEF OFFICER MAVANI: That number only
12 reflects buildings that have already transitioned
13 out, but as we do our annual updates of the PNA going
14 forward, whether buildings move out of our directly
15 managed portfolio through PACT, through the Trust, or
16 whether we complete capital work, we'll be
17 incorporating that in each annual update, and it'll
18 be reflected there.

19 DEPUTY SPEAKER AYALA: Theoretically, and
20 correct me if I'm wrong, the 78 billion number would
21 go down, right, because the number of buildings
22 within the portfolio would be significantly smaller?

23 CHIEF OFFICER MAVANI: That's right,
24 Council Member Ayala. Earlier on, we presented that
25 if we were to work through the full PACT pipeline and

2 through the Trust allocation in the law, we would be
3 able to address about half of that 78-billion-dollar
4 need.

5 DEPUTY SPEAKER AYALA: Okay. Could you
6 explain to me what the cost differential is between
7 PACT and the Public Trust plan because my
8 understanding is, and again correct me if I'm
9 mistaken, but I've been here for a long time so I
10 think I remember correctly, when we were sold on
11 PACT, and not entirely sold because I'm still on the
12 cuff of it, I think it's okay for some buildings but
13 not for all, but I digress, the idea was that when
14 resident leaders were complaining about it feeling a
15 little bit cosmetic in nature, the explanation that
16 NYCHA gave at that time was that it was but resources
17 would be readily available because it didn't make
18 financial sense to rip up the whole building and gut
19 rehab it, it's very expensive to do that, right. I
20 understood that. That's a conversation I've had with
21 my resident leaders is look, you're going to get
22 everything brand new, but the pipes in the wall are
23 going to be rotted out. That's a fact. When they
24 burst, and they will, we have the resources to repair
25 them immediately, and now through the Trust, it's

2 almost like the complete opposite, right? The
3 conversation has shifted, we need to gut rehab these
4 apartments, we're going to have to move folks which
5 calls into question the concerns about the vacancies
6 because if we're warehousing units to transition
7 folks, theoretically those apartments could be
8 warehoused for many, many years, but my question is
9 what is the difference between PACT and the Trust in
10 terms of dollars because it seems like it's more
11 expensive.

12 CHIEF OFFICER MAVANI: Let me try to talk
13 to your point around what are requirements around the
14 scope of work, and then I'll also hand it to my
15 Colleagues to add more details.

16 Some of those criticisms that were made
17 or observations early on that the PACT scope of work
18 may not have fully addressed what residents felt were
19 the priority need. It's something that we've
20 addressed over the years by every year increasing our
21 specifications to PACT developers around what exactly
22 are the minimum state of repair for every type of
23 asset or system in the building, and, in fact, one of
24 the things that we've been working on over the last
25 year is to increasingly align our requirements,

2 whether it's PACT, whether it would be the Trust, or
3 whether it's a capital project, that it's basically
4 the same set of requirements for how we want to
5 renovate, when you renovate, what quality you bring
6 it to, what technologies you use, and so we have an
7 integrated set of design requirements across the
8 programs that we've been rolling out that would
9 ensure that however NYCHA properties are being
10 renovated and by whoever is taking the lead on that,
11 we're ensuring a minimum set of standards on around
12 quality and resident preference in that process, and
13 so my point to you would be that those are all
14 converging and they already have been for several
15 years, and we would expect to see that continue to
16 happen going forward, whatever the model of
17 renovation that we apply, but I don't know if,
18 Andrew, you want to add to that?

19 CHIEF OF STAFF KAPLAN: The only other
20 thing I would add, Council Member, just on your
21 question around the Trust versus NYCHA versus PACT,
22 because it's very early in the process, one of the
23 things that we're expecting to get a better sense of
24 is whether there are cost differentials between the
25 different models. Just like with PACT, the starting

2 point for the Trust is the Physical Needs Assessment,
3 that's the best estimate that you have a for a site,
4 and then you do further investigations and so at the
5 Trust, because of the procurement flexibilities that
6 were authorized under the state law, we should have a
7 better sense as we go through the first few sites if
8 they choose to opt into the Trust whether there is
9 some sort of cost differential in that model.

10 DEPUTY SPEAKER AYALA: I mean I would
11 imagine, and I'm not in that field, but I would
12 imagine that there is a significant difference in
13 cost considering that you're gutting the entire unit,
14 and I'm concerned about this because if I was paying
15 for this, right, I would want to make really good use
16 of those funds that are very limited at this point so
17 that part of it concerns me, but, on the other end,
18 we're facing a really serious housing crisis in New
19 York City and the idea of warehousing units that are
20 desperately needed when we could have opted for PACT,
21 which is probably more cost-efficient and the easiest
22 way to keep folks in their apartments without having
23 to uproot them from their existing housing and move
24 them somewhere else for what could be potentially a
25 year or even more. I'm sorry about this, but NYCHA

2 doesn't have the best track records for doing things
3 expeditiously so I'm concerned about that amount of
4 time that people will be out of their homes, but if
5 you could get back to us with kind of a sense of what
6 the cost differential is, I would appreciate that.

7 Lastly, just out of curiosity, I was at
8 Chelsea Houses a couple of weeks ago, I have family
9 that lives there, and I realized that the
10 developments don't seem to be in as bad condition as
11 other developments that I have been to, but as I was
12 walking around I realized that that community is very
13 upscale now, and I'm wondering are we having
14 conversations about tearing down those developments
15 and creating more market because of the existing
16 inventory of housing that's in that community
17 already? It didn't sit well with me while I was
18 there.

19 CHIEF OFFICER MAVANI: I can try to take a
20 first stab at addressing your concern and your
21 question and very good question obviously, and I'm
22 glad you asked it. I think one of the challenges that
23 the level of deterioration in older buildings is not
24 always apparent kind of visually, right, so a lot of
25 the issues that we're talking about in a place like

2 Fulton Elliott-Chelsea or other sites that are older
3 or have a certain type of construction quality at the
4 time are things that you find once you start to probe
5 inside. Once you start to probe inside the walls,
6 inside the roof structure and other areas, you
7 realize that we don't know what materials were used
8 back then and actually we can't identify them
9 sometimes today. In Fulton Elliott-Chelsea, we found
10 electrical wiring that's wrapped in cloth and other
11 types of very kind of old techniques of doing
12 construction work, and so as you go deeper into the
13 probing and inspections, you often find deteriorated
14 conditions beyond what you would hope or what you
15 would imagine, and I think that's part of what we've
16 seen at a number of sites that were going through the
17 PACT process where a PACT partner has the resources
18 to do that level of site investigation very deeply,
19 they start to identify some of these more challenging
20 conditions that aren't apparent from any of us
21 walking through the site and seeing that so I think
22 that's a big driver of what's happening there rather
23 than, per se, people anchoring around the fact that
24 otherwise it maybe an upscale neighborhood. Matt, do
25 you want to add to that?

2 VICE PRESIDENT CHARNEY: Council Member,
3 just to your point on PACT, I don't think the repairs
4 are cosmetic. We do do plumbing replacement.

5 DEPUTY SPEAKER AYALA: Listen. I'm not
6 poo-pooing PACT. I've been to buildings, my residents
7 in those buildings are really happy with what they
8 have. That's not what I'm questioning here, but I'm
9 just concerned because I saw this happen at Metro
10 North Houses where we tore down buildings to create
11 other types of housing that was Section 8 housing,
12 and all of the tenants were not able to come back.
13 Some of them opted to go into different NYCHA's and,
14 for whatever reason, they had to requalify in order
15 to get into these new buildings.

16 CHIEF OFFICER MAVANI: There would be none
17 of that here..

18 DEPUTY SPEAKER AYALA: I see Brian shaking
19 his head no, but that was true. I was there.

20 SENIOR VICE PRESIDENT HONAN: No, no, no,
21 not there. I'm just saying in this project

22 (INAUDIBLE)

23 DEPUTY SPEAKER AYALA: Okay, so that was
24 one thing, but here you have upwards of 2,055 units

2 of Section 9 so we would tear them down and build
3 2,500 units primarily market-rate.

4 VICE PRESIDENT CHARNEY: I think the most
5 important part, the only reason to do it really is to
6 build new housing for the current residents so all
7 the current residents would have a new...

8 DEPUTY SPEAKER AYALA: So there would be
9 no market-rate?

10 VICE PRESIDENT CHARNEY: No, there would
11 be market-rate for sure because we want to be build
12 new housing...

13 DEPUTY SPEAKER AYALA: What is the ratio
14 of market and affordable?

15 CHIEF OFFICER MAVANI: I think we can come
16 back to you on the exact numbers, Council Member, but
17 the total number of units is significant larger after
18 the redevelopment.

19 DEPUTY SPEAKER AYALA: That's fine, that's
20 great, but...

21 CHIEF OFFICER MAVANI: We will be fully
22 protecting all of the Section 9 units with dedicated
23 units for all of those families.

24 DEPUTY SPEAKER AYALA: I understand, but
25 if you're uprooting families from Chelsea-Elliott

2 that have been there forever, and I lived in public
3 housing, and I'll tell you that my neighbors then are
4 still neighbors now to my brother who continues to
5 live there, there's a family that's created so you're
6 going to uproot people and when I'm standing there
7 and I'm looking around at all of these beautiful
8 high-rise buildings, I'm thinking the only thing that
9 doesn't look the same here is Chelsea-Elliott, and
10 that bothers me. That bothers me that we would
11 prioritize tearing down that development, and I'm not
12 saying that those tenants don't deserve to live in
13 good quality housing and that the repairs don't need
14 to be made, but I do question the type of housing
15 that is being proposed, and I do worry, and I'm sure
16 that residents that live there will be uprooted and
17 sent elsewhere to make space for more market-rate and
18 that is not acceptable. That is not something that I
19 will support ever, and I think that we need to be
20 honest in our conversations when we're doing things
21 so at least we know where we're standing. Don't try
22 to sell to me this proposal as an affordable housing
23 and we're so concerned about the state of Chelsea-
24 Elliott when in fact the apartments that we're going
25 to be replacing them with are not for the people that

2 live there so it doesn't make any sense to me so we
3 can discuss it. I just want to really go on record
4 saying that because it was really heartbreaking to be
5 there and see that, and it was so evident that you
6 literally have to be visually impaired to not see
7 what I saw when I was there, and it's horrible that
8 in New York City we would be complicit in doing that
9 so I will wait for the numbers on the cost
10 differential between the PACT and the proposed Trust
11 because I think that there is a significant
12 difference so I look forward to hearing about that,
13 and, as some of my Colleagues have mentioned, the
14 number of units that are currently being what I call
15 warehoused that are being reserved for those
16 transitions because I think that there's a different,
17 right, between how many we're going to need to move
18 folks out and around at some point.

19 With that, thank you, Madam Chair.

20 CHAIRPERSON AVILES: Thank you, Deputy
21 Speaker. It sounds like a hearing is in order
22 potentially around Chelsea-Fulton-Elliott, yes. Thank
23 you.

24

25

2 I would like the Zoom to be unmuted for
3 Council Member Barron who would like to make a quick
4 statement.

5 COUNCIL MEMBER BARRON: Thank you very
6 much. Can you hear me, Madam Chair?

7 CHAIRPERSON AVILES: Yes.

8 COUNCIL MEMBER BARRON: Thank you very
9 much for the opportunity. I'm a little under the
10 weather or else I'd be right there with you. we have
11 a very, very serious problem in public housing. For
12 the record, for the last couple of decades, I've been
13 totally against the privatization of public housing,
14 totally against the shifting the emphasis on Section
15 9 to Section 8, I've been totally against the RAD and
16 PACT program, I don't trust the Trust, and I think
17 that, as with Council Member Ayala just mentioned, I
18 see the privatization also reserving apartments for
19 market-rate people that we can't afford in our
20 Districts or in our communities. I saw some of the
21 transitions, and I sat through most of the meetings,
22 through the process of many of my developments being
23 converted or changed over to RAD and PACT, and the
24 process, they threatened many of the residents with
25 being evicted if they didn't sign onto it. Many of

2 them were fearful of that. They threatened rent hikes
3 and all of this stuff, and when we were on on several
4 occasions trying to speak against it and we were
5 promoting resident management, let the residents
6 manage these buildings and provide the city, state,
7 and federal money for the residents to manage their
8 own facilities. Now, I know a lot of people said
9 well, the state hasn't done this for all of these
10 years, the feds haven't done it, and the city hasn't
11 done their fair share so we will privatize. Some of
12 the residents say before we privatize and before you
13 make me victims of privatization and at the mercy of
14 private entities, I'd rather keep fighting for the
15 public money, my taxpaying dollars to come my way.
16 For the record, I'm against RAD, I'm against PACT,
17 and I'm against the Trust. I don't trust these things
18 for our residents, and some of it was superficial,
19 commercial stuff made up. As a matter of fact, one of
20 the residents and in my District, we talked about the
21 piping, and they said they're not going to change all
22 the piping, just a small percentage of it, so places
23 like Linden Houses and Boulevard Houses and
24 (INAUDIBLE) and some of the other developments in my
25 District. I know Pink Houses are debating whether

2 they should do it or not, and the Cypress Houses are
3 debating whether they should do it or not, Penn-
4 Wortman, those places that we have a real serious
5 challenge, and I firmly believe, I firmly believe
6 that if we had more confidence and faith in our
7 residents, in the City that has 107 billion dollar
8 expense budget and a 100-and-some-odd 60-some-odd
9 billion dollar 10-year capital budget, why the hell
10 can't we have some money for public housing? Talking
11 about 78 billion. If you can match the city, the
12 state, and the feds capital money, that is more than
13 enough there to take care of our residents in public
14 housing. I quite frankly don't think that the state,
15 city, or feds and not even the private companies that
16 you're leasing these properties out to or having
17 manage them, have any respect for black and brown
18 people who are in low-income public housing. They
19 have no respect whatsoever. We have a lot of
20 complaints through the RAD, we had meetings and all
21 of the complaints about the conversions, about
22 sometimes, and, as you know, in Linden Houses, some
23 of the workers actually broke into one of the
24 apartments, messed up the man's place, and we're
25 still trying to find out who did it and lied and said

2 that someone else, it was a mistake, he was on the
3 wrong list and all of that, there are a lot of
4 problems with this transition to privatization.

5 CHAIRPERSON AVILES: Thank you.

6 COUNCIL MEMBER BARRON: I'm almost
7 finished. Just as we have concerns about privatizing
8 healthcare and privatizing housing and privatizing
9 education, this benefits a predatory capitalist
10 system more than it does the struggling tenants of
11 public housing. Thank you, Madam Chair, for allowing
12 me to say these few words, and I know we're getting
13 into the detailed stuff but don't forget the macro
14 picture. We have to keep public housing public and
15 not privatize it. Let the residents manage their
16 facilities where they live. That would be the best
17 solution. Thank you.

18 CHAIRPERSON AVILES: Thank you so much,
19 Council Member Barron. Thank you. Always appreciate
20 your voice and perspective.

21 Now to move into all the questions I
22 didn't get to ask. Can you walk us through the
23 changes in methodology between the 2017 and 2023 PNA
24 and why those changes were made?

2 CHIEF OFFICER MAVANI: Thank you for the
3 question, Chair Avilés. I think in terms of
4 methodology changes, obviously one of the changes was
5 to use a sampling-based approach and to focus on 30
6 developments but that account for about 20 percent of
7 our apartments. The major reason we made that change
8 was because this is an industry practice but also we
9 realized that our plan in 2017 of doing such an
10 extensive exercise was to then be able to use that
11 data in the future more efficiently and effectively
12 so we believe the sampling-based approach is kind of
13 the best trade-off in terms of giving us accurate
14 information and, at the same time, preserving funding
15 that we could be using in other places so the PNA
16 exercise in 2023 utilized significantly less funding
17 for the Assessment itself than we had used 2017,
18 leveraging that data we had. In particular, I think
19 what you highlighted earlier that the critical needs,
20 the five-year needs, have grown because many assets
21 are now past their useful life, we recognized that in
22 2017 and saw that there's limited utility to sending
23 all these inspection teams out to basically confirm
24 what we knew in 2017, is that that asset would be
25 beyond its life in two to three years so basically

2 just to use our resources prudently, we made that
3 methodology change.

4 Other methodology changes we made related
5 to how we account for assets that you can't inspect
6 visually. Because a PNA is such a massive exercise
7 across so many properties, it would be extremely
8 cost-prohibitive and resource-intensive if we were
9 going to be doing deep dive probing in the walls and
10 inspections at every site so in 2017 we really
11 couldn't add that element at that scale so in 2023,
12 because we were sampling a smaller number of
13 properties, we then did do some amount of work like
14 that where we opened up walls, we looked at the
15 internal elements in the kitchens, the bathrooms, we
16 looked at piping, plumbing of different types of
17 systems, and that allowed us to get a better sense of
18 how those assets were deteriorating more or less than
19 what the technical teams had assumed in 2011 or 2017
20 when they weren't actually able to look behind the
21 walls, and that led to a larger amount of need being
22 identified around plumbing and some of these behind-
23 the-wall systems so those were the two largest
24 methodology changes that we made in this exercise,
25 and it's reflected in some of the results.

2 CHAIRPERSON AVILES: Got it. In terms of
3 the 30 sites that you looked at that represent about
4 28,000 apartments, the percentage to overall housing
5 for the number of respondents, is that 20 percent as
6 well?

7 CHIEF OFFICER MAVANI: The 29,000
8 apartments that those 30 developments comprise is I
9 think something like 18 percent of the total 161,000
10 units that we're managing directly today.

11 CHAIRPERSON AVILES: Got it. I almost
12 confused myself on that question.

13 You mentioned industry standard. I guess
14 I have a hard time understanding that given the scope
15 of NYCHA and seeing no other collective that way so
16 how are we applying an industry standard when NYCHA
17 is not the standard?

18 CHIEF OFFICER MAVANI: Sure. I think
19 that's a great question. Thank you for asking that.
20 Yes, we are a very large property manager nationally
21 and globally, but even smaller property managers who
22 maintain a variety of properties have to do both
23 long-term capital planning and they have to do kind
24 of more short-term inspections and maintenance and
25 repair work and so a similar approach is typically

2 used to have some consistent methodology to go out
3 and inspect sites and do that kind of longer-term
4 capital planning exercise and collect that
5 information, and typically, again like what we've
6 adopted in 2023, these other property owners would
7 not be going out and necessarily inspecting every
8 site exhaustively every five years, and one of the
9 big benefits of that is that you save some money to
10 then do more frequent annual inspections on specific
11 asset types. For example, in NYCHA's context in the
12 past, roofs have been a real challenge in terms of
13 leaks and things so we now do bi-annual inspections
14 of every roof to see the condition, to call in
15 warrantors to fix it and we're able to fund things
16 like that and these more frequent types of
17 inspections rather than doing a more expansive five-
18 year exercise but may not be responsive to the actual
19 repair work that we can do on an annual basis so in
20 terms of industry practice, the use of a sampling
21 approach and the kind of balancing of these more
22 comprehensive portfolio-wide exercises versus more
23 targeted annual work is kind of what we're referring
24 to.

2 CHAIRPERSON AVILES: Got it. How much did
3 the 2023 PNA cost?

4 CHIEF OFFICER MAVANI: The 2023 PNA for
5 the inspections, the analysis, and the reporting and
6 our internal databases that we get from the technical
7 consultants cost just under 6 million dollars.

8 CHAIRPERSON AVILES: Is that the total
9 cost over the five-year period because it's a five-
10 year contract?

11 CHIEF OFFICER MAVANI: That's right. That
12 doesn't include some of the annual updates that we'll
13 be getting, and it doesn't include some of the, one
14 of the things that we are also engaging the technical
15 vendor on is helping us to launch a public portal
16 that provides PNA data to residents and other
17 stakeholders in a very user-friendly way integrated
18 with our capital projects information so that's
19 another big component. If we put all of that, I think
20 the total contract is about 9 million.

21 CHAIRPERSON AVILES: Okay. In terms of
22 integration with the public portal, it seems like one
23 would imagine an enormous amount of overlap. Is this
24 a whole separate system, another database we have to
25 look at?

2 CHIEF OFFICER MAVANI: No, so what we're
3 trying to do, so last year, I think as you know, we
4 launched a capital projects tracker, I think in April
5 2022, and over the last 15 months we've received a
6 lot of feedback from residents and other stakeholders
7 of both the tracker being quite useful in various
8 ways but ways that we could enhance it, and so we
9 have been tabulating all of those enhancements and
10 prioritizing them and combining them with integrating
11 the PNA information directly into that web tracker so
12 now there will be hopefully a very user-friendly tool
13 that replaces that as a kind of version two and not
14 only does it include a range of new features that
15 residents have flagged to us, it will integrate in
16 the PNA information.

17 CHAIRPERSON AVILES: Got it. Thank you.
18 What was the cost of the 2017 PNA?

19 CHIEF OFFICER MAVANI: The 2017 PNA cost
20 us 23 million dollars. That didn't include obviously
21 these features like annual updates, public portal,
22 and things like that.

23 CHAIRPERSON AVILES: Those features were
24 not part of the 23 million...

25 CHIEF OFFICER MAVANI: No.

2 CHAIRPERSON AVILES: Or were they
3 conducted, is that correct?

4 CHIEF OFFICER MAVANI: Sorry. In 2017,
5 those features were not part of the exercise at the
6 time.

7 CHAIRPERSON AVILES: Okay, thank you. What
8 is the background of the firm or firms that conducted
9 the PNA?

10 CHIEF OFFICER MAVANI: When we do a PNA,
11 we got through a public procurement process to
12 procure firms that have both the technical capacity
13 and experience and the kind of resource base to do an
14 intensive exercise like this in a short period of
15 time, and so through the public procurement, starting
16 a year and a half ago, we ended up procuring a joint
17 venture between AECOM which is a global project
18 management, construction management, architecture
19 engineering services firm and STV which is also a
20 very large firm in that space in the U.S., and so
21 they jointly have been doing the work for us since
22 they started the inspections late last year and then
23 this year the analytics, the report, and then working
24 with us on the portal.

2 CHAIRPERSON AVILES: Is STV or AECOM a
3 RAD/PACT developer?

4 CHIEF OFFICER MAVANI: I don't believe
5 that they're involved. They're not a developer per
6 se.

7 VICE PRESIDENT CHARNEY: STV does some
8 work with us on kind of similar services. I don't
9 know that they've done a CNA for us yet, but they do
10 some construction monitoring, but they're not part of
11 the development team.

12 CHAIRPERSON AVILES: They've done
13 construction monitoring on RAD/PACT?

14 VICE PRESIDENT CHARNEY: Correct.

15 CHAIRPERSON AVILES: But not a developer
16 themselves?

17 VICE PRESIDENT CHARNEY: Correct.

18 CHAIRPERSON AVILES: Okay. Under the guise
19 of conflict of interest and/or firewalls, could they
20 become a RAD/PACT developer?

21 VICE PRESIDENT CHARNEY: I'm not positive,
22 but I don't think they do development work.

23 CHAIRPERSON AVILES: Okay.

24 VICE PRESIDENT CHARNEY: We would
25 definitely not work with them on the construction

2 monitoring for PACT if they were a developer, but,
3 yeah, I don't think they do development.

4 CHAIRPERSON AVILES: Okay. One data point
5 that was found by Staff during our review of the PNA
6 was particular uniformity in the growth of the need
7 in elevators across NYCHA developments, and only a
8 single development saw a drop in the need of
9 elevators against the 2017 PNA. As elevators are a
10 particular focus of the monitor's agreement and as
11 we've known in past testimony, can you give us your
12 understanding of the almost uniform growth in the
13 elevator?

14 CHIEF OFFICER MAVANI: Sure. The growth in
15 the elevator needs from 2017 to 2023 is about 85
16 percent, right, so the total need across the
17 portfolio was about 2.5 billion. It moved to 4.5
18 billion. For each development, it was typically
19 around that 85 percent number as you mentioned partly
20 because it's a pretty consistent feature of each
21 building and partly because the installation of many
22 of those elevators happened at the same time, 20, 25
23 years ago. However, there was variance, right, and so
24 even though the average and many of the developments
25 were somewhere in the 80 to 90 percent range of

2 increased need, there were developments in the kind
3 of 40 percent as well as the 140 percent range and so
4 there's a variety there. What can determine that? A
5 couple of things can impact that. One is obviously
6 when the elevators were installed and how much
7 they've deteriorated. A second one is the elevator
8 technology. We largely used what are called traction
9 elevators, but some of our sites have hydraulic
10 elevators or other technologies as well as
11 replacement, right, so the one site that you referred
12 to that had a much lower growth, that's because we've
13 replaced half of the elevators between 2017 and 2023
14 so when they did the inspection it reflected the fact
15 that half were replaced. The other half are actually
16 being replaced and will be completed soon as well.
17 What that reflects is that while we do have a large
18 elevator pipeline from the HUD agreement, the
19 completion of those projects really just started to
20 come in at the end of 2022. We currently have upwards
21 of I think 220 elevators in construction so as those
22 projects close off and we have another pipeline of
23 about 300 elevators that we've started. Those needs
24 across all the developments will start to decrease.

2 CHAIRPERSON AVILES: And the timeframes
3 for those are generally when you say in construction,
4 how long, what's the timeframe we're talking about?

5 CHIEF OFFICER MAVANI: The majority of
6 what we call our first tranche of elevators that were
7 specified under the HUD agreement and funded at the
8 time by the city and the state and through federal
9 funding are meant to close off by the end of 2024.
10 The second tranche of funding we received from the
11 state in currently in early design, and those
12 projects will complete between 2026 and 2028.

13 CHAIRPERSON AVILES: Got it. During an
14 earlier presentation on the PNAs, there were ongoing
15 updates to be performed by STV and AECOM which
16 consisted as you mentioned update on pricing and
17 building out of the internal website as you also
18 mentioned and a tool for internal compliance. Could
19 you flesh out the descriptions for these?

20 CHIEF OFFICER MAVANI: Sure. The technical
21 consultants will be doing an annual update in the
22 first quarter of each year, and then we'll be making
23 that available publicly through this new portal that
24 they're supporting us on. That will involve updating,
25 bringing in the new market price data in particular

2 as well as reflecting what we touched upon earlier
3 where capital work has been completed, reducing the
4 need numbers associated with that. If a site has
5 converted through PACT or through the Trust,
6 reflecting that in what we put out publicly and other
7 updates on an annual basis so that's one piece of
8 work they're doing.

9 The second piece of work is the portal
10 that we've been speaking about where not only have
11 they helped us to build that out, they will be also
12 ensuring that gets updated on an annual basis so as
13 we update the information underlying, making sure
14 that that flows through into the portal.

15 The third piece, I think rather than an
16 internal compliance tool, they have developed an
17 internal kind of capital planning tool that really
18 leverages the PNA information along with other
19 information that we have available from our
20 operations colleagues to inform capital planning and
21 prioritization. This is a standard kind of software
22 offering that these firms have for owners to utilize
23 which they've made available to us with our data and
24 allows us to prioritize just given the scarcity of
25 funding we have relative to our need, we typically do

2 very clearly prioritize compliance, safety and
3 security, and health issues, but if we either are
4 able to mobilize more funding or through some of
5 these other programs be more creative than that type
6 of sophisticated capital planning tool can be quite
7 useful for us.

8 CHAIRPERSON AVILES: Does that
9 prioritization get put out publicly, those
10 commitments of what the work plan is going to
11 actually be within those fiscal years?

12 CHIEF OFFICER MAVANI: That's right. Our
13 annual capital plan that we release, our Board
14 approves and gets released publicly, lays out the
15 investments in each property and each scope area that
16 we're planning to do for the next five years.

17 CHAIRPERSON AVILES: But doesn't show like
18 the actual investments, doesn't show like elevators
19 in Red Hook?

20 CHIEF OFFICER MAVANI: It does. It shows
21 the development, elevators, and the dollar amount
22 that will go in each year.

23 CHAIRPERSON AVILES: Okay, great. In terms
24 of the annual updates, will that include actual
25

2 inspections and will that only be of the portion that
3 was sampled or will that be development wide?

4 CHIEF OFFICER MAVANI: No. The annual
5 updates won't include any inspections to inform the
6 PNA specifically, and I think that's consistent with
7 the point of a PNA and this approach of having kind
8 of magnitudinal capital investment perspective across
9 the property. As I've highlighted earlier, we do do a
10 range of other things internally to inspect, to
11 identify any urgent needs, and then to allocate
12 funding and address them and so where we do learn
13 about major capital investment needs we will be
14 trying to integrate that into these PNA updates, but,
15 for the most part, there's no dedicated inspections
16 for the PNA updates themselves.

17 I will highlight one other point as
18 something we've started and addresses some of the
19 comments that were made earlier by the resident
20 panel. Something that we started this year in
21 February, we now visit each property at least twice a
22 year and we're targeting four times a year. We sit
23 with the resident leader and with the property
24 manager and their staff and we talk about what their
25 priorities are in addition to giving them a

2 comprehensive update of all ongoing and planned
3 capital projects at that site, and then we maintain a
4 tracker that we can say at any given time this TA
5 leader has said these are their top three priorities
6 for investment in their site, and so we can bring
7 that into our prioritization process and discussions
8 more actively than we have been able to in the past
9 because we weren't able to maintain that data in a
10 systematic way, and so this is one of the major
11 efforts we've made to ensure that we always have in
12 mind what residents see as their major needs at the
13 site that could require capital investment as opposed
14 to smaller scaled repairs.

15 CHAIRPERSON AVILES: I certainly
16 appreciate that work. I would beg to include maybe
17 local elected officials in that and also understand
18 that while TA presidents, bless their heart, are
19 doing yeoman's effort, I'm not sure that information
20 is actually getting out to residents in the way that
21 would reflect a meaningful engagement and actually
22 just say really our residents are behind this 100
23 percent. We have a lot of work to do in that area.

24

25

2 In terms of the annual, can you tell what
3 the schedule is going to be in terms of the update to
4 the pricing from STV and AECOM?

5 CHIEF OFFICER MAVANI: I can come back to
6 you with the specifics around that after the hearing.
7 We have agreed that the updates would happen in the
8 first quarter using kind of end-of-year pricing from
9 the last year, but we haven't agreed or I'm not
10 remembering if we have, a specific schedule of the
11 work being released publicly each year, and so we can
12 come back to you with that.

13 CHAIRPERSON AVILES: Got it. First quarter
14 on the calendar year or?

15 CHIEF OFFICER MAVANI: Yes, first quarter
16 of the calendar year. Sorry.

17 CHAIRPERSON AVILES: No, that's quite all
18 right. We see there are short-term needs again. We've
19 discussed this. Over 36 billion in the next 12
20 months. Actually, we've talked about this. We'd like
21 to see what the plan is and how projects will get
22 prioritized.

23 CHIEF OFFICER MAVANI: I think this goes
24 back to your earlier question if I remember around
25 our capital strategy and our prioritization, and I

2 think obviously it's important to keep in mind that
3 our capital resources represent maybe about 5 percent
4 of that 20-year need and something like 8 to 10
5 percent of even that five-year critical need, and so
6 we're always working very hard to understand given
7 that limited resource space where that funding should
8 really go. I mentioned a bit earlier that for the
9 last few years, 90 percent of our capital plan, maybe
10 a little bit more than that, is fully dedicated to
11 meeting our HUD agreement commitments around boiler
12 replacements, elevator replacements, lead abatement,
13 and other specific areas, and so to some degree we
14 really haven't had much flexibility to allocate our
15 capital funding outside of those areas, but those are
16 the critical areas that we feel need to be addressed
17 to really meet safety, quality of life, health type
18 of issues that residents face day to day, and
19 obviously one of the other areas that we, it's not in
20 the HUD agreement, that we have really prioritized is
21 security. Again, so going forward, assuming that
22 we're able to continue to receive capital investment
23 funding in the order that we have over the last few
24 years because of the HUD agreement, then we would
25 have more space to then think about are there other

2 asset classes or types that we really need to focus
3 on in the properties though, as you saw in the PNA,
4 these areas like heating and elevators continue to be
5 areas that require a lot more funding to make our way
6 through the whole portfolio so I guess what I'm
7 saying in short is I think we always need to balance
8 between these strategic areas like heating,
9 elevators, and waste and other aspects, at the same
10 time respond to some of these more urgent resident
11 needs that are being flagged to us, and we're also at
12 the same time dealing with emergencies that happen at
13 our sites where we have to make capital investments.
14 Between that, we're typically able to very quickly
15 fully allocate all the funding we have unfortunately.

16 CHAIRPERSON AVILES: We noted that coming
17 out of the 2017 PNA there was 31 billion in critical
18 need so it's clear that since 2017 we knew this need
19 was not being met. How much has the Administration
20 contributed towards this short-term need at the last
21 adopted budget?

22 CHIEF OFFICER MAVANI: The last adopted
23 budget being the one that was just adopted recently
24 in July?

25 CHAIRPERSON AVILES: Yeah.

2 CHIEF OFFICER MAVANI: There hasn't been a
3 new allocation of capital funding for us in that
4 budget though it's important to highlight that we're
5 continuing to work through the very sizeable
6 allocation that was made after the HUD agreement so
7 the City allocated over 3 billion dollars over 10
8 years, an initial 2.2 billion and an additional
9 billion to come in some of the outyears. We continue
10 to commit and expend that funding. Right now, our
11 current budget for the Fiscal Year is over a billion
12 dollars and so we plan to commit a good portion of
13 that and obviously we're expending funding that we've
14 committed in the past so the City has generously
15 provided these resources over the last few years, and
16 we continue to work through them for many of our
17 priority core programs.

18 CHAIRPERSON AVILES: I appreciate that
19 very full response, and all I heard was the City
20 hasn't committed new dollars at adopted despite
21 knowing that there's more than 31 billion in new
22 needs of 2017 although I will acknowledge that the
23 City has been making effort and certainly much more
24 generous than our state level investments have been
25 but, given our current state of affairs and our 160-

2 billion-dollar City capital budget, there is no
3 excuse other than a clear decision to not fund NYCHA
4 properly.

5 I guess with that what is NYCHA's plan if
6 the federal government shuts down next week given
7 that we've heard about the diminishing returns and
8 the state of reserves?

9 SENIOR VICE PRESIDENT HONAN: We've had
10 conversations with HUD about a possible shutdown, and
11 we've been assured that on the public housing side
12 that we would continue to receive operating funds for
13 October, November, and payments to landlords would be
14 made on the Section 8 side for October. If we go
15 through a longer shutdown than that, we'll have to
16 reassess, but in the short-term we seem to be okay.

17 CHAIRPERSON AVILES: Just in case. In
18 terms of how does partial funding of ERAP by the
19 state impact the PNA considering the money came in
20 after the survey period and does it have a positive
21 impact on existing capital needs?

22 SENIOR VICE PRESIDENT HONAN: I can give
23 you an update of where we are with ERAP and then
24 maybe, Shaan, you can say how that can help on your
25 side.

2 As you know, the state allocated about
3 165 million dollars. About 135 million of that was in
4 ERAP funding. The other approximately 30 million was
5 in additional funding for rent arrears. We've been
6 having conversations with OTDA since the budget
7 passed. A lot of mechanics to work through. They also
8 had a leadership change, but I'm happy to report that
9 we submitted 10,000 what we believe a confident first
10 batch of necessary documents for tenants to start
11 getting payment we believe that result in somewhere
12 between 50 and 70 million dollars in payment for
13 residents to see relief. Shaan, maybe you can talk
14 about how the additional funding could help your...

15 CHIEF OFFICER MAVANI: Sure. Obviously,
16 the ERAP funding which is very beneficial for us
17 feeds into our operating budget by replacing or
18 compensating for some of the rent arrears that we've
19 built up over time. It doesn't make any direct
20 contribution in our capital budget and it's not
21 capital funding per se. However, by reducing some of
22 the challenges we face and the shortfall we face on
23 the operating budget, it does put less pressure on my
24 area in terms of my ability to staff and manage
25 projects effectively, and so I think that is always

2 helpful. It doesn't necessarily mean that we can
3 accelerate our work given that we continue to face an
4 arrears challenge.

5 CHAIRPERSON AVILES: Has the PNA factored
6 in funding from federal and state sources that aim to
7 achieve climate goals, for example, the 70 million
8 aimed at the installation of heat pumps in public
9 housing?

10 CHIEF OFFICER MAVANI: Any of the funding
11 that we've already secured is not necessarily
12 factored in the PNA 78 billion, but it is factored in
13 what we presented in terms of how we plan to address
14 the needs, and so something like the money around the
15 heat pumps that you reference or others where we have
16 committed funding from a source, we have included as
17 addressing some portion of the need going forward. We
18 have not prospectively made assumptions around
19 securing additional funding even though we're
20 extremely active as you heard earlier on putting in
21 applications and trying to secure some of that
22 funding.

23 CHAIRPERSON AVILES: We talked a lot about
24 prioritization, and I heard you say critical like
25 safety first which I agree, but can you flesh that

2 out a little bit more for the record? What's the
3 criteria that you would use to determine what is
4 going to get prioritized with the capital resources
5 that we have?

6 CHIEF OFFICER MAVANI: Maybe starting with
7 safety and security, what is in that bucket beyond
8 things like heating and life safety related to that
9 or elevators or what we've talked about around
10 hazardous materials, around lead-based paint
11 abatement or mold or things like that...

12 CHAIRPERSON AVILES: That's like
13 everything.

14 CHIEF OFFICER MAVANI: Yeah, so those are
15 the other areas. Within safety and security, we're
16 specifically targeting CCTV, layered access control,
17 building entrance and exit security, fire safety
18 systems around the buildings, and elements like that.
19 We also would be looking at any kind of unsafe
20 conditions that require capital investment so if we
21 have significant deterioration of a roof beyond
22 leaks, we know that that may lead to structural
23 issues in the building. That would also be
24 prioritized as part of our kind of safety and
25 security bucket. We may also include other campus

2 level security improvements like exterior lighting
3 and other elements that residents may feel are
4 critical for them to feel safe on the campus.

5 CHAIRPERSON AVILES: Got it. Actually, if
6 we could you ask you, Mr. Honan, a resident would
7 like to know could you for the record explain what
8 CCOP is?

9 SENIOR VICE PRESIDENT HONAN: Sure. It's
10 the Citywide Council of Presidents. The city is
11 broken up into districts, and each of the districts
12 elect a leader to represent them on the Citywide
13 Council of Presidents. It is represented by 10
14 leaders geographically throughout the city.

15 CHAIRPERSON AVILES: The leaders are
16 elected annually every three years, what's the
17 timeframe?

18 SENIOR VICE PRESIDENT HONAN: It is not
19 annually. I think it's, I believe it's a four-year
20 term, three- or four-year term. (INAUDIBLE)

21 CHAIRPERSON AVILES: Where can one find
22 more information about CCOP?

23 SENIOR VICE PRESIDENT HONAN: I think
24 their bylaws are online, and I know we've shared
25 those with the Council too.

2 CHAIRPERSON AVILES: Everything's online?

3 You just can't find. Thank you.

4 In terms of just taking a quick shift
5 back to RAD-PACT, can you share what the rubric is
6 for selecting developments for RAD and the Trust
7 actually, what is the rubric that is being used to
8 make those decisions?

9 CHIEF OFFICER MAVANI: Historically,
10 before the introduction of the Trust legislation, we
11 engage with residents at each site and tenant
12 leadership, often demand-based where they've
13 requested that engagement or otherwise, and have a
14 lengthy engagement process, and this is our historic
15 model that you've heard about in the past where we're
16 engaging intensely at a site where there's interest
17 in exploring RAD-PACT, doing education with residents
18 around what that might mean for them and then moving
19 into the RAD-PACT process, and that's how the bulk of
20 the pipeline that either has converted already or is
21 in kind of the public engagement and predevelopment
22 phase today has been set and the process we've gone
23 through. With the introduction of the Trust and
24 ongoing conversations about PACT, we largely respond
25 to resident demand so where resident leadership would

2 like to explore one or the other model or both
3 models, we obviously don't want to refuse, and we'll
4 try to be responsive to resident leadership as much
5 as we can and support whatever discussions and
6 support whatever discussions they'd like to have the
7 with the Board of Resident Community and with
8 stakeholders on those programs.

9 CHAIRPERSON AVILES: There is no rubric
10 that is used prior to resident engagement and asking
11 them if they're interested in either of these
12 approaches?

13 VICE PRESIDENT CHARNEY: We look at the
14 needs of the developments, but all of our
15 developments are in need so looking back at the PACT
16 program now, I think 2016 was Ocean Bay which was
17 obviously impacted by Hurricane Sandy so that was in
18 its own situation, and then there were developments
19 that were kind of known as the unfundeds or had some
20 different strategy than our traditional public
21 housing and then there were our scattered sites which
22 were traditionally hard to operate and manage so I
23 think the site selection has evolved over time to the
24 point where we are today which it is largely based on
25 resident request. We're not at the point where we're

2 forcing PACT on anyone at this point if the resident
3 leadership isn't interested. We'll work with
4 developments that are because the need is so great at
5 all of our developments.

6 CHAIRPERSON AVILES: Yeah. I'm not
7 suggesting that there's any forcing. I've heard
8 different stories, and I think you mentioned that it
9 has been evolving over time, but it's curious that
10 NYCHA has all of the information of the status of the
11 developments and their individual needs and is saying
12 that it's largely just driven, that the approach is
13 largely driven by resident engagement and then you
14 ask residents and they actually don't know what these
15 options are so there is definitely a disconnect in
16 that approach.

17 SENIOR VICE PRESIDENT HONAN: 100 percent,
18 it has evolved over time. I think there was a time
19 when we looked at scattered sites, we were looking at
20 smaller developments because they weren't managed or
21 got the attention that they wanted, over time, that
22 changed, and I think that is 100 percent correct. I
23 don't think there is a development in the entire
24 portfolio that cannot use a substantial amount of
25 investment. Where I think we have changed our

2 approach is we are going to, at least as a starting
3 point, developments where there is an interest from
4 first the resident association and then we build our
5 way out so in the property that we are now conducting
6 an election in Nostrand Houses, and the rules around
7 voting state this, that the first place we have to go
8 before we even talk to anyone about a possible
9 election is to the resident association. We say we
10 think this would be a good site for an election. We
11 hear what they say. If the residents say we're not
12 interested, we're not going to do it. We can go on to
13 the next property where we have that interest, but in
14 the properties where we are having conversations, it
15 usually in places where the tenants have come forward
16 and said I'm interested in doing this. We're not
17 pushing. I invite any Member of the Council to please
18 out to Nostrand Houses, come to the meetings. We are
19 not pushing one idea over the other. The thing that
20 we're pushing is turnout. We're presenting all three
21 ideas in an even-handed way, and we're making contact
22 with residents either through meetings, phone calls,
23 door knocking, we're doing events, and we're
24 presenting. All three ideas get equal time, and we're

2 doing all of our meetings in five different languages
3 as well.

4 CHAIRPERSON AVILES: I'd like to turn it
5 over to Council Member Brewer.

6 COUNCIL MEMBER BREWER: Excellent
7 questions, Madam Chair.

8 Scatter site, I should know this, but
9 does the PNA include scatter site, brownstones, etc.?
10 In other words, when you're doing the evaluations.

11 CHIEF OFFICER MAVANI: In general, yes.
12 The vast majority of scatter sites or other types of
13 developments or buildings we may have are included in
14 the PNA.

15 COUNCIL MEMBER BREWER: Second, I have
16 Wise Towers, not the best PACT developer, once it
17 gets converted as I guess the term is, then would the
18 PNA still be evaluating the conversion 10 years from
19 now, 5 years, whatever?

20 VICE PRESIDENT CHARNEY: No, the NYCHA PNA
21 does not. HDC does annual inspections. We do monthly
22 work order data checking. We do resident surveys that
23 we're rolling out to do annually (INAUDIBLE)

24 COUNCIL MEMBER BREWER: Once it's
25 converted though?

2 VICE PRESIDENT CHARNEY: After conversion.

3 COUNCIL MEMBER BREWER: So all that will
4 be taking place.

5 VICE PRESIDENT CHARNEY: All that's after
6 the repairs are done like at Wise Towers, and then we
7 do require at minimum they do another PNA every 20
8 years, assuming that the 20-year need has been met
9 through the PACT and we can request one sooner if we
10 need to.

11 COUNCIL MEMBER BREWER: Okay, but it won't
12 be part of this process that you're talking about?

13 VICE PRESIDENT CHARNEY: Sorry. Which
14 process?

15 COUNCIL MEMBER BREWER: The PNA. In other
16 words, once it's converted...

17 VICE PRESIDENT CHARNEY: Right. It won't
18 be part of the NYCHA PNA.

19 COUNCIL MEMBER BREWER: That's what I'm
20 asking.

21 VICE PRESIDENT CHARNEY: Correct.

22 COUNCIL MEMBER BREWER: The other question
23 I have is the Chair has been asking so articulately,
24 but how does the, whatever Mr. Schwartz is doing with
25 his vast amount of money, and the PNA, in other

2 words, Mr. Schwartz is saying there's this and that,
3 he mostly focuses on, as I understand it, lead and
4 mold so how does what he says, and maybe this got
5 answered earlier, I apologize, I was doing a Zoom,
6 into the PNA if at all?

7 CHIEF OFFICER MAVANI: A portion of the
8 federal monitor's team is focused only on the capital
9 side of NYCHA and works with us very intensively,
10 week by week, month by month. I had a meeting..

11 COUNCIL MEMBER BREWER: More than you ever
12 want, yes. I can say that; you can't. Go ahead.

13 CHIEF OFFICER MAVANI: Definitely. Their
14 primary focus is on the specific HUD agreement
15 commitments we have around delivery of specific
16 assets. At the same time, they are broadly involved
17 in our organizational enhancement initiatives and
18 they input the things like this where they didn't
19 have a formal role in overseeing the technical
20 consultants who do the PNA but we discussed the PNA,
21 we discussed capital prioritization, and they do have
22 a role in looking at our work over the last two years
23 of how we do this exercise and how it feeds into the
24 way we utilize federal money moving forward, and so
25 they're looking at both our effectiveness on the

2 specific projects in the HUD agreement and at the
3 same time they're providing us technical expertise,
4 sometimes reviewing work that's coming out and giving
5 us feedback on how to improve it or how to work with
6 the technical consultants.

7 COUNCIL MEMBER BREWER: Okay. Sounds
8 complicated, but it sounds like it's working I guess
9 in terms of collaboration and coordination.

10 CHIEF OFFICER MAVANI: I think that's
11 right and I think that we're moving to a phase where
12 the federal monitor team can increasingly support us
13 through technical capacity. We've moved away maybe
14 from a phase where we were just trying to figure out
15 what challenges we have and how to move past them.
16 For example, over the last three months, the capital
17 part of the monitor team has helped us to develop a
18 training program for our capital staff and rolled
19 that out to upwards of 130 staff now, and so we are
20 collaborating on efforts like that to increase our
21 capability and capacity.

22 COUNCIL MEMBER BREWER: Congratulaions. On
23 the PNA, say Wagner Houses, I'm making this up, needs
24 a roof, Rangel needs elevators, etc. so you don't

2 have to do an entire development. You can do the
3 most, I guess prioritizing. Is that how it works?

4 CHIEF OFFICER MAVANI: That's exactly
5 right. The bulk of our capital portfolio today and
6 going back many years is focused on that. We have a
7 view on all those assets at Rangel or anywhere, but
8 we may only be doing the roof or only doing the
9 heating or only doing the elevators so when we think
10 about prioritization, we're thinking about what is
11 the next important asset to do at any given
12 development just given the state of how it's
13 operating, if there's any emergencies, etc., and so
14 we don't only have to decide which heating system is
15 more important than the other, we have to compare the
16 heating to the roof to the elevator to the whatever
17 to figure out where that priority is.

18 COUNCIL MEMBER BREWER: Okay. Even when
19 you have the new federal money, it's the same
20 process?

21 CHIEF OFFICER MAVANI: That's right. Well,
22 any funding we get, that's the process we'd like to
23 use. Now, a lot of the new funding opportunities that
24 were mentioned today are tied to specific types of
25 investments.

2 COUNCIL MEMBER BREWER: That's what I was
3 wondering, so it could be tied to the roof or it
4 could be tied to the heating system or something like
5 that?

6 CHIEF OFFICER MAVANI: That's right. If,
7 for example, some of the sustainability funding, it
8 may be tied to energy efficiency around solar, but
9 they're willing to pay for the roof as well so, for
10 us, it would tick both of the boxes, but it's kind of
11 earmarked in how we could utilize it.

12 COUNCIL MEMBER BREWER: All right. Thank
13 you, Madam Chair.

14 CHAIRPERSON AVILES: Thank you, Council
15 Member. I'd like to know, can you tell us about the
16 implications of this fifth round of proposed cuts
17 that the Mayor announced?

18 CHIEF OFFICER MAVANI: I think this is
19 something that we're working through with the City
20 and with OMB. We've just received the letter, and
21 we'll be trying to understand how we can best achieve
22 those savings. At this point, we don't see any direct
23 impact on today's topic of our PNA and our capital
24 work.

2 CHAIRPERSON AVILES: I supposed that will
3 change very soon. In terms of work that is currently
4 in the pipeline as it relates to the PNA, for
5 instance, if there were work in process at a
6 development, is that considered in the PNA?

7 CHIEF OFFICER MAVANI: The threshold we
8 use is that the work has to be completed and the
9 asset delivered so once the work is completed then it
10 gets basically reduced from the need, and so this is
11 why those annual updates are critical because we have
12 so many projects completing each year, after they
13 complete, we can make sure we then reflect that in
14 the next year's view. Maybe to be specific, at the
15 time of the inspections last year, if the work was in
16 progress but hadn't completed, the need would still
17 be represented in the 78 billion dollars, but, once
18 that actual work, whatever that is, completes then
19 we'll be reducing it.

20 CHAIRPERSON AVILES: Do you have a sense
21 of how much of the work, let's say you expect to be
22 completed within a year would fall of the books?

23 CHIEF OFFICER MAVANI: Yeah, I mentioned
24 earlier that on our capital side we expend just a
25 billion dollars a year, but that's across many

2 projects that could be completing or could be midway,
3 right, so if we're expending some of that on a
4 project that's still not completed, ongoing, so
5 somewhere in that range of potentially something like
6 300 to 500 million dollars a year we're able to take
7 off of the need through our capital projects
8 delivery.

9 CHAIRPERSON AVILES: Got it. Thank you. I
10 think with that, we would like to move to public
11 testimony. Thank you for being here, responding to
12 our questions. I look forward to receiving responses
13 to some of the things were not able to discuss like a
14 clear list of the projects that were completed, an
15 understanding of how things are prioritized, the
16 rubric that is being used for a selection of RAD-PACT
17 and Trust beyond a TA president requested it. I think
18 those would all be very helpful.

19 Yes, we'll turn it over to public
20 testimony. Thank you again.

21 CHIEF OFFICER MAVANI: Thank you.

22 COMMITTEE COUNSEL: We'll now move on to
23 public testimony.

24 For those wishing to testify in person,
25 if you have not already done so, please see the

2 Sergeant-at-Arms in the back of the room and fill out
3 a testimony slip. Even if you registered online,
4 please still fill out a testimony slip with the
5 Sergeants.

6 For those who are on Zoom and wishing to
7 testify, after the in-person testimony is completed,
8 we will move on to virtual testimony. As we do that,
9 those on Zoom will be called, and a prompt to unmute
10 yourself will appear on your computer.

11 All those testifying either in person or
12 virtually are encouraged to submit testimony at
13 testimony@council.nyc.gov or via email at
14 testimony@council.nyc.gov.

15 I will call up the first panel for public
16 testimony. If you could come to the dais. Luz Chile,
17 Crystal Glover, and Christina Chaise.

18 You may begin when ready.

19 CHRISTINA CHAISE: I think it's a little
20 disrespectful that I stayed and waited to hear NYCHA
21 and then they just leave when residents come talk. My
22 name is Christina Chaise. I am Second Vice President
23 of the Ravenswood Houses Resident Association and
24 also an Advocacy Coordinator at TakeRoot Justice.

2 I actually did read the Physical Needs
3 Assessment and, at least in my perspective, I think
4 it's impossible to compare the 2023 Physical Needs
5 Assessment to NYCHA's 2017 Physical Needs Assessment
6 because of the inflation and construction costs or
7 what they call the market-rate escalation which
8 bloats the price tag of capital needs by 18.9 billion
9 across the next five years and 27.8 billion across
10 the next 20 years. Moreover, NYCHA's 2017 PNA
11 entailed inspections of 10 to 15 percent of units at
12 each and every development. At the time, that was 325
13 developments. Whereas, the 2023 PNA sampled 10 to 15
14 percent of units across only 30 developments out of
15 264 current and used a mathematical deterioration
16 curve model to calculate the numbers for the rest of
17 the developments. These numbers are incomparable, and
18 we do not trust the validity of this assessment.
19 Residents do not want pages of data modeling and
20 statistical extrapolation methods. They want real and
21 accurate data regarding their respective
22 developments. That being said, we want an independent
23 Physical Needs Assessment of each and every
24 development, no matter the cost, in language that is
25 accessible and without bias so we can make informed

2 decisions. Projections of capital needs for NYCHA's
3 financialization projects, PACT and the Preservation
4 Trust position this report to serve as an advocacy
5 platform for privatization as a cost-reduction
6 strategy. See pages 20 to 24. PNAs should only
7 include the inspection procedures and costs for
8 repair and rehabilitation. It's quite clear that
9 NYCHA intends to utilize this PNA report to justify
10 further privatization of public housing stock. As we
11 saw in Chelsea-Elliott and Fulton Houses, the huge
12 increase from 344,330,847 dollars in the 2017 PNA to
13 835,697,211, so more than double, in the 2023 PNA was
14 used to justify the demolition of thousands of homes
15 and was used as a reason to hand over public housing
16 land to wealthy private financialized developers like
17 Essence and Related who own multiple properties in
18 the area. NYCHA's PNA holds more significance now
19 more than ever before because it is one of several
20 materials residents will receive if and when it comes
21 time to vote on the future of their homes. According
22 to the Preservation Trust voting procedures, this is
23 one of the many materials that residents are supposed
24 to receive to make these fully informed decisions.
25 However, these misleading numbers should not be used

2 for justifying privatization via Section 8
3 conversions as alluded to in the report but rather a
4 call for deep public investment at all levels of
5 governance. Although residents need, want, and
6 deserve comprehensive repairs, it should not be at
7 the cost of their Section 9 lease. Our homes are not
8 for sale to real estate developers. If we know we
9 cannot depend on federal government to fund Section 9
10 public housing, we must call upon city and state
11 officials to support public housing and the families
12 that live within. We need our City Council to help
13 rehabilitate public housing units and ensure we keep
14 public housing public. We have more than enough
15 evidence to demonstrate why there's mistrust of
16 NYCHA, decades of capital negligence, patterns of
17 little to no accountability, and a track record of
18 mismanagement and disregard. Because of this
19 legitimate mistrust, we cannot put our faith into
20 this Physical Needs Assessment. We are calling on the
21 state to commission an independent Physical Needs
22 Assessment of all NYCHA developments and the City
23 Council to ensure residents receive timely repairs
24 without having to convert to Section 8. Lastly, this
25 is a call for Section 9 public housing to be fully

2 funded at all three levels of government as it is the
3 most secure avenue of housing stability for over
4 176,000 families that are most vulnerable in New York
5 City and hundreds of thousands more across the
6 country. Thank you.

7 CHAIRPERSON AVILES: Thank you so much,
8 Miss Chaise, and I agree with you which is why we try
9 to have the resident panel beforehand, but it is not
10 a full solution.

11 CHRISTINA CHAISE: My baby's bugging me so
12 I need to run home, but I do also want to say with
13 regard to engagement, a flier on a lobby door is not
14 enough. I am not even disabled but, because I work at
15 home, I don't even leave sometimes for a week so I do
16 not get to see these papers, and I can't imagine
17 people who are elderly or disabled who also stay home
18 for long periods of time. If we can have NYCHA Rent
19 knock on our door for late rent, they could slip a
20 paper under our door to let us know what is happening
21 when it comes to any construction procedures.

22 CHAIRPERSON AVILES: I agree with you 100
23 percent, and I will also say for the record, 100, the
24 PNA is absolutely not an excuse for lack of repairs.
25 If there is a policy that NYCHA employees are saying

2 that the PNA is a reason why they can't fix a
3 mailbox, we have serious problems and we need
4 accountability around that, and it is certainly not a
5 reason to privatize NYCHA, 100 percent, so we are in
6 full agreement on the record.

7 CHRISTINA CHAISE: I do want to add I feel
8 like that number is bloated now more than ever
9 because many projects were paused. Even after COVID
10 and everything went back to business, projects were
11 still paused, and I'm curious if that's part of a
12 larger plan of obsolescence to let the units
13 deteriorate to then justify its conversion. I know
14 people who have been waiting years for new cabinets.
15 I just feel like there's no excuse. As Charles Barron
16 said, we've seen the same ideology of public
17 disinvestment and then privatization to make up for
18 that, but it's literally a temporary fix that ends up
19 in permanent displacement, and it's not going to work
20 for us, and we say no, and that's why we want to
21 ensure we have an independent Physical Needs
22 Assessment as well as as much opportunities to inform
23 residents so that they are fully informed of all
24 their options. While NYCHA continues to call Section

2 9 the status quo and give the idea that there will be
3 no changes, we don't accept that.

4 CHAIRPERSON AVILES: I would say that
5 language is very biased when you say status quo and
6 you live in an apartment that is falling apart and
7 you have been denied or not received any adequate
8 resources, of course, you're going to choose anything
9 else. We need to interrogate our language for sure.
10 Thank you.

11 CHRISTINA CHAISE: Thank you.

12 CHAIRPERSON AVILES: Miss Glover.

13 CRYSTAL GLOVER: Good afternoon, Chair
14 Avilés and your Colleagues. Before I read what I
15 wanted to read, I had asked you, I wrote it down on
16 paper, the actual thing I asked was about the ACOP,
17 that defines the policy guidelines NYCHA uses in
18 determining eligibility for Section 9 public housing
19 admissions and continued occupancy. I just happened
20 to hear about that, somebody sent me a email, that's
21 how I know about it, that was like two days ago. The
22 other thing I would like to say is as a former TA
23 president, I asked Brian Honan to stay around to hear
24 my testimony and, as you see, he's still here. Thank
25 you.

2 CHAIRPERSON AVILES: Miss Glover. Thank
3 you. I'm so sorry that I did not understand the
4 question. I wanted to be able to ask what you wanted
5 but apologies. I asked about CCOP instead of ACOP.

6 CRYSTAL GLOVER: You sure did.

7 CHAIRPERSON AVILES: My apologies.

8 CRYSTAL GLOVER: Thank you.

9 CHAIRPERSON AVILES: I will say the NYCHA
10 team, while some of them leave, they have made it a
11 point to stay. This is important that they hear
12 directly from the residents and provide the courtesy
13 that residents have offered by spending their time
14 here so certainly we have to give credit where credit
15 is due and I appreciate the NYCHA team staying around
16 through this testimony.

17 CRYSTAL GLOVER: Thank you. Good morning,
18 Chair. My name is Crystal G. The only reason why I
19 don't want to say my full name is because I live in
20 Washington Houses. It's very dangerous over there.
21 Our TAs are now functioning with the politicians.
22 They have abandoned their job. They're not utilizing
23 their bylaws, and actually someone in the federal
24 monitor's office when they have those monthly federal
25 monitor meetings, she's not only a TA president but

2 she's on CCOP, Tamika I think, no, it wasn't her, it
3 was someone from Resident Engagement/Civic something
4 but it used to be Resident Engagement, now it's
5 Resident Engagement/Civic Partnerships. In any event,
6 hopefully I'll be able to give my whole testimony
7 since there's really nobody else waiting to speak.

8 CHAIRPERSON AVILES: Miss Glover, we also
9 have people online.

10 CRYSTAL GLOVER: Okay. Reparations simply
11 means the payment of damages given satisfaction for a
12 wrong or injury. The New York City Housing Authority
13 owes its residents reparations, money, because of
14 neglect. NYCHA stopped maintaining its properties for
15 decades, causing them to deteriorate. For as long as
16 I can remember, hard drugs were always sold on NYCHA
17 property, but back then management kept the buildings
18 and parks and grounds spotless. We didn't have
19 washing machines in our apartments because Housing
20 didn't allow it. We had laundry rooms and then came
21 crack. Destroyed our laundry rooms, and NYCHA allowed
22 it. They let it go on. Tenants didn't report their
23 neighbors because they were afraid and wanted to live
24 so they kept their mouths shut. This caused
25 dysfunction, sickness, stress, death, and even

2 suicide. In 2018, it became illegal to smoke
3 cigarettes in the buildings. It's even on our lease
4 now. But NYCHA, you didn't create a way to enforce
5 it. I was even on the panel because I was complaining
6 about the smoke that I was smelling that was killing
7 me, and they asked me would you like to be on the
8 panel. I said absolutely, and I was one of the panel
9 who got this thing going. Yes, tenants can call CCC
10 and report their neighbors but smoke travels. We
11 can't always tell where the smoke is coming from. You
12 allow us a voice by giving us tenant associations,
13 resident councils, whatever they call it these days.
14 TAs are independent and democratic, which lets NYCHA
15 off the hook because if tenants don't like the way
16 their boards are working, they can vote them out.
17 Most residents don't get involved because they don't
18 understand the value of a RA. They don't understand
19 the value of a RA. They don't understand that tenant
20 associations are the conduit between management and
21 tenant. That's a lot of power so all these excuses
22 about I tried to call this one and did this, I was TA
23 president before, and I know you can get things done
24 when you're a resident council. Okay, so they are
25 scared. Nor do the Authority mingle with the

2 residents. The Authority doesn't mingle with the
3 residents. Okay, everything is well we told CCOP,
4 that's the Central Council of, District Council of
5 Presidents, and we told the tenant associations and
6 we met with them and this, that, and the third. Okay,
7 it doesn't get to the residents, and, unfortunately,
8 a lot of the resident associations, they haven't been
9 educated. There's no training. Back in 2011 when I
10 was TA president, you had organizations like Share
11 For Life. They were consultants, and they sat with
12 us. There was so much information given to me at the
13 time I got in, I thank you Jesus. Okay, you go for
14 the tenant leaders...

15 CHAIRPERSON AVILES: Miss Glover.

16 CRYSTAL GLOVER: I'm sorry. I only got
17 half a page.

18 CHAIRPERSON AVILES: That's okay. I want
19 to be equitable for all the folks that are waiting
20 online so if you could...

21 CRYSTAL GLOVER: Wrap up?

22 CHAIRPERSON AVILES: Conclude?

23 CRYSTAL GLOVER: Okay, thank you, sister.

24 CHAIRPERSON AVILES: Thank you.

25

2 CRYSTAL GLOVER: You go through the tenant
3 leaders, but some of them don't keep their tenants
4 informed. I was told by a federal monitor member that
5 95 percent of the TAs and RAs are not operating
6 within their bylaws. 95 percent. That excludes the 5
7 percent that are doing their jobs so don't get it
8 twisted. To all the tenant leaders that fought
9 (INAUDIBLE) got sick and died, this one's for you.
10 We, me, a resident of NYCHA, I want my reparations.
11 You claim you need billions of dollars. Three years
12 ago, it was 35 billion; now, it's 78 billion. You
13 claim you need billions of dollars to piece our
14 buildings back together. Well, you are the reason
15 they were destroyed. You will say the tenants, oh,
16 they're a bunch of slobs. No, some are slobs, but
17 most of them are good, decent, wholesome people. I'll
18 stop here. I want my reparations. I will never
19 forgive NYCHA. I am tired. You abandoned me like a
20 mother or a father abandons their baby. Shame on you.
21 Thank you, Madam Chair, for letting me finish. I
22 could say a whole lot more, but I'll stop there.

23 CHAIRPERSON AVILES: Thank you, Miss
24 Glover. You can also submit testimony for the record.

2 COMMITTEE COUNSEL: We'll bring up the
3 next in-person panel. Again, if there are folks here
4 who would like to testify and they have not filled
5 out a testimony slip, please see the Sergeants in the
6 back of the room.

7 Sean Champion, Daniella May, and Jonathan
8 Rinaldi.

9 You may begin.

10 SEAN CAMPION: Thank you. My name is Sean
11 Champion. Thank you for the opportunity to testify.
12 I'm Director of Housing and Economic Development
13 Studies at the Citizens Budget Commission. I
14 submitted our full testimony. It's been a long day.
15 I'll just give you some highlights.

16 NYCHA's PNA provides the opportunity to
17 identify what's happened to NYCHA's housing stock
18 over the last five years and help plan for its
19 future. To start with sort of the good news, since
20 2017, NYCHA has addressed 10 billion of its capital
21 needs, and that's up from less than 2 billion over
22 the 2012 to 2016 period, and most of that increase
23 came as a result of the PACT program. Over 30,000
24 residents now enjoy or will enjoy renovated units and
25 improved quality of life thanks to the PACT program.

2 Despite that investment, as we heard today as Council
3 Member Restler pointed out, capital needs have
4 doubled for the 161,000 units that are still in
5 NYCHA's Section 9 program with five-year needs
6 reaching over 370,000 dollars per unit, and that
7 inflation is due to both high inflation and the fact
8 that, highlighting the 2017 PNA underestimated both
9 the scale and the scope of the work that was actually
10 needed to bring these units back to good repair. The
11 result is that the number of units near replacement
12 cost (INAUDIBLE) the cost to repair them being more
13 than the cost to build new has increased faster than
14 when we first forecasted this back in 2018. About a
15 third of NYCHA units are now at or near replacement
16 cost, a six-fold increase from 2017, and 57 percent
17 are getting close or might reach that point soon,
18 which really underscores the sense of urgency of
19 action needed to address this problem. To address the
20 fact that NYCHA residents now live with the worst
21 physical conditions of any resident in New York City.

22 So what's next? To address this immense
23 capital need, NYCHA needs both funding and the
24 flexibility to execute. The current plan, including
25 both PACT and the Trust, as we heard today meets

2 about half of the need, but, without accounting for
3 the fact that everything now is more expensive.
4 Borrowing costs are up 50 percent, construction costs
5 increased 20 to 30 percent, and (INAUDIBLE) fund all
6 these PACT projects now cover a smaller share of the
7 renovation costs than they did in the past, and,
8 recognizing this, the City has started to put more
9 capital money into the PACT program as well, and this
10 really raises two big questions which I'll get
11 quickly. First, connect to ensure the process as fast
12 as possible. The longer you wait to do repairs, the
13 more expensive they'll be and the more there's a
14 chance that unexpected developments derail your plans
15 like happened with inflation over the last period.
16 Right now, we're trying to balance engagement and
17 expediency, but process itself can become a risk to
18 feasibility if delays increase cost, and the state
19 and the city should work to streamline the renovation
20 process as much as possible and not introduce
21 additional steps that could delay progress and
22 investment.

23 The second piece, which I'll end on, is
24 whether NYCHA can raise enough capital to execute its
25 plans. PACT and Trust project are going to need

2 additional sources of financing to help close deals
3 going forward, and that's going to require hard
4 choices about how to allocate limited and finite
5 housing resources including tax-exempt bonds and low-
6 income housing tax credits between NYCHA and other
7 needs, and NYCHA is, of course, going to (INAUDIBLE)
8 need additional capital through new development and
9 phase redevelopment where feasible to help support
10 its capital program. Thank you very much.

11 CHAIRPERSON AVILES: Thank you so much for
12 your testimony.

13 COMMITTEE COUNSEL: Having no one else in
14 person that has signed up to testify, we'll move on
15 to virtual testimony.

16 Again, for those wishing to testify and
17 who are on Zoom, your name will be called and then
18 you will receive a prompt to unmute yourself.

19 The first person we'll call is Miss Dana
20 Elden. If you can unmute yourself and begin your
21 testimony.

22 DANA ELDEN: All right, can you hear me?

23 COMMITTEE COUNSEL: We can.

24 DANA ELDEN: You can hear me?

2 COMMITTEE COUNSEL: We can hear you, Miss
3 Elden.

4 DANA ELDEN: Okay, thank you. Good
5 afternoon, everyone. My name is Dana Elden, and I'm
6 the President of St Mary's Park House Resident
7 Council. I'm also the President of our Resident
8 Council 501(c)(3), which we started processing
9 earlier this year in the hopes that we can assist in
10 a lot of things..

11 CHAIRPERSON AVILES: Miss Elden, I'm sorry
12 to interrupt. This is Council Member Avilés. Could
13 you speak up just a little bit?

14 DANA ELDEN: Okay, I'm sorry. There's a
15 lot of background noise here so I apologize.

16 It is no secret as you heard (INAUDIBLE)
17 Section 9 is in dire need of funding to be used to
18 ready apartments for occupancy but also for repairs
19 that are needed citywide. My apologies as I'm
20 currently hosting a grocery bag distribution as well
21 as homebound deliveries for residents in St. Mary's
22 of cooked meals. I'm busy so I'll make this quick. It
23 is my concern that funding has not been provided to
24 cover the scope of those needs of Section 9
25 developments but also the Needs Assessment process

2 and the participation in obtaining these figures are
3 questionable. There is a concern that I have
4 regarding the use of contractors and their
5 performances. Not only am I awaiting the replacement
6 of our roofs here in St. Mary's which were completed
7 in 1959, but there are questions that I have after
8 meeting with (INAUDIBLE) as to the air quality of the
9 top floor apartments in which the windows will be
10 sealed as well as having the air vents shut down. I
11 would say that the estimate of the cost of the job of
12 replacing the roofs has been discussed. However, with
13 the apartments being sealed, will each apartment be
14 given an air filter for their apartments? I can say
15 that I believe because of this push to privatization
16 of many developments, the Needs Assessment...

17 SERGEANT-AT-ARMS: Time expired.

18 DANA ELDEN: Development is in, can I
19 finish, please? I've waited a long time.

20 CHAIRPERSON AVILES: Yes.

21 DANA ELDEN: In fact, it (INAUDIBLE) How
22 does this figure almost double, and where does the
23 PNA come in for the thousands of apartments that need
24 work done that they could be rented again. St. Mary's
25 had six vacancies two years ago and now has 73

2 vacancies, both Section 8 and Section 9 apartments.
3 We are currently waiting again for our roofs, which
4 are 40 years old, to be replaced as well as the need
5 for a handicap ramp to the one building that is not
6 accessible. Didn't Assemblywoman Vanessa Gibson award
7 us 300,000 dollars for the construction of the ramp?
8 Until the roofs are replaced, no construction can
9 begin towards the ramp, and, until the roof's
10 replaced, we will continue to have scaffolding that
11 stretches 100 feet around each building. The
12 scaffolding complicates the property views and
13 accessibility for resident maintenance, staff
14 operations, and (INAUDIBLE) deliveries, etc. Also, we
15 need to replace the 40-year-old camera system as
16 well. Recently, we had four shootings on our
17 property. My residents are consumed with fear and
18 apprehension of navigating the scaffolding and, with
19 one-third of my residents being seniors, it has been
20 very daunting to say the least for me to assure them
21 that this process will take place soon. The roofs
22 will be replaced along with (INAUDIBLE) replacement
23 done, thereby opening up the property again. Once
24 this is done, the work on the accessible ramp can
25 begin, and regard to Fulton and Chelsea-Elliott

2 Houses, I personally have a concern regarding the
3 voting process of both. I've spoken to the presidents
4 of both tenant associations as well as residents who
5 tell different stories, if not versions, as to how
6 they are now in the process of demolition. I pray
7 that this Council will continue to hold NYCHA
8 accountable. In closing, as a disabled senior, the
9 work that we presidents put in to see that our
10 developments are taken care of is staggering. The
11 need for clarity and transparency regarding the PNA
12 as well as the need for funding for Section 9 is
13 paramount for survival of the public housing. Thank
14 you for this opportunity to speak before the Council
15 on behalf of the residents of St. Mary's Park Houses.
16 Thank you for your time, and I yield the floor.

17 CHAIRPERSON AVILES: Thank you so much,
18 Miss Elden.

19 COMMITTEE COUNSEL: The next person to
20 testify, Danette Chavis.

21 DANETTE CHAVIS: Hi. Can you hear me?

22 COMMITTEE COUNSEL: We can.

23 DANETTE CHAVIS: Okay. Thank you for being
24 here. I'll try to be brief. There's a lot going on
25 between the privatization of NYCHA and what's going

2 on with the resident association boards, and I truly
3 wish they would be meeting specifically to deal with
4 these boards, the information or lack of information
5 and training that's being given to help them
6 effectively represent the members. As far as the 78-
7 billion-dollar assessment that NYCHA has come up, I
8 question those claims for the simple fact that we all
9 know rehabilitation of NYCHA is needed and the lack
10 of funding is the cause for the intent of going
11 towards privatization. The inability to obtain the
12 funding needed and also the failure to apply money
13 that is given for specific areas within these
14 developments. The 78 billion dollars, although
15 outlandish, actually works in favor of NYCHA because
16 it's an amount that is unable to be obtained that
17 neither the city or the state or the government is
18 going to supply so it basically guarantees that there
19 will be the privatization of NYCHA. No entity,
20 whether public or private, should be able to drum up
21 the cost by which they themselves shall benefit. I
22 believe a private entity needs to be brought in to
23 give a true accounting of the assessments and needs
24 of NYCHA. I also believe that NYCHA should be more
25 serious in its dealings with its resident

2 association. I understand that they are required by
3 mandates of HUD to enter into these agreements, but
4 it's simply a requirement and going through the
5 motions. Based on the actions of NYCHA, the training
6 being given, there's no real true intentions on
7 having a face-to-face on equal standing negotiation
8 towards the future of NYCHA, and that needs to
9 change, and it will only change when these issues are
10 brought out and put on the table, and I hope that the
11 City Council and others will facilitate that being
12 done.

13 CHAIRPERSON AVILES: Thank you so much for
14 your testimony and your patience.

15 COMMITTEE COUNSEL: The next person
16 testifying, Jacqueline Lara.

17 JACQUELINE LARA: Hello.

18 COMMITTEE COUNSEL: You may begin.

19 JACQUELINE LARA: Okay, can you hear me?

20 COMMITTEE COUNSEL: We can.

21 JACQUELINE LARA: I'm a resident at Fulton
22 Houses, and I'm opposing this demolition, and I would
23 really love for us to get an independent investigator
24 for the accusations of our buildings being
25 deteriorated. If this plan goes through, what

2 guarantee do we have that we will come back to this
3 Section 8 application because every Section 8 has
4 their guidelines with the income so I really don't
5 trust NYCHA and their PNA, and I don't trust the
6 elected TA president in our development and they're
7 trying to silence us so we could sure use some help
8 over here so residents can speak and not be fear of
9 the harassment we go through for speaking up of how
10 we feel, and I think that vote or survey, whatever
11 they did, I didn't vote because it just doesn't make
12 sense what the vote is. I do have a copy of that. If
13 anybody needs a copy of that vote so you can see the
14 survey, it's very confusing and misleading, and this
15 says nothing about demolition in that survey. It says
16 construction. Construction and demolition are two
17 different words. Construction is just constructing a
18 building, forcing it, making it better, but
19 demolition is tearing down these developments, and
20 these developments are not (INAUDIBLE) I've been here
21 21 years, and I love my home, and I would love to
22 keep it public housing (INAUDIBLE) we're very limited
23 to homes, and we all have families, and this includes
24 my neighbors, Chelsea-Elliott. Thank you for the
25 hearing.

2 CHAIRPERSON AVILES: Thank you, Miss Lara.

3 COMMITTEE COUNSEL: The next person would
4 be Ramona Ferreyra.

5 RAMONA FERREYRA: Hi, everyone.

6 CHAIRPERSON AVILES: Hi, Ramona. Thank
7 you.

8 RAMONA FERREYRA: (INAUDIBLE) I had to
9 start eating lunch because I couldn't wait anymore so
10 kudos to you guys for going on so long.

11 I wanted to say my name is Guatu Ke Ini
12 Inaru, and my colonial name is Ramona Ferreyra. I
13 submit the following testimony on behalf of Save
14 Section 9, a national coalition dedicated to
15 rehabilitating and expanding public housing.

16 First, I want to thank the Council for
17 bringing us together to discuss the Physical Needs
18 Assessment. Those of us that live in NYCHA are
19 regularly disappointed by the city, the state, and
20 the federal government, but, as we continue to expand
21 the Save Section 9 coalition, it has become apparent
22 to us that we haven't lost everything because, unlike
23 our neighbors in many southern states, we still have
24 our voices, at least in these hearings. Save Section
25 9 has had one ally that's been examining the Physical

2 Needs Assessment really deeply, and we've made it a
3 point to ensure that all of our members understand
4 what it is and its implications. This is a really
5 difficult undertaking for us, and it's something
6 really should fall on NYCHA to prepare materials for
7 each development so that every tenant understands
8 what the Physical Needs Assessment says and what it's
9 hinting at. We know that NYCHA has been inflating its
10 Physical Needs Assessment numbers, like many people
11 mentioned earlier today, and they're doing so because
12 they truly want to push us to believe that the only
13 option is privatization, and I think that's something
14 that they do really well in the press and as they
15 lobby elected officials pushing RAD, PACT, and the
16 Trust. We know right now that the developers involved
17 in the Fulton Elliott-Chelsea Houses have actually
18 been visiting Council Members to make their argument,
19 but, as you heard today from tenants in that area,
20 the needs for their homes are not something that
21 justify demolition and they love their community and
22 don't want to have to go through project-based
23 Section 8 recertification process, which, as Diana
24 Ayala mentioned earlier, might lead to them not

2 returning. We simply can't afford to do that to this
3 working-class community.

4 I really want to highlight that while the
5 79 billion is truly overwhelming and I know that
6 ongoing conversations are going to help us get to
7 what the real number is, it seems that only 40-
8 something really reflect the needs that Section 9
9 itself has once we eliminate the funding that's going
10 to be used for the RAD, PACT, and Trust, but whatever
11 that public housing number is and whatever that cost
12 is when this PNA is finally fully examined, we're
13 worth it, right. Public housing is worth it. It's
14 worth every penny, and NYCHA is the only housing
15 provider that is truly affordable, mixed income
16 ranging from incomes of 12,000 dollars a year to six
17 figures, and it's odd to us that as the Mayor
18 explores changing zoning laws to create housing that
19 will serve all New Yorkers recently arrived and those
20 that have been here for generations, he describes
21 things that sound like public housing, but he refuses
22 to name it so. We must name it and we must ensure
23 that any new housing being created in New York City
24 will be public housing under Section 9, but, because
25 of NYCHA's crooked ways and the fact that we've lost

2 any sort of trust in them, it's important that we
3 really start looking at creating a new public housing
4 authority.

5 Finally, I want to note regarding the
6 Inflation Reduction Act, we in our lobbying at the
7 Congressional level have been talking to our
8 Congressional delegation for New York, and there is
9 money that's already been earmarked for NYCHA. The
10 City Council, our Congressional delegation, and
11 anyone that cares about public housing really needs
12 to ensure that that money coming in goes not to the
13 Trust, not to RAD, and not to PACT, but that it goes
14 to the Section 9 portfolio. NYCHA has been telling us
15 now for years that the private market can fix it all,
16 right, it's going to be this magic bullet that
17 changes our realities, and I think that it's time
18 that we give them an opportunity to really prove
19 their theory.

20 CHAIRPERSON AVILES: Thank you so much,
21 Ramona. I can't agree with you more. Public housing
22 is absolutely worth it, 100 percent. Thank you.

23 With that, I want to thank everyone for
24 being here today to discuss this enormous rise in
25 estimated capital needs for our housing authority.

2 While there are undeniably systemic issues that
3 paralyze the Authority's ability to provide dignified
4 housing to all of our public housing residents, I
5 can't help but to feel after today's hearing that
6 this Administration and NYCHA has resigned itself
7 that Section 9 is simply a thing of the past. Between
8 the RAD program, ever-shifting rule changes most
9 recently with how rents are calculated, proposed
10 demolitions, and now Public Trust program, it is no
11 surprise that the people of NYCHA believe that this
12 PNA may be employed simply to illustrate an
13 insurmountable need. It follows that if the systemic
14 underfunding of public housing is again and again
15 portrayed to us as simply too big to grapple with
16 then it becomes easier to make the argument that we
17 need to offload this precious housing stock as soon
18 as possible, but this is a matter of perception. If
19 we reframe our thinking, if we instead acknowledge
20 that public housing stock is actually one of the
21 City's greatest assets, especially during this
22 unprecedented housing crisis, then what was once a
23 burden becomes an opportunity and, in the words of
24 Miss Ramona Ferreyra, public housing is absolutely
25 worth it, and we want our federal, state, and city

2 government to ensure that it remains a reality and
3 that it is dignified as it should and has always
4 meant to be. Thank you again for having this
5 discussion with us today.

6 With that, we conclude our hearing.

7 [GAVEL]

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C E R T I F I C A T E

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



Date October 4, 2023