

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEES ON PUBLIC HOUSING AND FINANCE

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June 13, 2013
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HELD AT: Council Chambers
City Hall

B E F O R E:
DOMENIC M. RECCHIA, JR.
ROSIE MENDEZ
Chairperson

COUNCIL MEMBERS:
Robert Jackson
Letitia James
James S. Oddo
Diana Reyna
Peter Koo
Melissa Mark-Viverito
Gale A. Brewer
Maria del Carmen Arroyo
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Albert Vann
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A P P E A R A N C E S

COUNCIL MEMBERS:

James G. Van Bramer

Karen Koslowitz

Stephen Levin

Sara M. Gonzalez

Margaret Chin

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

John Rhea
Chairman
New York City Housing Authority

Cecil House
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Jeanne Mullgrav
Commissioner
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Darryl Rattray
Assistant Commissioner for Beacon and Cornerstone
New York City Department of Youth and Community
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Lilliam Barrios-Paoli
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A P P E A R A N C E S (CONTINUED)

Tyree Stanback
Member
Resident Leadership of NYCHA

Americo Santiago
NYCHA Employee
Cooper Park Senior Center

Brian Zimmerman
On behalf of Benjamin Kallos

Deborah Scott
Coordinator
Summer Houses Senior Center

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2 CHAIRPERSON RECCHIA: Good morning,
3 ladies and gentlemen, welcome to the New York City
4 Council Chamber and welcome to today's Finance
5 Committee hearing. My name is Domenic M. Recchia
6 Jr., and I'm the chair of the New York City
7 Council Finance Committee. I am joined here today
8 with the Public Housing Committee, chaired by my
9 colleague and Council Member Rosie Mendez.
10 Together we will examine the actions proposed by
11 New York City Housing Authority to address the
12 impact of federal sequestration on the agencies
13 and throughout New York City Housing Authority
14 developments.

15 We have been joined by Council
16 Member Jackson and Council Member Tish James.

17 And--

18 CHAIRPERSON MENDEZ: Oddo.

19 CHAIRPERSON RECCHIA: --James Oddo
20 and Diana Reyna.

21 Today, NYCHA, Department of Youth
22 and Community Development, and the Department for
23 the Aging will discuss proposed plans to address
24 shortfalls that occurred as a result of the
25 federal sequestration, including cost cutting and

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2 other actions taken by NYCHA, the takeover of some
3 community centers and senior centers by city
4 agencies, and the implications of these actions
5 for the FY 2014 budget.

6 This hearing is prompted by recent
7 news accounts, which were subsequently confirmed
8 by NYCHA that federal sequestration cuts could
9 result in the loss as much as \$60 million in
10 annual operating aid. This cut could potentially
11 result in total operating deficit of \$113 million
12 in NYCHA public housing operations and NYCHA's
13 Section 8 operations. Council finance has been
14 told that among the actions being contemplated by
15 NYCHA and the administration to offset these cuts
16 is the assumption of responsibility by DFTA and
17 DYCD for programs at some, but not all, NYCHA-
18 based senior and community centers.

19 Senior centers would be run on
20 DFTA's neighborhood senior center model, and DYCD
21 would extend the Cornerstone program to community
22 centers. The NYCHA-based community centers and
23 senior centers not covered by the two agencies
24 would close.

25 As of the date of this writing, the

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2 Council has few details on the scope or the
3 breadth of New York City's Housing proposal, or
4 really, any information [off mic] considered by
5 NYCHA.

6 We are also concerned about the
7 loss or the potential loss of jobs. Some people
8 say it's about 250; some people say it's about 380
9 jobs. This is of great concern to this City
10 Council and to Speaker Christine Quinn. This
11 hearing will examine all these impact, the impact
12 of these proposals on NYCHA, the community
13 centers, senior centers, and the residents who use
14 them. We are also concerned about the impact on
15 the rising cost of rent and the impact it will
16 have on the people that live in these NYCHA
17 facilities.

18 The Committee on Finance and Public
19 Housing hope to hear all these details about the
20 criteria used to select which centers would be
21 taken over by city agencies and which would close
22 or maybe be closed. NYCHA, OMB, DFTA, and DYCD
23 are here today, and I thank you all for coming and
24 sitting at the table at the same time so we could
25 have a full-length discussion.

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2 Now I recognize my co-chair, who
3 does an excellent job at Public Housing and is a
4 strong leader in the city, my Council colleague,
5 Council Member Rosie Mendez.

6 CHAIRPERSON MENDEZ: Thank you very
7 much, Chair Recchia. Good morning everyone. My
8 name is Rosie Mendez and I chair the Committee on
9 Public Housing.

10 As Chair Recchia said, federal
11 sequestration cuts could result in the loss of as
12 much as 60 million in operating aid, resulting in
13 a total operating deficit of 113 million in
14 NYCHA's public housing operations. The Authority
15 also anticipates cuts of between 15 to 30 million
16 in its capital budget.

17 Finally, additional cuts of
18 approximately 70 million will also affect NYCHA's
19 leased housing operations, commonly known as
20 Section 8.

21 The Authority also predicts massive
22 layoffs and furloughs which have not been
23 quantified, and I hope that NYCHA can use this
24 opportunity to describe in detail the planned cuts
25 and the effect they will have on operation and

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2 services to this city and to NYCHA residents and
3 to its employees.

4 Thank you very much.

5 CHAIRPERSON RECCHIA: Thank you,
6 Council Member Rosie Mendez. Now before we hear
7 from NYCHA or whoever would like to go first, I'd
8 just like to remind all my colleagues, if you will
9 like to ask questions, please give your name to
10 Tanisha Edwards, sitting at my right and my
11 attorney. And I also want all my colleagues to
12 keep in mind that NYCHA's budget is on a calendar
13 year. It doesn't go according to the City's
14 budget from July 1st to June 30th; it's on a
15 yearly calendar, okay?

16 Ladies and gentlemen of the city
17 agencies, welcome. Whoever would like to go
18 first, we like to NYCHA first, I assume.

19 JOHN RHEA: Chairwoman Rosie
20 Mendez, Chairman Domenic Recchia, members of the
21 Public Housing and Finance Committees, and all of
22 the distinguished members of the City Council,
23 thank you for this opportunity to discuss the
24 impact of the Budget Control Act of 2011, commonly
25 known as sequestration, to the New York City

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2 Housing Authority. I am NYCHA's Chairman, John
3 Rhea, and with me at the dais this morning is
4 General Manager Cecil House. Our testimony this
5 morning will outline the New York City Housing
6 Authority's response to the budget reductions
7 resulting from sequestration and the related 2013
8 Continuing Resolution.

9 Sequestration, which became law on
10 March 1st, 2013, coupled with related Continuing
11 Resolution congressional budget actions, will
12 reduce NYCHA's 2013 federal subsidies by \$205
13 million. This 11% cut affects every part of what
14 we do. The Authority will receive \$114 million
15 less in public housing operating funds than
16 planned; \$14 million less for our Capital program;
17 and \$78 million less to administer our Section 8
18 Leased Housing program.

19 During our March 12th Operating
20 Budget Plan testimony before the Council, we
21 estimated that the impact of sequestration would
22 be approximately \$253 million reduction in subsidy
23 over our full eligibility. The 205 million facing
24 us today is directionally consistent with that
25 earlier estimate. These reductions follow four

1
2 years of tireless effort by NYCHA and the
3 Bloomberg Administration to achieve financial
4 stability by pursuing a host of revenue-generating
5 and cost-saving initiatives laid out in Plan
6 NYCHA, our roadmap to preserve public housing.
7 These actions have amounted to over \$400 million
8 in additional yearly revenues and reduced
9 expenses.

10 Over that same four-year period,
11 however, we've seen our capital budget slashed,
12 operating subsidies prorated, public housing and
13 Section 8 reserves recaptured, leaving us well
14 short of HUD's recommended four month expense
15 levels, all on top of a \$35 million increase in
16 our annual pension obligations.

17 Through this succession of
18 increasingly painful hits, NYCHA persevered,
19 taking immediate action to minimize the impact of
20 each new challenge, and taking special care to
21 relay the gravity of the ongoing assault on public
22 housing to residents, elected officials, and other
23 stakeholders.

24 Indeed, we address you this morning
25 with the full knowledge that without our bold

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2 management actions, such as finding aggressive
3 ways to cut central office costs; pursuing fair
4 and equitable rent policies; and finding new
5 revenue sources, whether by developing our land or
6 through our innovative federalization transaction,
7 NYCHA would be here to paint a much different and
8 even more ominous picture: A structural operating
9 deficit of approximately a half a billion dollars.

10 So although the \$205 million of
11 sequestration cuts are brutal and come at a time
12 when we have already asked for incredible
13 fortitude from both residents and employees, we
14 will not waver in our determination to advance
15 sound, if sometimes unpopular, initiatives to
16 secure the future of public housing.

17 We realize that our actions to
18 mitigate these new reductions will have a tangible
19 and lasting impact on the residents who depend on
20 the services we provide, as well as the employees
21 who provide them. The wellbeing of these families
22 and their communities is what inspires the efforts
23 of NYCHA employees, and we will continue to work
24 devotedly and tirelessly on their behalf every
25 day. However, the realities of the present moment

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2 are stark and unavoidable. Without any assurance
3 that these cuts are one time in nature, we have a
4 responsibility to faithfully steward the resources
5 that we do have and continue to protect our city's
6 great legacy of public housing.

7 Now General Manager House will take
8 us further by detailing the development of NYCHA's
9 plan and our specific responses.

10 CECIL HOUSE: Good morning,
11 Chairman, Chairwoman, Council Members. For the
12 past several weeks, NYCHA has been working to
13 build a thoughtful, strategic plan to minimize the
14 impact of sequestration on employees, as well as
15 the public housing and Section 8 families we
16 serve. Other public housing agencies across the
17 country have had to undergo similar exercises.
18 The Philadelphia Housing Authority, for example,
19 has implemented layoffs and a hiring freeze.
20 Homeless families in Washington, D.C. who have
21 been waiting for years on the waiting list for
22 public housing are seeing their chances of
23 placement become slimmer and slimmer. Even the
24 U.S. Department of Housing and Urban Development,
25 our primary funder and regulator, has had to

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2 implement large-scale furloughs and close half of
3 its field offices.

4 NYCHA's plan includes a series of
5 immediate and long-term actions, many of which we
6 began to implement immediately after sequestration
7 took effect. We dedicated the majority of our
8 focus to identifying items that NYCHA could
9 execute on its own. However, we have also worked
10 in close partnership with City Hall, several of
11 our fellow city agencies, and the U.S. Department
12 of Housing and Urban Development to explore ways
13 to ensure the continuation of key services for
14 residents and their families. We also worked to
15 coordinate our decisions with the City Department
16 of Housing Preservation and Development to the
17 extent that the Leased Housing program was
18 impacted.

19 In every instance, our foremost
20 goal in developing the plan was to minimize the
21 impact of these cuts on NYCHA residents and
22 employees and to allow us to continue the work of
23 reducing our backlog of maintenance and repair
24 work orders, making critical capital investments
25 for modernization, and ensuring safety and

1 security at our developments. However, NYCHA
2 simply has no choice but to make hard decisions at
3 every level of our organization.
4

5 Specifically, we expect to save
6 over \$50 million through reductions to our labor
7 costs. We will achieve these reductions through a
8 variety of steps, some of which we have already
9 taken, and others we will take soon. For example,
10 in February, we instituted a hiring freeze and a
11 general limitation on backfilling vacant
12 positions, with the exception of positions that
13 directly impact--that directly provide critical
14 services to residents. We have also begun to
15 significantly reduce overtime costs.

16 As we move forward, we also plan to
17 engage our union leadership on a proposal to
18 furlough certain workers. We will also need to
19 implement targeted staffing reductions in areas
20 where our remaining workforce can effectively
21 carry the load. We know this will present
22 challenges for our remaining workers, but we have
23 confidence that they can get the job done.

24 We have also eliminated our summer
25 seasonal caretaker program. Last year, we hired

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2 300 residents in this program. Finally, we will
3 fully convert NYCHA's Resident Watch program to an
4 all-volunteer program. In our Leased Housing
5 program we will save an additional 2 million in
6 labor costs from similar actions in that program.

7 We will save over \$9 million in
8 operating costs by reducing non-personnel office
9 expenses, limiting outside contractors, and
10 eliminating Human Resources programs like our
11 Leadership Academy, and reducing technology costs.
12 In our Leased Housing program, we will save an
13 additional \$800,000 from similar actions.

14 We have identified \$33 million in
15 other revenue sources within NYCHA, including a
16 transfer from our Capital Fund and the collection
17 of an administrative fee from a Superstorm Sandy-
18 related Community Development Block Grant. In
19 addition, NYCHA will forgo a \$7 million management
20 fee normally paid by our Leased Housing program.
21 We expect the City will contribute \$24 million to
22 help NYCHA close the remaining gap on the public
23 housing side.

24 In addition, in Leased Housing, we
25 will manage the reduction in Housing Assistance

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2 Payments, HAP, funds by not issuing new vouchers
3 and accumulating savings from attrition in the
4 amount of \$22.5 million; not increasing payments
5 upon renewals for another \$3 million; requiring
6 cost neutral transfers for \$1.8 million; and
7 finally, exhausting the program's existing
8 reserves. Even with these measures, we expect to
9 have a \$14 million shortfall in our Section 8
10 program. Due to this shortfall, NYCHA will not
11 have funds available to pay Section 8 obligations
12 beginning this December, which could result in the
13 permanent removal of 1,200 families from the
14 program.

15 To avoid this kind of action, NYCHA
16 has taken several steps, including submitting a
17 request for HUD shortfall funding and applying for
18 a waiver that would allow us to reduce our Section
19 8 rent payment standard from the current 110% to
20 90%. The payment standard is used to determine
21 the level of assistance that a voucher holder
22 family will receive, taking into account the
23 amount generally needed to rent a moderately
24 priced apartment in the local housing market.

25 A reduction in the payment standard

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2 will affect roughly 9,600 households, raising each
3 family's portion of their rent by an average of
4 \$57 per month. This action is projected to reduce
5 costs by an additional \$3.3 million this year,
6 assuming HUD acts quickly. We are continuing to
7 work with HUD to close the remaining gap.

8 Finally, NYCHA will save \$8 million
9 by discontinuing the direct provision of services
10 at 69 community centers and 37 senior centers that
11 are currently managed directly by the Authority.
12 By using a portion of the contribution from the
13 City that I mentioned earlier, we will be able to
14 keep the facilities open until the end of August,
15 instead of our initial plan of July 1st.
16 Fortunately, programming will continue at the
17 approximately 350 community facilities on NYCHA's
18 grounds that are sponsored by our fellow City
19 agencies and a host of high-quality local service
20 providers. It is also our understanding that the
21 New York City Department for Youth and Community
22 Development and the Department for the Aging are
23 exploring ways to ensure that residents have
24 access to the services they need most, and they
25 are here today to discuss that further.

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2 Still, the discontinuation of
3 programming at community centers is a devastating
4 result for residents, as well as the approximately
5 200 employees that would be affected.

6 Despite receiving absolutely no
7 dedicated funds for community activities over the
8 past decade, NYCHA has consistently prioritized
9 this work because we feel a deep responsibility to
10 connect the members of our communities, many of
11 whom are among our city's most vulnerable
12 citizens, to opportunities that can enrich their
13 lives and empower them for the future. We
14 recognize that the cancellation of crucial
15 programming will have a serious, negative impact
16 on our youth, their families, and senior citizens.

17 Each of the decisions that I've
18 catalogued comes with real consequences for our
19 staff, as well as the families that we serve. We
20 regret deeply that we've been forced to go down
21 this path in order to continue providing services
22 for New Yorkers. It is an inescapable fact that
23 these actions will cause real harm to the families
24 and local economies that keep this city strong.

25 As Chairman Rhea mentioned earlier,

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2 there is no guarantee or indication that the cuts
3 caused by sequestration won't become the new
4 normal for the foreseeable future. If they do,
5 they will become immediately more difficult to
6 deal with. Many of the tools that we are using
7 this year are one time in nature and will not be
8 available moving forward. Others, like the
9 complete exhaustion of our Section 8 reserves, are
10 risky and leave us in a precarious situation.

11 As we have shared with you on many
12 other occasions, most recently during the hearing
13 relating to our Five Year Capital Plan, this new
14 setback is simply the latest reminder that NYCHA
15 must proactively seek innovative new sources of
16 sustainable revenue. Continuing to depend
17 entirely on the whims of the federal government is
18 a recipe for disaster. In order to preserve the
19 precarious resources of public housing for future
20 generations of New Yorkers, we will need the
21 energy and urgency of an entire city.

22 Thank you, and we look forward to
23 your questions.

24 CHAIRPERSON RECCHIA: Thank you,
25 thank you very much. We'll hear from next? Who

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would like to go next?

JEANNE MULLGRAV: Good morning, Chairs Recchia and Mendez and members of the Finance and Public Housing Committees. Thank you for the opportunity to discuss the Cornerstone initiative at New York City Housing Authority community centers.

As we just heard, NYCHA faces significant budget shortfalls due to long-term federal disinvestments in public housing, and further worsened this year by sequestration.

We were faced with a similar situation in 2009 when 19 NYCHA-operated community centers were due to close because of a lack of funding. At that time, Mayor Bloomberg, Speaker Christine Quinn, and members of the Council announced a plan to ensure continuity of services at 25 NYCHA community centers. Using city tax levy funding, we began what is now known as the Cornerstone program. To date, these centers have served over 29,000 participants. These programs, administered by local non-profits, are designed to help young people acquire the academic foundation and skills that they need to graduate from high

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2 school, succeed in the workplace, and give back to
3 the community.

4 Under the mayor's leadership, we're
5 prepared to expand this program if additional city
6 tax levy funding can be allocated. With an
7 investment of 18.5 million, we could serve 9,500
8 participants in 45 centers across the city. We
9 expect these programs to operate six days a week
10 and during holidays, including summers, and when
11 school is not in session.

12 At any of our programs, you can see
13 young people engaged academically, whether through
14 homework help, STEM activities, tutoring, or high
15 school and college prep. Youth are engaged in
16 theme-based, structured activities that offer
17 tangible benefits and build literacy and other
18 core skills. Themes include the environment,
19 social justice, and STEM education. Programs
20 connect with the cultural heritage of the
21 communities in which they are located and they
22 also reflect the interest of the participants. In
23 this regard, youth may learn salsa dancing,
24 Caribbean drumming, or Chinese dragon dancing.

25 Cornerstone youth programs also

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2 focus on community engagement through civic
3 activities, such as assisting elderly neighbors
4 after Superstorm Sandy and beautification
5 projects, such as gardening and graffiti removal.
6 They do arts through dance, music, and
7 photography. They learn healthy living, including
8 workshops on healthy eating, drug and alcohol
9 abuse. And it's an opportunity for physical
10 exercise with partners such as Cornell University
11 and City Harvest.

12 The program also includes mentoring
13 services supported by the Young Men's Initiative,
14 and this matches 5th through 9th graders with
15 caring adults to help them transition through
16 middle and high school. They engage in group
17 mentoring and attend activities that promote
18 bonding and leadership development through
19 participation in community service.

20 The Cornerstone programs also serve
21 adults with an array of services, and that
22 includes high school equivalency exam preparation
23 and ESOL instruction; workforce development
24 services, including job preparation, résumé
25 writing, interviewing skills, and career

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2 exploration; parenting skills and family
3 relationship workshops; and intergenerational
4 programs that develop bonds between young people
5 and seniors.

6 As with the current Cornerstone
7 model, we remain committed to serving young people
8 in grades K through 12. And we know that students
9 living, unfortunately, living in public housing
10 have disparate academic outcomes compared to peers
11 who do not live in public housing.

12 We also know that working parents
13 depend on these after school services. And to
14 ensure a continuity of services, we propose to
15 begin services at the start of the school year.
16 To accomplish this, like in 2009, we would amend
17 contracts of existing programs and then later
18 issue a Request for Proposals.

19 The centers would be expected to
20 operate from 2 p.m. to 10 p.m. on weekdays during
21 the school year, and from 8 a.m. to 6 p.m. on
22 weekdays in the summer, and also on Saturdays
23 year-round from 9 to 6. Like other DYCD-funded
24 programs, these centers will have standards of
25 accountability to ensure that programs are high-

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2 quality and worthy of public investment. Using
3 DYCD Online, contractors will demonstrate
4 compliance with required minimum service levels
5 and hours of structured activities, as well as
6 track participant enrollment and attendance.

7 As we've learned through our
8 experience, the success of any program is
9 dependent on community input. DYCD will require a
10 Community Advisory Board for each center. These
11 boards may include NYCHA residents, parents, and
12 youth, representatives of the residents
13 associations, local schools, law enforcement, and
14 community-based organizations. Youth councils
15 also will be required for all programs to ensure a
16 strong youth voice in program design and in the
17 selection of activities. The councils give the
18 added benefit of fostering a sense of independence
19 and empowerment in young people, and additionally,
20 they offer significant opportunities for
21 leadership development and teamwork and
22 communication skills.

23 We are optimistic that through the
24 combined efforts of the mayor and the City
25 Council, we can once again preserve and expand

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2 services for young people and families in public
3 housing. Thank you once again for allowing us to
4 testify. Joining me is Darryl Rattray, Assistant
5 Commissioner for Beacon and Cornerstone programs.
6 And we'd be pleased to answer any questions you
7 may have.

8 CHAIRPERSON RECCHIA: Thank you,
9 Commissioner.

10 LILLIAM BARRIOS-PAOLI: Good
11 morning. Good morning, Chair Recchia, Chair
12 Mendez, and members of the Finance and Public
13 Housing Committees. I am Lilliam Barrios-Paoli,
14 Commissioner of the New York City Department for
15 the Aging. Thank you for this opportunity to
16 discuss the proposed NYCHA actions to address the
17 impact of federal sequestration.

18 DFTA-funded senior centers in the
19 NYCHA developments, today's hearing focuses on the
20 37 NYCHA-operated senior centers. As a point of
21 clarification, these senior centers run by NYCHA
22 are separate and apart from the 71 DFTA-funded
23 senior centers located in NYCHA developments. The
24 DFTA-sponsored senior centers at NYCHA sites are
25 not part of the NYCHA's budget, and, therefore,

1
2 not subject to NYCHA's budget cuts. Funding for
3 all senior centers operated through DFTA
4 contracts, including the 71 DFTA centers in NYCHA
5 locations, have been allocated through recent DFTA
6 senior center solicitations. These DFTA sites are
7 fully funded and fully operational and will remain
8 so.

9 DFTA worked closely with NYCHA to
10 identify which of the 37 NYCHA centers would be
11 suitable for DFTA to sponsor as neighborhood
12 centers, which are required, at a minimum, to
13 provide 60 lunches and serve 75 seniors daily.
14 Based on analysis and mapping, nearly all the
15 NYCHA centers are within ten block radius of DFTA
16 senior centers. The majority of NYCHA centers are
17 also not large enough to run the type of programs
18 offered at DFTA-funded centers. Furthermore,
19 attendance at most of the senior centers operated
20 by NYCHA is less than 30 seniors per day, and in
21 some cases, daily attendance is as low as 15
22 seniors. By and large, NYCHA centers also do not
23 provide meals.

24 Based on the feasibility of these
25 NYCHA sites to operate as DFTA-sponsored centers,

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2 DFTA proposes to sponsor four of the senior
3 centers currently run by NYCHA. The four centers
4 are Polo Ground Towers in Manhattan, Pelham
5 Parkway in the Bronx, and Farragut and Saratoga
6 Squares in Brooklyn. In consultation with NYCHA,
7 it was determined that these sites would be the
8 most viable and robust locations for DFTA-
9 sponsored senior centers. These locations also
10 include NYCHA centers that have a higher daily
11 attendance of seniors and are not proximal to a
12 DFTA center.

13 Contingent upon appropriate
14 funding, DFTA will issue a solicitation to sponsor
15 these four NYCHA sites. Because the solicitation
16 process would take up to a year, DFTA proposes
17 that the four NYCHA centers become satellites of
18 existing DFTA centers in the interim. In
19 addition, DFTA will issue contract amendments to
20 cover costs for DFTA centers absorbing seniors
21 from the remaining NYCHA centers.

22 Following a determination by NYCHA
23 to close their senior centers due to budgetary
24 constraints, DFTA staff will visit all the centers
25 slated for closure and will meet with seniors to

1 explain available options, such as enrollment in
2 local home delivered meal programs, accessibility
3 to neighboring DFTA centers and transportation.
4 DFTA will gauge what transportation needs from
5 NYCHA locations to DFTA sites based on the
6 feedback from the visits to those NYCHA centers.
7 Depending on the need, DFTA will work with its
8 service providers to develop a transportation plan
9 to meet the needs of the NYCHA seniors. DFTA will
10 assist in guiding seniors from the affected NYCHA
11 locations to the DFTA network of services in order
12 to ensure continuity.
13

14 Thank you again for this
15 opportunity to testify about NYCHA's proposed
16 response to federal sequestration. I am pleased
17 to answer any questions you may have.

18 CHAIRPERSON RECCHIA: Thank you
19 very much. I want to thank all the commissioners
20 and chairs for coming here today and for giving
21 their testimony.

22 I want to recognize those members
23 who have joined us: Council Member Koo, Council
24 Member Melissa Mark-Viverito, and Council Member
25 Brewer.

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2 I'm going to start off by just
3 asking some questions, then I'll turn it over to
4 my co-chair, then we'll have other members ask
5 questions. If any member would like to ask a
6 question, please give your name to Tanisha
7 Edwards, sitting to my right.

8 Let me first start off by saying we
9 understand the issue with sequestration. We
10 understand of the impact. And we want to work
11 with you, not against you, to save the jobs, to
12 save these programs, and that's our main goal, but
13 we need a lot of information before if we're able
14 to do that. So I want to just start off with
15 NYCHA.

16 And so, you know, we're facing a
17 cut of \$205 million. Is that the total number?
18 Turn the mic.

19 CECIL HOUSE: That's correct.

20 CHAIRPERSON RECCHIA: Okay. And
21 because of that, all right, 114 million is in the
22 operating fund?

23 CECIL HOUSE: That's the operating
24 side and public housing.

25 CHAIRPERSON RECCHIA: Right. And

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that's where it pays for all these programs.

CECIL HOUSE: The public housing programs, and there's an operating impact on the Section 8 program as well.

CHAIRPERSON RECCHIA: Right. And that's 78 million?

CECIL HOUSE: In Section 8, it's 11 million on the administration and I think 60 million in HAP. No?

FEMALE VOICE: Sixty-seven.

JOHN RHEA: Sixty-seven.

CECIL HOUSE: Sixty-seven.

CHAIRPERSON RECCHIA: On what?

CECIL HOUSE: In the reduction of the HAP, the funding. The payments that go to landlords.

CHAIRPERSON RECCHIA: Right.

CECIL HOUSE: The housing assistance payments.

CHAIRPERSON RECCHIA: Right, housing. Okay. During your testimony on both you and Mr. Rhea, there's one thing that you left out, and that is how many layoffs, what is the number of people that could potentially be laid off

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because of this federal sequestration cut?

CECIL HOUSE: So the exact number will depend on how the layoffs progress, so we're subject to civil service, we have collective bargaining agreements in place, but the number of employees potential is up to 500 employees.

CHAIRPERSON RECCHIA: Five hundred employees.

CECIL HOUSE: That's correct.

CHAIRPERSON RECCHIA: And how many of those of civil service; how many are union?

CECIL HOUSE: Most of those employees will be union employees. And most will have civil service status.

CHAIRPERSON RECCHIA: And what is the total cost of those 500 employees?

[Long pause]

CECIL HOUSE: So the way that we put the numbers together, we didn't break them out with just the employees separately, so we'll compute that number and give it you in just a moment. We have all the employee--the labor actions collective.

CHAIRPERSON RECCHIA: All right.

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2 What is those 500 employees, could you tell me
3 where they would be laid off from, what parts of
4 NYCHA?

5 CECIL HOUSE: Sure. As we close
6 our community and senior centers, half of those
7 employees will--are in positions in those
8 programs.

9 CHAIRPERSON RECCHIA: So that's 250
10 employees?

11 CECIL HOUSE: Correct. And then
12 the other half will come from administrative
13 functions across NYCHA. So what we've tried to do
14 is to make sure that we preserve our ability to
15 provide direct services to the residents, and so
16 these employees will be employees that do not
17 provide direct services to residents.

18 CHAIRPERSON RECCHIA: And what has
19 been your conversation with the unions?

20 FEMALE VOICE: None.

21 FEMALE VOICE 1: None.

22 [background noise]

23 CHAIRPERSON RECCHIA: All right.
24 Please keep your comments to yourself.

25 [Long pause]

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2 JOHN RHEA: Would you repeat the
3 question, Chair? Apologies.

4 CHAIRPERSON RECCHIA: That's okay.
5 Have you had discussions with the unions?

6 CECIL HOUSE: Not at this time on
7 the specific layoffs.

8 CHAIRPERSON RECCHIA: Okay.

9 CECIL HOUSE: But we have actually
10 scheduled discussions with them as we move
11 forward.

12 CHAIRPERSON RECCHIA: When?

13 CECIL HOUSE: We will start those
14 discussions next week.

15 CHAIRPERSON RECCHIA: When?

16 CECIL HOUSE: Next week.

17 CHAIRPERSON RECCHIA: All right.

18 Well I can make a recommendation. My
19 recommendation is for you to call them today and
20 to try to meet tomorrow. You know, these 500
21 jobs--

22 [Applause]

23 CHAIRPERSON RECCHIA: Shh. This
24 500 people facing layoffs and this is of great
25 concern to this City Council. Okay?

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2 CECIL HOUSE: We actually have
3 reached out to the union leadership and those
4 discussions will begin.

5 CHAIRPERSON RECCHIA: Okay. But we
6 have to get moving 'cause the budget is moving
7 extremely fast and we need to know if something
8 could be worked out. Last year, Chancellor
9 Walcott was going to layoff 650 workers and we
10 were able to meet with Chancellor Walcott and DC
11 37. And we would be willing to do the same thing
12 in sitting down with both of you in the room to
13 work this out. This has to be addressed. I mean,
14 these jobs are of great concern to the City
15 Council. We understand, but there has to be a way
16 to work this out.

17 CECIL HOUSE: We agree, and we have
18 talked to the union leadership. We will be
19 meeting with the Teamsters 237 and Local 37 as
20 well.

21 CHAIRPERSON RECCHIA: Okay. In the
22 78 million that deals with the administer of
23 Section 8, so if I heard you correctly, the
24 average increase to a tenant in NYCHA is be \$57
25 per apartment?

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2 CECIL HOUSE: That will be correct,
3 assuming that we get HUD's approval to change our
4 payment standards, yes.

5 CHAIRPERSON RECCHIA: Okay. And...

6 CECIL HOUSE: No, that's not public
7 housing, those tenants are in private landlord--

8 CHAIRPERSON RECCHIA: [Interposing]
9 Yeah, in private houses that we pay to landlords
10 so they can--

11 CECIL HOUSE: Correct.

12 CHAIRPERSON RECCHIA: --live there.
13 Okay. My colleagues have lots of questions. I'm
14 going to come back, all right? I will turn it
15 over to my co-chair, and then we'll take
16 questions. Co-Chair.

17 We've been joined by--hold on--

18 CHAIRPERSON MENDEZ: Go ahead.

19 CHAIRPERSON RECCHIA: --Maria
20 Carmen Arroyo.

21 CHAIRPERSON MENDEZ: Okay. Just in
22 case, we have--we're going to start all over. We
23 got Letitia James from Brooklyn, all the way to
24 our right; Melissa Mark-Viverito from Manhattan;
25 Robert Jackson from Manhattan; Diana Reyna, and

1
2 the former chair of this committee, from Brooklyn;
3 Maria Carmen Arroyo from the Bronx; and Gale
4 Brewer from Manhattan.

5 Thank you all for being here. Mr.
6 House, Mr. Rhea, I think as chair of this
7 committee I've always been very fair and I think I
8 try to get to the issues, but I got to tell you--
9 and I usually try to keep my colleagues to asking
10 questions, but I have to make a statement. I am
11 frustrated beyond belief. March 12th we had a
12 preliminary budget hearing, you came and only gave
13 us a briefing on expense, not in capital. You
14 said you were not prepared to do capital. Our
15 capital hearing got pushed all the way to June
16 3rd, just a few weeks ago. You give us a capital
17 update. During those times, you say sequestration
18 is going to impact us, NYCHA residents, you
19 estimated at 253 million, never give us any
20 estimates, any--I mean, any concrete how it's
21 going to affect us. When we don't ask, it's
22 because that's an exercise in futility to keep
23 asking something you say you don't have concrete
24 answers to. But to a few days ago, find out that
25 all these senior centers and all these community

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2 centers are going to be closed, that is something
3 you had to know, had to be thinking of,
4 particularly when BCG that you paid \$10.4 million
5 to do a PowerPoint presentation for all of us,
6 stated that you needed to make cuts and bring it
7 down to outside third party people so that you
8 could bring down your expenses. The fact that
9 we're receiving this today, this list, not
10 yesterday, not last night, not the other day, but
11 today, is frustrating. So what is this? This is
12 not the list?

13 FEMALE VOICE: This is our list--

14 [Crosstalk]

15 CHAIRPERSON MENDEZ: Okay. This is
16 our list from the website. So we'd like a list
17 'cause we still haven't gotten the list.

18 Having said that... Having said
19 that, I know NYCHA has problems, but this, you
20 know, if we try to work together better, maybe we
21 could try to minimize those problems. And I don't
22 know what the issue is. And I just don't--when I
23 first got into office, I would experience this
24 with city agencies, I have to get DOB to work with
25 HPD. So we have everyone at the table here, I'm

1
2 so happy you're all here. In years past, when the
3 administration proposed closing senior centers, we
4 worked with DFTA to try to minimize those effect.
5 We did end up closing centers and we kept some
6 open, and the ones we kept open have been a
7 lifeline for our seniors. So looking at all this,
8 and weeks away from passing a budget is very
9 frustrating to me and I know to all my colleagues.
10 So we didn't get any final cuts until today. Why
11 is that? Can someone answer that?

12 JOHN RHEA: As General Manager
13 House testified, we've been exploring every part
14 of the NYCHA budget to find out how we could make
15 up for the \$205 million in cuts. And we're here
16 today because through all of those conversations,
17 both internally, with partners at HUD, with
18 partners in city government, and others, we
19 realize that there are only so many of the
20 programs and cuts that can be avoided through
21 either additional revenue sources or supports from
22 other partners. And so we are just at a point
23 where we can give you these specific details that
24 lead to everything that's been enumerated earlier.

25 We think we did signal very

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2 strongly to the Council and to other partners in
3 our hearings with you, as well as in public
4 commentary, that sequestration was going to have a
5 devastating impact on public housing and on NYCHA
6 across the board, public housing and our Section 8
7 programs and all other programs that we support.
8 We estimated conservatively--and I'm glad we did
9 it in the right direction--that that could be over
10 \$250 million, and the fact that it's 205 is better
11 than 250, but still, as we said, directionally
12 correct, north of \$200 million that we have to
13 find ways to achieve.

14 So we're giving you the information
15 as soon as we have it. We understand your
16 frustration, and we're equally concerned and
17 frustrated by the continuous cuts that we receive
18 from the federal government and we've sounded the
19 alarm very loudly that many residents, 650,000,
20 that depend on NYCHA are feeling the brunt of
21 these continued cuts. And so we believe we've
22 given you the information specifically when we've
23 had it and, more generally, as soon as we become
24 aware that an issue exist.

25 [Pause]

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2 CHAIRPERSON MENDEZ: We need a
3 breakdown of which senior centers propose the
4 NYCHA-funded centers, NYCHA-run centers, are going
5 to be cut, the senior centers, the community
6 centers, breakdown by borough. When can we get
7 that?

8 CECIL HOUSE: Sure, we should be
9 able to give you that [off mic].

10 CHAIRPERSON MENDEZ: And my--

11 JOHN RHEA: [Interposing] I just
12 want to... We can get you that later today, but to
13 be clear, what we have in our analysis and budget
14 proposal and what we shared with you in terms of
15 the actions we're going to take has all 69 of the
16 community centers closing and all 37 of the senior
17 centers closing. That's what's in NYCHA's budget
18 and the set of actions that were enumerated by
19 General Manager House.

20 CHAIRPERSON MENDEZ: Hold it, 69
21 community centers, 37 NYCHA-run senior centers.
22 What does that leave in community operations
23 division as we know it?

24 CECIL HOUSE: So in our plan, we
25 will no longer operate community centers.

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2 CHAIRPERSON MENDEZ: Will no longer
3 operate any community centers throughout new--

4 [Crosstalk]

5 CECIL HOUSE: [Interposing] Or
6 senior centers directly.

7 CHAIRPERSON MENDEZ: Or senior
8 centers.

9 CECIL HOUSE: No, we would no
10 longer directly provide those services. So in our
11 community operations organization, we will still
12 manage our TPA funds for our tenant associations,
13 we will continue to provide resident engagement
14 services. We will continue to do our outreach to
15 our resident association leaderships and other
16 partnerships across.

17 CHAIRPERSON MENDEZ: What does that
18 mean, other partnerships?

19 CECIL HOUSE: Oh, we work to raise
20 funds to provide other services to our residents
21 as well and we will continue our REES program as
22 well, our job development services. And the
23 management of our Section 3 program is in
24 community programs and development as well.

25 CHAIRPERSON MENDEZ: How much is in

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the TPA funds at this moment?

CECIL HOUSE: Seventeen million dollars.

CHAIRPERSON MENDEZ: Seventeen. And just for the benefit of my colleagues, TPA funds, you get an administrative fee, correct?

CECIL HOUSE: That's correct.

CHAIRPERSON MENDEZ: You get how much percentage-wise?

CECIL HOUSE: It's 10 cents out of every... Out of--excuse me. So 20%.

CHAIRPERSON MENDEZ: Twenty percent. And TPA funds cannot be utilized unless the tenant president of that development requests the funding and it gets approved by HUD and NYCHA, is that correct?

CECIL HOUSE: There's no HUD approval for TPA funding. TPA funding is reserved for tenant associations and they are represented in their requests through their tenant association leadership. So the request must come through the leadership, NYCHA reviews those requests, and we approve appropriate ones.

CHAIRPERSON MENDEZ: Explain

1 leadership?

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3 CECIL HOUSE: The tenant
4 association may have a president, they might have
5 a vice president, whatever their leader--

6 [Crosstalk]

7 CHAIRPERSON MENDEZ: [Interposing]
8 So the tenant association leadership asks for
9 money and they just get it.

10 CECIL HOUSE: If it's an
11 appropriate expenditure within the guidelines,
12 that's correct.

13 CHAIRPERSON MENDEZ: So who reviews
14 that it's an appropriate expenditure within the
15 guidelines?

16 CECIL HOUSE: Our NYCHA
17 administration, we review them for
18 appropriateness.

19 CHAIRPERSON MENDEZ: So it
20 ultimately gets approved by NYCHA.

21 CECIL HOUSE: If it's an
22 appropriate expenditure in compliance with HUD
23 guidelines, we would approve it, yes.

24 FEMALE VOICE: Cecil [Off mic]
25 approval as well.

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CHAIRPERSON MENDEZ: Okay.

CECIL HOUSE: Within the structure that we have as well, Chairwoman, individual tenant associations first go through the Citywide Council of Presidents for approval before we receive it.

CHAIRPERSON MENDEZ: And if you could just tell me the closures of all these centers--it may have been in your testimony, guide me--what is the savings to NYCHA by closing all these centers?

CECIL HOUSE: We anticipate this year to save around \$8 million; and as we move through for a full year, it will be in the range of \$28 million.

CHAIRPERSON MENDEZ: So the remainder of your fiscal year this year--

CECIL HOUSE: That's correct.

CHAIRPERSON MENDEZ: --2013, it's 8 million.

CECIL HOUSE: Correct.

CHAIRPERSON MENDEZ: And then in 2014, starting in January, you're saying it's 28 million.

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CECIL HOUSE: That's correct.

CHAIRPERSON MENDEZ: And that is operating expenses, personnel.

CECIL HOUSE: Exactly. Operating expenses, personnel, overhead, and all the costs associated with running those programs.

CHAIRPERSON MENDEZ: Okay. I'm going to turn it over back to Chair Rhea--I mean, to Chair Recchia. Sorry about that.

CHAIRPERSON RECCHIA: That's okay.

CHAIRPERSON MENDEZ: And we can let our colleagues ask some questions, thank you.

CHAIRPERSON RECCHIA: Okay. Before I turn it over, I just want to add we've been joined by Council Member Cabrera. So 69 community centers could close and 37 senior centers, is that correct?

CECIL HOUSE: That's correct.

CHAIRPERSON RECCHIA: And, Commissioner Mullgrav, you stated that you could run 45 of those centers for \$18.5 million?

JEANNE MULLGRAV: Yes, that does not, however, include start up monies, which we know when we begin an initiative like this there

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2 will be supplies and furniture and other costs
3 that are not included in that number.

4 CHAIRPERSON RECCHIA: And how much
5 would it cost to run the 69 community centers with
6 programs, do you have a figure for that?

7 JEANNE MULLGRAV: Well we costed
8 out the 24 that we have not selected and we did it
9 using a price per participant, so we have to think
10 of it that way, is \$5.6 million.

11 CHAIRPERSON RECCHIA: That's in
12 addition to the 18.5.

13 JEANNE MULLGRAV: Yes.

14 CHAIRPERSON RECCHIA: Okay. Mr.
15 Dardia, I have a question for you. Commissioner
16 Mullgrav just said that for 18.5 million, she
17 could save 45 centers, and for an additional 5.6
18 million, she could save all 69 centers. My
19 question is: Do you have the money and will you
20 put that money to fund these programs?

21 MICHAEL DARDIA: The administration
22 is committed to supporting the 45 centers that the
23 commissioner thought was the right program to
24 institute.

25 CHAIRPERSON RECCHIA: And what

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about the other 20 programs?

MICHAEL DARDIA: The administration is not providing that funding.

CHAIRPERSON RECCHIA: And so this administration is willing to close those 20 programs?

MICHAEL DARDIA: Well NYCHA runs the program and they're trying to manage a serious shortfall and the administration is participating in help long-term with both DYCD and DFTA in taking over the programs and running them with the capacity to address all the participants who currently engage in these activities at NYCHA centers, as well as a one-time support for general support this year as they work through the combination of the reserve withdrawal as well as a sequester.

JEANNE MULLGRAV: Chairman, if I may, I know that my colleague detailed in her testimony the criteria that she used and I didn't, and I think it's appropriate that I outline that. Which is that we looked systematically across all of the centers and one of the reasons why many--at least 15 of those 24 were not selected for us to

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2 proceed with is that they can only serve less than
3 40 young people and it really--you know, they're
4 really more like rooms and small settings and we
5 couldn't accomplish a kind of comprehensive
6 programming that the Cornerstone model embodies.
7 So other objective criteria that we also looked at
8 is the extent to which repairs need to be made and
9 they're really not ready to really start on day
10 one in terms of services. So these are some of
11 the things that we looked at, you know, in terms
12 of determining which programs would be
13 appropriate.

14 CHAIRPERSON RECCHIA: I understand
15 that, Commissioner, but also you have to
16 understand what is great concern to me and my
17 colleagues is that to keep kids off the street,
18 keep them focused, whether it's 5 kids or 100
19 kids, they need a place to go and this is
20 something we have to work on.

21 My next question to you is those
22 centers for that 18.5 million, are those union
23 jobs or non-union?

24 JEANNE MULLGRAV: The centers would
25 be contracted out to nonprofit organizations that

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2 are part--were competitively procured previously.
3 Those contracts would be amended initially and
4 then we would have a solicitation, probably next
5 spring. So there are some union shops among the
6 nonprofits, but, you know, the majority are not
7 union shops.

8 CHAIRPERSON RECCHIA: And do you
9 think it's possible that we might be able to save
10 some of these union jobs?

11 JEANNE MULLGRAV: What we did in
12 the past was really create opportunities for the
13 current staff in the centers to get to know the
14 nonprofits, make sure that their skill sets are
15 known. Many of the nonprofits did pick up a lot
16 of the NYCHA staff because they saw it in their
17 interest to have somebody on the team who knows
18 the community, can help with outreach, is familiar
19 with the kinds of needs and services. So we
20 expect that that will be the case again. Most of
21 the programs were very incentivized to do that,
22 although it would be inappropriate for me to
23 mandate that they do that.

24 CHAIRPERSON RECCHIA: It would be
25 inappropriate for you to mandate that they hire

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these union workers, is that what you said?

JEANNE MULLGRAV: Yes.

CHAIRPERSON RECCHIA: Okay.

JEANNE MULLGRAV: I mean, they have, you know, separate and apart from the City of New York, they have their own hiring, firing, disciplining, and the City, you know, intervenes only when it is a violation of some kind of--

CHAIRPERSON RECCHIA: But--

JEANNE MULLGRAV: --regulation or SACC license issue, but for the most part, you know, just as they wouldn't tell the City of New York who to hire, we, you know, it is a separate corporation.

CHAIRPERSON RECCHIA: --but all could be said that these union workers are qualified, experienced, properly certified, and knowledgeable of the community, so, I mean--

JEANNE MULLGRAV: [Interposing] And that's why a considerable number were picked up--

CHAIRPERSON RECCHIA: Right.

JEANNE MULLGRAV: --in 2009.

CHAIRPERSON RECCHIA: Okay. I'll come back to this questioning. I'm going to let

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2 Council Member Jackson, then Council Member James,
3 then Council Member Brewer ask questions. Council
4 Member Jackson.

5 COUNCIL MEMBER JACKSON: Well thank
6 you, and good morning everyone; and it's raining
7 outside. And let me just say that what I'm
8 hearing and what we're hearing is bad news. If in
9 fact this happens, it's going to be devastating
10 not only on NYCHA, not only on the seniors, not
11 only on the youth, it's going to be devastating
12 for New York City as far as, you know, not only
13 them, but the employees, and it's going to have a
14 ripple impact all over the place.

15 The question, I listened to you
16 said about 54 to \$57 average the Section 8 will go
17 up for private owners. When you said that, I said
18 many of those people will go homeless and will
19 fall on the system. It's going to be terrible
20 because \$57 average--that's average, some more,
21 some a little less--most of these people are
22 struggling, struggling, just to pay their rent.
23 Struggling. And I don't blame any of you sitting
24 up there, let me just say that, but it's
25 frustrating, I know you're frustrated also, I know

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that.

CHAIRPERSON RECCHIA: Yeah.

COUNCIL MEMBER JACKSON: But let me ask a question, how much does NYCHA pay the City of New York for police protection? Is that about 70 to \$75 million? And sanitation and any other services that are normally provided to regular residents of the City of New York? So I guess that question is police protection, sanitation, and anything else, how much money we're talking about in total, about? Maybe about 100, \$120 million?

CECIL HOUSE: It's in the range of \$100 million. So we pay about \$70 million to the police department for a variety of services.

COUNCIL MEMBER JACKSON: Good.

CECIL HOUSE: For sanitation services, we pay for extra pickups.

COUNCIL MEMBER JACKSON: Extra pickups.

CECIL HOUSE: Extra pickups in a area in the range of a million to a million eight. And--

COUNCIL MEMBER JACKSON:

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[Interposing] A year? A million--

CECIL HOUSE: Yeah, that's right.

COUNCIL MEMBER JACKSON: --a million eight, you get for extra pickup.

CECIL HOUSE: Extra pickups. And then we pay a PILOT--

COUNCIL MEMBER JACKSON: PILOT.

CECIL HOUSE: --in the range of 28--
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COUNCIL MEMBER JACKSON: Okay.

CECIL HOUSE: --\$28 million.

COUNCIL MEMBER JACKSON: Well what if the NYCHA board makes a decision not--

MICHAEL DARDIA: [Interposing] Excuse me, Council Member, could I just add--

[Crosstalk]

COUNCIL MEMBER JACKSON: [Interposing] Sure, just identify yourself for the record again?

MICHAEL DARDIA: Michael Dardia, Deputy Budget Director.

COUNCIL MEMBER JACKSON: For the Office of Management and Budget?

MICHAEL DARDIA: [Interposing]

1 Office of Management and Budget, yeah.

2
3 COUNCIL MEMBER JACKSON: Thank you,
4 'cause I don't know if everyone else in this
5 audience knows who you are and we want to identify
6 that NYCHA is here, that DYCD is here, that DFTA
7 is here, and OMB is here. Okay. Go ahead, I'm
8 sorry, go ahead, please.

9 MICHAEL DARDIA: That's quite all
10 right. So we just want to make clear, since this
11 comes up frequently in these settings--

12 COUNCIL MEMBER JACKSON: Yes.

13 MICHAEL DARDIA: --that what NYCHA
14 pays for in terms of the NYPD is for additional
15 services, not for basic police protection. That
16 was negotiated when NYCHA would choose to run its
17 own police department, the housing police. In '93
18 or '94, when they were absorbed within the NYPD,
19 there was an arrangement about what the payment
20 was. Current estimates are that over and above
21 what NYCHA pays to the police department--or for
22 the extra police services, the City absorbs about
23 200 million in cost for those services. So
24 NYCHA's payment is less than a third of the cost
25 of providing those services. So all these costs

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2 are over and above--for services over and above
3 basic services.

4 The other thing about the PILOT
5 payment, that's federal housing law, all the
6 public authorities pay a PILOT to their local
7 jurisdiction in respect to the fact that they are
8 consuming basic services and not paying property
9 taxes, and the cost to the city in terms of lost
10 property taxes is approximately 400 million a year
11 over and above the PILOT payment.

12 COUNCIL MEMBER JACKSON: You know,
13 I appreciate your explanation of that so that we
14 can get a full understanding as far as back and
15 forth with money, but, for me, the bottom line is
16 these are residents of New York City that lived in
17 New York City and should not be paying anything
18 extra for services that we provide everyone else.
19 For me, as a legislator.

20 And so I say that, and I also say
21 that is it--must you pay that money or can you
22 just say, listen, we're not going to pay it? You
23 know, 'cause we don't have it to pay. But, you
24 know, when you say extra police, representatives
25 from OMB, I forgot your name, forgive me, I'm...

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2 Does that mean, for example, the PSA, 'cause PSA 6
3 handles the northern Manhattan, the residents that
4 I serve and Grant and Drew. PSA 6, I don't know
5 if you know, that's the police unit that deals
6 with public housing. Is that the extra services
7 or what? Because I don't really see, like, I
8 don't see like a police officer standing in front
9 of every NYCHA development building providing
10 extra security for the residents there, I don't
11 see that.

12 MICHAEL DARDIA: Well I don't
13 oversee the police department in terms of my
14 function at OMB, so I don't know too many of the
15 details. I've been in some meetings, but there
16 are things like vertical patrols, et cetera, that
17 are extraordinary services provided to NYCHA that
18 are not--

19 COUNCIL MEMBER JACKSON:
20 [Interposing] Did you say extra--you said extra
21 ordinary? I don't see anything extra ordinary,
22 let me just say in my opinion and the residents
23 that I represent, they don't see anything extra
24 ordinary.

25 CHAIRPERSON MENDEZ: Can I add--

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COUNCIL MEMBER JACKSON: Yeah.

CHAIRPERSON MENDEZ: --this committee is still waiting for a list of the above line services that the NYPD provides to NYCHA. I'm still waiting.

JOHN RHEA: Well there's a, annually, the police department publishes a review of--

CHAIRPERSON MENDEZ: [Interposing] And publishes and gives it to whom?

JOHN RHEA: It's provided to NYCHA and I--is it OMB? And to OMB.

CHAIRPERSON MENDEZ: Okay. I'm still asking, I've been asking for the above line services, so if you're getting it annually, how come we're not getting it? And on vertical patrols, any private landlord can go and request that vertical patrol be done, they have to sign a paper and give the police department a key, and they don't have to pay anything extra for that.

JOHN RHEA: There are a series of services and we're happy to share them with the City Council and with others of above baseline services that are beyond what the average New

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Yorker receives from the police department.

CHAIRPERSON MENDEZ: Waiting.

CHAIRPERSON RECCHIA: Okay. We will follow up with a letter to you, Mr. Rhea, and also to the police department asking for this report. What is it called? What's the exact title of it?

[Long pause]

JOHN RHEA: Yeah, it's per the MOU, which is signed between the Housing Authority and the NYPD, it requires an annual assessment of services that are being provided on behalf of public housing.

CHAIRPERSON RECCHIA: [Interposing] All right, and what's the report called?

JOHN RHEA: It's an annual report.

CHAIRPERSON RECCHIA: The annual, right. It's important for us to have the correct-

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[Crosstalk]

JOHN RHEA: [Interposing] We will get you the exact name so when you send a letter, it can reflect that.

CHAIRPERSON RECCHIA: We want a

1
2 copy of this report. Okay. Council Member James?

3 COUNCIL MEMBER JAMES: Thank you.

4 So I too feel like I've been hit with a
5 sledgehammer this morning as a result of the
6 testimony, and all of us are sitting here in
7 shock. So my comments are primarily to the
8 administration, as opposed to the administration.
9 Last week, or I think it was two weekends ago, 26
10 individuals were shot in New York City, most of
11 them in public housing. There are a lot of
12 fatalities. Seniors who are concerned about
13 safety in public housing are living in social
14 isolation, and yet we want to close their senior
15 centers. There's a growing income equality in the
16 City of New York and we are proposing to layoff
17 500 NYCHA employees who represent the working poor
18 in this city. And yet, the amount of
19 appropriation--and I appreciate it from this
20 administration to address the shortfall--is only
21 \$24 million, at a time when we establish as a
22 priority in this city real estate. And so I'm
23 hoping that the administration would come forward
24 with additional dollars to save these jobs and
25 these programs, particularly in communities that,

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2 unfortunately, have been ignored under this
3 administration.

4 My first question primarily--my
5 first question is about the amount of the
6 shortfall. It has been reported that the
7 shortfall is less than \$205 million, in fact,
8 there are some reports that the shortfall to NYCHA
9 is only \$135 million. Can NYCHA and/or the
10 administration in fact--how did you come to this
11 number of 205, as opposed to the number that has
12 been reported to me and in the media of \$135
13 million?

14 CECIL HOUSE: I can't speak to the
15 source or the credibility of the numbers that
16 you're referring to. I can tell you what our
17 numbers are.

18 COUNCIL MEMBER JAMES: Okay.

19 CECIL HOUSE: In our operating
20 plan, we are suffering a shortfall of \$113.5
21 million; in our capital plan in public housing,
22 it's \$13.7 million; in our Section 8, our Leased
23 Housing program, our housing assistant payments,
24 based upon our earlier budget that we presented,
25 are going to be reduced by \$66.7 million; and the

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2 administrative fee in Section 8 will suffer a
3 reduction of \$11.6 million. We total that to
4 \$205.7 million.

5 COUNCIL MEMBER JAMES: And this is
6 directly related to sequestration, as opposed to
7 any other shortfalls that you normally--

8 [Crosstalk]

9 CECIL HOUSE: [Interposing] Yeah,
10 it's a combination of sequestration--

11 COUNCIL MEMBER JAMES: Yes.

12 CECIL HOUSE: --and the impacts of
13 the continuing resolution that Congress passed
14 when they funded HUD this year.

15 COUNCIL MEMBER JAMES: So it's not
16 just sequestration, it's--

17 CECIL HOUSE: [Interposing] It's
18 not just sequestration, it's a combination of
19 sequestration and the budget that was passed.

20 COUNCIL MEMBER JAMES:
21 [Interposing] Shortfall.

22 CECIL HOUSE: The budget--

23 COUNCIL MEMBER JAMES: Okay.

24 CECIL HOUSE: --shortfall from the
25 continued resolution. So--

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COUNCIL MEMBER JAMES: Can we--

CECIL HOUSE: Go ahead.

COUNCIL MEMBER JAMES: --can we separate out sequestration from the continuing resolution?

CECIL HOUSE: Sure, the total reduction to NYCHA is about 11%, about 5% of that 11% is from sequestration and 6% comes from the continuing resolution reductions.

COUNCIL MEMBER JAMES: In your testimony, you talked a little bit about--you made reference to the fact that you want to limit outside contractors, but you didn't detail how you want to limit outside contractors. It's my understanding that NYCHA has a significant number of outside contractors. What are we doing to limit the number of outside contractors within the public housing authority? And what is that total number? I notice that in your contracting budget, there's no reduction in cost.

CECIL HOUSE: So there are a variety of services that we had budgeted and planned for this year--

COUNCIL MEMBER JAMES: Yes.

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2 CECIL HOUSE: --that we will not
3 do. There are contingent workers that provide
4 services to NYCHA that we will not bring on board.
5 There are outside third-party contractors that
6 provide direct services, whether it's--it may be
7 painting, cleaning, other services that we will
8 endeavor to do in different ways with the
9 resources that we have remaining.

10 COUNCIL MEMBER JAMES: What is the
11 amount of cut to your contract budget in total as
12 a result of limiting outside contractors?

13 CECIL HOUSE: [Interposing] So that
14 total cost picture, we see creating \$9 million in
15 savings in total.

16 COUNCIL MEMBER JAMES: Nine, and
17 what is your--

18 CECIL HOUSE: [Interposing] Nine
19 million.

20 COUNCIL MEMBER JAMES: I'm sorry?
21 Nine hundred?

22 CECIL HOUSE: Nine million.

23 COUNCIL MEMBER JAMES: Nine
24 million.

25 CECIL HOUSE: Yes.

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2 COUNCIL MEMBER JAMES: And what is
3 the total amount of your outside contracting cost?
4 What's the total amount that you expend for
5 outside contractors.

6 CECIL HOUSE: Yeah, I don't have
7 that number here, but I can provide it to you a
8 little bit later today.

9 COUNCIL MEMBER JAMES: In addition,
10 you indicated that you wanted to furlough certain
11 NYCHA workers. Let me just say that there's a
12 number of union leaders who are in the audience,
13 and when you mentioned the idea of furloughing
14 workers, they all chuckled.

15 CECIL HOUSE: Okay.

16 COUNCIL MEMBER JAMES: So I don't
17 know whether or not you're going to be successful
18 in furloughing any workers. What about the idea
19 of early retirement?

20 CECIL HOUSE: Generally, early
21 retirements are good tools to use over the long-
22 term, but they cost more in the short-term. So if
23 we did an early retirement in 2013, it would
24 exacerbate the problem that we have in 2013.

25 COUNCIL MEMBER JAMES: You also in

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2 your testimony made reference to staffing
3 reductions. Does that also include staffing
4 reductions on the executive level?

5 CECIL HOUSE: At this point in
6 time, I do not anticipate the executive level--at
7 the executive level any staffing reductions.

8 COUNCIL MEMBER JAMES: In your
9 testimony, you also mentioned the fact that as a
10 result of the loss of Section 8, over 1,200
11 families--let me say that again--over 1,200
12 families will be removed from receiving Section 8,
13 which in all likelihood, may result in them
14 becoming homeless. And at a time when we are
15 looking at the highest number of individuals who
16 in fact are homeless in the city of New York in
17 the history of the city--50,000 last count--is it
18 your count--1,200 families, is it possible that
19 these 1,200 families can be accommodated in any
20 empty NYCHA apartments that you currently...?

21 CECIL HOUSE: So first on the
22 executive reductions, we actually have had
23 executive reductions over the last years, so I can
24 get you that list if you'd like.

25 On the 1,200--

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COUNCIL MEMBER JAMES: Yes.

CECIL HOUSE: --the 1,200 is the number of vouchers, families with vouchers that are exposed at the end of this year if we are not able to close the remaining gap that we have. So we've taken some steps with HUD, for example, requesting a waiver to reduce our payment standard that would help us improve that number, and we're continuing to talk to HUD about other sources of revenue. HUD has a shortfall fund. If HUD provides us with revenue from their shortfall fund, those 1,200 families will not be impacted. If HUD does not and we do not come up with alternative sources of revenue--

COUNCIL MEMBER JAMES: Yes.

CECIL HOUSE: --we will have no choice.

COUNCIL MEMBER JAMES: I understand that the City is making a contribution, I mentioned earlier, of \$26 million. Is the state, is Governor Cuomo contributing anything to reduce the shortfall? And what attempts, have any been made to reach out to Governor Cuomo and/or the state legislature?

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2 JOHN RHEA: So as of now in the
3 current plan that we've laid out, there are not
4 contributions from the state. However, there has
5 been outreach to Governor Cuomo's team and the
6 state through HCR, DHCR, and those conversations,
7 hopefully, will continue. Beyond that, I did want
8 to point out, as the GM was mentioning around the
9 Section 8 shortfalls, it's a good time to remind
10 this Council that NYCHA is not a moving to work
11 agency, which means we can't mix public housing
12 monies with Section 8 monies or the other way
13 around. So if there's a shortfall in the Section
14 8 program, not that we have a lot of money lying
15 around in public housing, obviously, from this--

16 COUNCIL MEMBER JAMES: Right.

17 JOHN RHEA: --testimony, but we
18 can't even use money outside of the Section 8
19 program to cover a Section 8 gap.

20 COUNCIL MEMBER JAMES: My
21 understanding is that the state legislature is
22 coming to an end of their session within a matter
23 of days and so those conversations will continue
24 during their recess period or before they return
25 home for the year?

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2 JOHN RHEA: We will have those
3 conversations, we will continue them until we come
4 to some final determination one way or the other.
5 And we focus the principal energy in those
6 conversations around the Section 8 shortfalls and
7 things that we might be able to do there.

8 COUNCIL MEMBER JAMES: In a report
9 that you commissioned, it's my understanding that
10 in the report, it was documented that there have
11 been a number of inefficiencies within NYCHA as it
12 relates to the management of some of your
13 programs. Have you addressed a lot of these
14 inefficiencies?

15 CECIL HOUSE: Absolutely. We've
16 made significant progress in addressing the
17 process improvements that were identified. In
18 fact, we think we're a year or two ahead of the
19 implementation of the original plan that was
20 presented. So we have made progress and we have,
21 through this proposal, escalated some of those
22 improvements as well.

23 COUNCIL MEMBER JAMES: And I don't
24 know who provided this to the members of the City
25 Council, but it's a list of the community centers,

1
2 as well as senior centers, and there is those that
3 are sponsored by NYCHA which have been designated.
4 I would imagine those are the ones that have been
5 targeted.

6 [Off mic]

7 COUNCIL MEMBER JAMES: Okay. So
8 and they include, I guess, the 69 and the 47
9 senior housing. So all of those that have been
10 designated as NYCHA-sponsored, those are the ones
11 that in all likelihood will close.

12 CECIL HOUSE: So I'm not familiar
13 with the document that you're referring to, but I
14 will say that all of the NYCHA-funded centers will
15 close.

16 COUNCIL MEMBER JAMES: So they
17 include Baruch, Campos, Clinton, Drew, East River,
18 King Towers, Lehman, Manhattanville, Riis,
19 Robinson, Rutgers, Wagner, Boston Secor, Butler,
20 Davidson, Gun Hill, Highbridge--

21 CHAIRPERSON RECCHIA: [Interposing]
22 Council Member, can we have a question?

23 COUNCIL MEMBER JAMES: The list is
24 is that this is a rather significant list, it's
25 quite extensive. My point, as I close, is that I

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2 would hope that the administration would consider
3 increasing the amount of contribution to NYCHA
4 since the residents of NYCHA represent the most
5 vulnerable amongst us, the poorest of the poor.
6 And I would hope that the City Council--I know
7 that members of this committee and those who are
8 present today will stand strong to avert any
9 layoffs and any closure of any senior centers and
10 community centers. I thank you.

11 CHAIRPERSON RECCHIA: Thank you,
12 Council Member. I just want all Council Members
13 to know at 3 o'clock today in the cow [phonetic],
14 there will be a briefing on exactly what centers
15 will be closed and what the plan is going to be.
16 So those Council Members, everyone received an e-
17 mail yesterday.

18 I have one question I'd like to ask
19 this panel. What are you doing as far as going to
20 Washington to contacting the leadership of the
21 House, the leadership of the Senate to get back
22 our funding or try to save this? What's the plan,
23 you know, to try to get some bills passed
24 exempting us from sequestration, that NYCHA should
25 be exempted? Have we tried that? Have you spoken

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2 to the congressional delegation? Who in the
3 congressional delegation? Have you spoken to the
4 leadership in the House to see if they could pass
5 an amendment?

6 JOHN RHEA: So NYCHA has been
7 diligently working through many channels, first
8 and foremost, through our intergovernmental team
9 at NYCHA that works with our federal legislative
10 body. We've been discussing the impact of
11 potential sequestration and the ongoing continuing
12 resolution, not just on NYCHA, but on public
13 housing authorities across the country. So we've
14 been engaged in this conversation for well over a
15 year, so this is not something that we have taken
16 a passive role in. And we've worked very closely
17 with Congresswoman Velazquez, Congressman Rangel,
18 and others to point out the devastating impacts
19 that the continuing resolution have had and will
20 continue to have, as well as what sequestration
21 would add to that. So, yes, we've been engaged in
22 that.

23 Secondly, NYCHA is a member of the
24 Council of Large Public Housing Authorities, which
25 is made up of, as its name suggests, the top

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2 housing authorities in the country, and each of
3 their executive directors or chairman are on that
4 Council of Large Public Housing Authorities. And
5 through that, we sponsor joint legislation
6 specifically working with the heads of each of the
7 committees in Congress and in the Senate to make
8 our case and to suggest language for legislation,
9 and to outline exactly what the impact of the
10 proposed sequestration would be. So we've been
11 engaged both individually, as well as collectively
12 with our peers to really fight against this, and
13 we've shared that with many of you here as well.
14 So the answer is: Absolutely.

15 CHAIRPERSON RECCHIA: Yeah. But
16 have we contacted the House leader, John Boehner?
17 Have we gone directly to him and ask him to pass a
18 bill so we could get funding for NYCHA for
19 housing, you know?

20 JOHN RHEA: [Interposing] The way
21 the process works is we go through what's called
22 THUD, which is the Committee of Transportation and
23 Housing. That's where the appropriations
24 committees and the authorizing committees are, and
25 we work directly with their leadership because

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2 that's then who takes it to both the House and the
3 Senate leadership to make the proposals.

4 CHAIRPERSON RECCHIA: Yeah.

5 JOHN RHEA: So we have contacted
6 the House and the Senate leadership that's
7 responsible for these decisions.

8 CHAIRPERSON RECCHIA: This is just
9 unacceptable and we just have to send the message
10 loud and clear that the House leadership, they
11 already did this once to us during Sandy, now
12 they're doing it again with the sequestration in
13 NYCHA and affecting that 69 centers to close,
14 people are going to have to pay more money for
15 vouchers, and it's just unacceptable.

16 All right, Council Member Gale
17 Brewer.

18 COUNCIL MEMBER BREWER: Thank you.
19 I mean, obviously, picking up on the chair's
20 question, Congresswoman Nita Lowey, have you been
21 in touch with her since she's ranking on
22 appropriations?

23 JOHN RHEA: Yes, we have.

24 COUNCIL MEMBER BREWER: And what
25 does she say? What does Steve Love [phonetic]

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say; what does she say?

JOHN RHEA: Basically, what we all know, which is, despite the best efforts of many in the house and in the senate, they were unable to come to a budget resolution that would avert sequestration and avert the continuing resolution, and public housing is caught up in that, along with many other critical discretionary programs.

COUNCIL MEMBER BREWER: Okay. All right, how many vacancies now? I know you have 504 vacancies, but how many non-504 vacancies do you have at NYCHA now?

JOHN RHEA: We'll get you the number.

COUNCIL MEMBER BREWER: Today?

JOHN RHEA: Sure, yes.

COUNCIL MEMBER BREWER: Number two, of the commercial rents that you do have in some cases, are they all rented and collected? Do you know what your commercial rent is, if anything? And is it all collected?

JOHN RHEA: We have, within NYCHA's commercial spaces, so non-residential spaces, we have a 12% vacancy rate and the Authority has been

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2 working diligently over the past couple of years
3 to reduce that vacancy rate.

4 COUNCIL MEMBER BREWER: What was it
5 before?

6 JOHN RHEA: It's been as high as
7 25%, so we've more than cut it in half and we
8 continue to aggressively make any changes that are
9 necessary in terms of the facilities, as well as
10 we've hired folks to help us with--who are in the
11 real estate brokerage business to help us identify
12 new long-term tenants.

13 COUNCIL MEMBER BREWER: All right,
14 so you think you can get anymore revenue out of
15 that or you think it's going to stick at 12%
16 vacancy?

17 JOHN RHEA: We're going to continue
18 to aggressively market our properties--

19 COUNCIL MEMBER BREWER: Okay. And
20 you--

21 JOHN RHEA: --there are some cases
22 where there are capital requirements to make them
23 more attractive, those, obviously, present longer
24 term challenges to us, so we don't expect to be--

25 COUNCIL MEMBER BREWER:

1 [Interposing] Have you asked local Council Members
2 where you have a vacancy to be of assistance?
3

4 JOHN RHEA: I do not believe we
5 have--I'm pretty sure, at least not in my tenure,
6 we haven't prioritized request of the Council for
7 capital funds for commercial spaces, we've
8 prioritized our request to the Council for capital
9 for public housing, for residential apartments,
10 and for our community centers.

11 COUNCIL MEMBER BREWER: Okay. All
12 right. I have two, just as example, I have two
13 rooms that a head start program is now looking at
14 but they've been empty for 12 years, just to give
15 you one example. New York Police Department, the
16 way it works, as I understand it, in some cases,
17 it is PSA whatever, but in other cases, the actual
18 police department local commander assigns officers
19 and gives up on PSA because of the geographic or
20 location or other kinds of issues. So I don't
21 understand why you couldn't at least, if you don't
22 want to--if OMB doesn't want to curtail stopping
23 the entire amount that NYCHA gives to PD, it seems
24 to me that at least a portion of that, that you
25 could whittle away some of these issues, some of

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2 these budgets to avert the closure and the
3 layoffs. Two hundred and five million dollars
4 between some of these other appropriations should
5 be found. So can you just explain to me where
6 NYPD provides their own staffing, how that is
7 considered overtime when they are regular officers
8 doing their regular duty? And I know exactly
9 where that exists and I could give you six
10 officers and their names and their badges where
11 they are absolutely doing the work that they would
12 normally do, it is not extra.

13 MICHAEL DARDIA: Well as far as
14 what the police department does, as the chairman
15 and general manager have mentioned, there's a
16 report that we'll prepare it, I'm not familiar
17 with the details of that report. It's called the
18 Annual Merger report.

19 COUNCIL MEMBER BREWER: Should be
20 online, by the way, by law; just FYI.

21 MICHAEL DARDIA: I don't know that
22 it is or isn't but--

23 COUNCIL MEMBER BREWER:
24 [Interposing] I just checked, it's not.

25 MICHAEL DARDIA: Okay. So the fact

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2 is, though, that, according to the MOU, when
3 NYCHA's housing police department was merged in
4 with the New York Police Department, that
5 calculated number should be somewhere around 92,
6 93 million a year, so NYCHA is already getting a
7 significant discount off of that, if you will,
8 for--

9 [Crosstalk]

10 COUNCIL MEMBER BREWER:

11 [Interposing] Okay. But I guess the issue for me
12 is--

13 MICHAEL DARDIA: --pay.

14 COUNCIL MEMBER BREWER: --I know
15 the police department needs funding, I understand
16 that, but when you're talking--we never really
17 know the full viewing of the police department
18 budget. I used to work for a mayor and I did the
19 federal office and I know how these things work.
20 So my question is, in that you're looking at
21 either closing of senior centers and opportunities
22 for young people or some kind of budget deficit
23 that may or may not be helpful in terms of the
24 police department, you're not talk--you absolutely
25 have to take and look at these dollars and see

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2 where they're desperately needed. They are
3 desperately needed not to close these centers.
4 And I think we have to look at it from that
5 perspective.

6 MICHAEL DARDIA: Well we have. I
7 mean--

8 [Crosstalk]

9 COUNCIL MEMBER BREWER:
10 [Interposing] I can't believe that you can't
11 switch some of the money that goes to PD for
12 centers to be able to keep them open.

13 MICHAEL DARDIA: I think if you
14 look at the entirety of the plan, DYCD and DFTA
15 have come up with a plan to serve everyone who is
16 being served now. In fact, the capacity in the
17 community centers will be more than double the
18 existing capacity once it goes through the program
19 that DYCD is going to implement--

20 COUNCIL MEMBER BREWER:
21 [Interposing] Well, yeah, but you're also talk--

22 MICHAEL DARDIA: --and the
23 administration is committed to funding that. So
24 we recognize that--

25 COUNCIL MEMBER BREWER: Okay.

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2 MICHAEL DARDIA: --need and are
3 prepared to fund it.

4 COUNCIL MEMBER BREWER: Well you're
5 not saving all of them, and I can tell you in
6 terms of the senior centers, we went through this
7 with the budget last year and we were cutting to
8 the bone. And just so you know, the district
9 commissioner walks on water, and so we will work--
10 whatever she says, we believe. And I have great
11 respect for NYCHA, but it doesn't have that same
12 credibility; that's just a fact.

13 So my next question is what about
14 we were yesterday at a community center, the roof
15 is leaking, the buckets are catching the
16 rainwater. And I think that people understand
17 that NYCHA needs funding, but as this director
18 said--and this is a director who's smarter just
19 degree-wise and intelligence than all of us in
20 this room--and she stated that the bureaucracy of
21 NYCHA is so huge that just to get anything fixed
22 takes days and months and months. So my question
23 to you is: How can we cut some of that
24 bureaucracy and not do the closing of the centers
25 and put opportunities for young people and layoffs

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2 of people who are going to be doing maintenance
3 who are desperately important? The bureaucracy of
4 NYCHA is way too intense. And I'm trying to be
5 nice about the words that I select. So what can
6 we do about cutting some of the bureaucracy as
7 opposed to these contracted out--or these services
8 that are so desperately needed by our seniors?
9 And I'm really serious about this. Streamline it.

10 CECIL HOUSE: We started out this
11 year with 420,000 work order requests, over
12 420,000 work order requests. I think in our last
13 report, we are down to 250,000 and continuing to
14 reduce. And the reason that we're doing that is
15 because we have already significantly improved our
16 processes within NYCHA, the accountability, and
17 we, as we indicated earlier, there are additional
18 staffing cuts that we will be making that will
19 eliminate staff within NYCHA. We are continuing
20 to work to make it easier to work with us to get
21 work done much more quickly, and we'll continue to
22 do that as we move forward.

23 COUNCIL MEMBER BREWER: Okay. I
24 appreciate that, I know you're doing a good job,
25 I'm just repeating what we see on the ground every

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single day.

In the layoffs that you talked about, the non-centers, how much would be for cleaning and maintenance, which is already one person, one mop, one--very few supplies in large buildings?

CECIL HOUSE: We will not be making reductions in the cleaning staff, in the maintenance staff, in the skilled trade levels as a result of this plan. There will be no impact on those services.

And as we've said earlier, you know, getting to an improved service level is not going to come overnight, but as we move forward over the next few months, we'll continue, I think, to see improvement.

COUNCIL MEMBER BREWER: Okay. And just in your capital budget, I know you always say everything is allocated, but with all due respect, and people know this, it's been a challenge to work on your capital budget, so can you give us a sense today as to how much is in your capital budget allocated or not currently? What's allocated, what's not. And when I say allocated,

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2 I mean actually started, as opposed to we think
3 we'll do it in the future.

4 CECIL HOUSE: You do the testimony-

5 -

6 [Off mic]

7 JOHN RHEA: I would refer you back
8 to our testimony a couple of weeks ago where we
9 walked you through our capital budget--

10 COUNCIL MEMBER BREWER: Okay.

11 JOHN RHEA: --and we told you what
12 had been allocated and--

13 COUNCIL MEMBER BREWER: Okay.

14 JOHN RHEA: --what had been spent.

15 COUNCIL MEMBER BREWER: Okay. I
16 guess my only final comment is these seniors,
17 these senior centers, and these layoffs cannot
18 take place so we have to figure out how we can
19 come up with either through some of the
20 suggestions have been here, some portion of the
21 TPA funding. I'm sure that if done in a non-
22 bureaucratic streamlined fashion, Rosie Mendez
23 could do it in about five minutes, she'd have a
24 conversation with the leaders, they all trust her,
25 and she would figure out how to deal with the TPA,

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2 some portion, some portion of the police
3 department, some portion of the PILOT. We cannot
4 have this reduction. Thank you very much.

5 CHAIRPERSON RECCHIA: Thank you.

6 JOHN RHEA: I just note for the
7 Councilwoman that the use of TPA funds is
8 restricted and that would not be an appropriate
9 use as required by HUD.

10 COUNCIL MEMBER BREWER: Okay. But
11 excuse me, my understanding with... First of all,
12 when I came into office 12 years ago, for three
13 years, nobody even knew there were TPA funds in my
14 developments. We then worked with the TPA folks
15 and it is a most bureaucratic process to get a TPA
16 fund, so bureaucratic; just there. And so the 20%
17 admin fee, I don't know, do you need to have such
18 a bureaucratic process to get the TPA funds? And
19 one of the questions is the leaders could state I
20 would like to have my senior center paid for with
21 my TPA funds, they can do that. Thank you.

22 CHAIRPERSON RECCHIA: Okay. Before
23 we move forward, I'd like to recognize we've been
24 joined by Council Member Julissa Ferreras, Council
25 Member Mealy, Council Member Al Vann, Council

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2 Member Lewis Fidler, Council Member Jimmy Van
3 Bramer. I got everybody.

4 I want to recognize Council Member
5 Melissa Mark-Viverito.

6 COUNCIL MEMBER MARK-VIVERITO:

7 Thank you, Mr. Chair. Chairman and all the
8 commissioners, I want to thank you for being here,
9 you know, and I want to really--to the people in
10 this room and to my colleagues. And I know that,
11 you know, we've had differences with you, Mr.
12 Chair, and over the time that we've been here and
13 your service, but I want us to be very clear about
14 when we talk about sequestration. You know, we
15 are talking about the republican party of this
16 country holding our nation hostage because of
17 politics. This is not about principle, this is
18 about a preventing our president from moving his
19 agenda forward and the ones who are suffering here
20 are those who are least able to withstand it. So
21 I want to thank you for being here, but I also
22 know that we have had our differences, but this is
23 not just about you. And with all due respect,
24 Chair Recchia, when you talk about what are you
25 doing, NYCHA, to go, we, the leadership of this

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2 city, the leadership of municipalities across this
3 country need to be the ones on the steps of
4 Congress telling Congress to get their job done.
5 This is not just about NYCHA going to Congress to
6 ask for help, okay? This is us as a city coming
7 together to say that we will not allow those least
8 among us and our cities to be held hostage. This
9 is outrageous, and this is just the beginning. We
10 have NYCHA here before us today, but we are going
11 to see every city agency if this does not get
12 resolved coming before us and telling us how their
13 services are going to be impacted and how our
14 communities are going to suffer. This is about
15 austerity, which we've seen does not work. Does
16 not work.

17 This is outrageous, I'm extremely
18 frustrated because we are talking about now also
19 the agriculture bill and we're talking about how
20 SNAP is being affected, how food stamps are being
21 impacted. We're talking about Section 8 vouchers
22 and people not having--having to pay more because
23 we're not going to be able to give enough
24 vouchers. This is outrageous. And this is not
25 just about NYCHA going to Congress, this is about

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2 us. Where is our mayor? Where is our governor?
3 When we need them to go to Congress and say with
4 other mayors and governors across this country
5 that we will not accept our municipalities and our
6 states to be held hostage because of politics.

7 People, let's, you know, we have to
8 understand this is beyond dealing with the
9 minutiae of what we're talking about, this is
10 something bigger if we don't get it together as a
11 country. And I cannot allow, and I can't believe
12 that we would allow, you know, a select few
13 individuals who are completely out of touch with
14 the reality of this country to dictate what it is
15 that needs to get done. I mean, this is
16 outrageous.

17 Having said that, I do have a
18 couple of questions. And, again, as--

19 CHAIRPERSON RECCHIA: [Interposing]
20 Oh, I thought you were done.

21 COUNCIL MEMBER MARK-VIVERITO: --
22 has been indicated--

23 CHAIRPERSON RECCHIA: I thought you
24 were done.

25 COUNCIL MEMBER MARK-VIVERITO: No.

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[Applause]

CHAIRPERSON RECCHIA: All right--

COUNCIL MEMBER MARK-VIVERITO: As
has--

CHAIRPERSON RECCHIA: --keep it
down. Go ahead.

COUNCIL MEMBER MARK-VIVERITO: --
you know--

CHAIRPERSON RECCHIA: She has a
quick question.

COUNCIL MEMBER MARK-VIVERITO: I
have a couple of questions. 'Cause I'm just, I
mean, I'm just--I'm really scared, to be honest.

CHAIRPERSON RECCHIA: All right, we
could come back to you.

COUNCIL MEMBER MARK-VIVERITO:
Because we're just starting, we're just starting
with this. Can we talk about the number of
vouchers on the Section 8 issue that you
mentioned? Okay? I really want us to walk
through this to understand what we're facing here
in terms of the numbers. Now, according to your
statement about the HAP and you're saying that
there's--as of December, was it, that you say

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2 exactly, this is what I was interested in learning
3 about. It says NYCHA will not have funds
4 available to pay Section 8 obligations beginning
5 this December. What do you mean in terms of that,
6 and how many are we talking about?

7 [Crosstalk]

8 CECIL HOUSE: So we have looked
9 forward and forecasted our cost for HAP funds for
10 the entire year. As we move through the year, HUD
11 requires that we continue to pay for existing
12 vouchers and that we continue to accept increases
13 in vouchers as we go through the year. And as we
14 calculate the amount of money that HUD is
15 providing us to fund vouchers on a month-by-month
16 basis, based upon the total that they acknowledge
17 is available, we will not have sufficient funds in
18 December to make the payments for that month.

19 COUNCIL MEMBER MARK-VIVERITO: And
20 then moving forward past December?

21 CECIL HOUSE: So we are funded on a
22 calendar year basis, so we--

23 COUNCIL MEMBER MARK-VIVERITO:
24 Okay.

25 CECIL HOUSE: --will be re-funded

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in January.

COUNCIL MEMBER MARK-VIVERITO: All right, so then you're talking about for the month-

CECIL HOUSE: [Interposing] But we don't know what amount that will be as we move forward, so that is still a question that we have to work through with HUD.

COUNCIL MEMBER MARK-VIVERITO: Now you had indicated that there was 5% attributed to the sequestration, 6% ongoing shortfall. Now if the sequestration was not in effect, would we still be talking about closing senior centers and youth programs?

CECIL HOUSE: That's a speculative question that we really haven't considered at this point. We have to deal with the cards that are dealt to us, and right now, we're dealing with an 11% reduction.

COUNCIL MEMBER MARK-VIVERITO: Now the other question, with regards to the senior centers in particular--and I think it's already been discussed about the importance of the youth centers and the senior centers--are social

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2 services provided in those senior centers? Any
3 type of case management?

4 JOHN RHEA: No, we have a separate
5 family services department that works on social
6 services related appropriate in the social
7 services.

8 COUNCIL MEMBER MARK-VIVERITO: Now,
9 Commissioner Paoli, do you see any additional
10 strain or pressure being put on your agency and
11 the social services that you fund, whether it's
12 case management, et cetera, because of the closure
13 of the NYCHA senior centers?

14 LILLIAM BARRIOS-PAOLI: The answer
15 is yes, but the funding that we asked for from OMB
16 covers a per capita for the seniors that were
17 calculated would be affected by these closures.
18 So, you know, we will go meet with them, offer
19 them the additional services, but there is a per
20 capita attached to each one of those seniors that
21 we could then use to provide the services.

22 COUNCIL MEMBER MARK-VIVERITO:
23 Because I mean the concern is the impact that this
24 decision is going to have on an already fragile--

25 LILLIAM BARRIOS-PAOLI: Yes.

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2 COUNCIL MEMBER MARK-VIVERITO: --
3 social service safety net that we have in the
4 city, so I'm sure it's the same with, you know,
5 we're talking about OST cuts and now we have six
6 youth programs closing, youth centers in NYCHA, we
7 don't have enough slots, we're talking about, you
8 know, putting already a strained system further
9 under strain because of this unfortunate reality.
10 Would that be the same with you, Commissioner?
11 There's going to be a greater demand, obviously.

12 JEANNE MULLGRAV: There will be a
13 greater demand, but in terms of the numbers, we
14 believe that, although it will not be in the same
15 physical space, that we can absorb the 3,500 or so
16 young people that were served by NYCHA in these
17 centers.

18 COUNCIL MEMBER MARK-VIVERITO: Oh,
19 so then--okay. But and I'm sure--

20 [Crosstalk]

21 JEANNE MULLGRAV: [Interposing] So
22 that numbers will--

23 COUNCIL MEMBER MARK-VIVERITO: --
24 Chairman Lew Fidler will have--

25 CHAIRPERSON MENDEZ: [Interposing]

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2 You can absorb it for this fiscal year? This is...

3 [Off mic]

4 JEANNE MULLGRAV: Well if--

5 CHAIRPERSON MENDEZ: You can absorb
6 the--what did you call it, 3,500?

7 JEANNE MULLGRAV: Thirty five
8 hundred young people are served in 69 centers, and
9 so when we receive the \$18.5 million as is being
10 proposed here and keep open 45 centers, we are
11 fully confident that we'll be able to meet the
12 needs of at least 3,500 young people, knowing
13 that, you know, there may be some swapping.

14 Because when we look at where the centers are
15 located, there are OST programs, there are Beacon
16 programs, and so maybe somebody who's in a Beacon
17 program may say, well, there's something that's
18 going--a center that's going to be very much like
19 my Beacon program, I might go to that center, that
20 might create a spot in the Beacon program and so
21 on and so forth. And we really won't know how it
22 shakes out, but we're fully confident that we can
23 meet the numbers.

24 CHAIRPERSON MENDEZ: For the next
25 fiscal year.

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2 JEANNE MULLGRAV: For starting in
3 September. Starting in September.

4 CHAIRPERSON MENDEZ: September.
5 Until the end of the fiscal year--

6 JEANNE MULLGRAV: Absolute--

7 CHAIRPERSON MENDEZ: --'14.

8 COUNCIL MEMBER MARK-VIVERITO: Just
9 two last quick questions. So thank you,
10 Commissioner. To, Commissioner Paoli, for what
11 you had said, you talked about the per capita for
12 DFTA, so are we talking about that for all 37
13 centers?

14 LILLIAM BARRIOS-PAOLI: So we
15 calculate that in the, roughly, in the 37 centers--
16 -this is working with NYCHA--about 876 seniors
17 were being served. Our intention is to go to all
18 those locations, talk to the seniors, offering
19 them alternatives. Some of them will be frail and
20 so we feel that maybe home delivered meals will be
21 more appropriate. We will offer them
22 transportation. As I said before, there's a lot
23 of senior centers that are DFTA-sponsored that are
24 within at least--I mean, the maximum is a ten-
25 block radius, so we will offer them

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2 transportation. We understand that even if
3 they're three blocks away, for some seniors,
4 that's a long distance. So we will talk to them
5 and try to get a transportation--you know, figure
6 out what are the transportation needs and provide
7 it to them.

8 The four centers that most of those
9 centers, the space was small and to run a real
10 senior center and the number of seniors attending
11 was relatively small, so we feel that if we could
12 transport them to the larger centers and then run
13 four large senior centers well funded, we can meet
14 all of the needs of the seniors.

15 COUNCIL MEMBER MARK-VIVERITO:

16 Okay. Thank you for that. And then going just
17 back to the Section 8 issue, last issue on that.
18 When it says in our briefing paper, right, that
19 you're asking for this waiver of request from HUD,
20 if the waiver request is granted, NYCHA
21 anticipates not having to cut any existing
22 vouchers, however, they will be largely unable to
23 provide new vouchers to those on the Section 8
24 waiting list. So I guess my question is, one, how
25 many--how long is the waiting list; and, two, how

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2 many would you typically be able to serve that are
3 not going to be served now because of what's
4 happening?

5 CECIL HOUSE: So I think that the
6 information that you have may not be quite
7 correct.

8 COUNCIL MEMBER MARK-VIVERITO:
9 Okay.

10 CECIL HOUSE: So the funding, if we
11 had gotten this waiver from HUD at the beginning
12 of the year, yes, we would have been able to close
13 the entire gap, but as the year progresses and HUD
14 does not act on our requests for the waiver, our
15 ability to capture those funds in this year
16 actually goes. So at this point, if we get the
17 waiver from HUD, we are anticipating that it would
18 cover 3 million of our remaining 14 million gap.
19 And so we're looking to HUD to close that
20 remaining gap through their shortfall fund, as we
21 talked about earlier.

22 COUNCIL MEMBER MARK-VIVERITO:
23 What's the likelihood of that?

24 CECIL HOUSE: Well it's possible,
25 but HUD has not decided yet.

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2 COUNCIL MEMBER MARK-VIVERITO: And
3 when do you foresee the decision being made by
4 HUD?

5 JOHN RHEA: We want to be clear
6 that we have--we're going to make the request,
7 we've put in the waivers, but it is--first of all,
8 HUD has to make a decision that NYCHA is eligible
9 for it, and then after determining that we're
10 eligible for it, then they have to look at all the
11 requests that come in from all those housing
12 authorities that are eligible--

13 COUNCIL MEMBER MARK-VIVERITO:
14 [Interposing] In the same boat, they're going to
15 be in the same boat.

16 JOHN RHEA: And we're going to be
17 in the same boat, and it's only \$100 million fund,
18 and so there is a risk, obviously, A, for
19 eligibility; and, B, that the total request exceed
20 what's available to HUD. But if we just look at
21 what we are in terms of a percentage of the
22 Section 8 of the housing authorities and the
23 Section 8 budget, a 10 to \$14 million type request
24 would be consistent with our size, but that
25 doesn't mean we will receive it.

COUNCIL MEMBER MARK-VIVERITO:

Okay. Well, I mean, those are my questions for now. I mean, you know, this is becoming a house of cards because, you know, sequestration is going to affect all these different agencies unless--and whatever impacts one, it puts additional pressure on the others, as we're talking here to the commissioner of DYCD and DFTA, in already a fragile system that we've had because of all these cuts over the years. So, again, we're all in this boat together and we've got to figure out how we come collectively together to advocate. You know, we can't just say... I mean, it's hard for me to sit here, and I don't want us to be, you know, pitting ourselves against each other, and I think that that's what's happening and we're losing sight of the larger picture here--

CHAIRPERSON RECCHIA: Okay.

COUNCIL MEMBER MARK-VIVERITO: --

about why we're finding ourselves in this situation. So I would hope that we can, you know, figure out something that we can do collectively as a Council and this administration to fight on behalf of all of our constituents.

2 CHAIRPERSON RECCHIA: Okay. Thank
3 you very much, Council Member. We've been joined
4 by Council Member Karen Koslowitz. This time, I'm
5 going to turn it over to my co-chair, Rosie
6 Mendez.

7 CHAIRPERSON MENDEZ: Thank you. I
8 have a couple of questions here, and Council
9 Member Melissa Mark-Viverito started touching on
10 Section 8. In December of 2009, the Housing
11 Authority rescinded 2,500 vouchers. With HPD's
12 help, 1,000 of those 500 vouchers were restored.
13 There were 1,000 people whose vouchers were
14 rescinded, some of them were getting ready to sign
15 a lease, never got a voucher. So they still
16 haven't gotten a voucher--2013. So they're
17 probably never going to get a voucher, right?
18 They're not on the list and now this situation is
19 getting worse, 'cause you may need to rescind
20 1,200 vouchers in the near future of people who
21 already have vouchers in hand?

22 JOHN RHEA: Yeah, we're glad you
23 brought up the 2009 situation, which is why we
24 wanted to highlight for you the risk here in our
25 current Section 8 program. We highlighted back

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2 then that the recapture of NYCHA's reserves would
3 put potential voucher holders at risk and, sure
4 enough, that came to pass. And through the help
5 and partnership with the City, HPD, as well as the
6 state, DHCR, we are able to restore--create
7 synthetic vouchers for 1,500 of the 2,500 families
8 that were impacted. And I note at that time,
9 those were families who had just been deemed
10 eligible and who were searching for apartments,
11 but actually hadn't moved into apartment and were
12 receiving Section 8 subsidies. What we're talking
13 about today is even worse potentially. It's 1,200
14 people who are in apartments relying on Section 8
15 subsidies that will potentially have their subsidy
16 rescinded.

17 So we were concerned in '09 and our
18 concerns turned out to be founded. And as we talk
19 about the risk in December of running out of
20 money, it would not be for those who have a
21 voucher searching for a voucher, it would affect
22 families who are currently receiving Section 8
23 payments.

24 CHAIRPERSON MENDEZ: So many of
25 those 1,000 that were getting ready to sign leases

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2 were in homeless shelters, and so now this 1,200
3 are probably going to end up in homeless shelter.
4 Does anyone in the city knows how much it's
5 costing us to house those people in shelters? No.
6 No one knows. Well I could tell you this: This
7 is going to cause another problem for you because-
8 -well maybe under another mayor we'll have a
9 different policy, but currently, when you go to a
10 shelter and if you have someone who lives in
11 public housing, they double you up and they don't
12 allow you in a shelter. So you're going to see
13 multitude of problems on lots of levels.

14 Let me ask you this: Of the 9,600
15 households--page five--a reduction in the payment
16 standard will affect roughly 9,600 households,
17 raising each family's portion of their rent by an
18 average of 57 per month. Do you know and can you
19 tell me how many of those individuals on a public
20 assistance? As a former legal services attorney,
21 I can tell you that when your rent goes up, your
22 shelter allowance for PA does not go up. So that
23 means these individuals will not have a way of
24 paying that extra money and will end up being
25 taken to court by their landlord 'cause they're

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not paying that gap.

JOHN RHEA: I mentioned earlier that we are engaged with our partners and other levels of government to discuss ways in which they might help us with that, and one of the conversations that I referenced earlier is with the state around shelter allowance for Section 8. Again, you know, we're not here to tell you that there is, you know, that that may or may not come to pass, we just want to be clear--

CHAIRPERSON MENDEZ: Okay.

JOHN RHEA: --that we recognize your concern--

CHAIRPERSON MENDEZ: [Interposing] But you don't know at this point, recognizing my concern, how many of those individuals may be on public assistance?

JOHN RHEA: We can get you an exact number.

CHAIRPERSON MENDEZ: That would be helpful, and if you can get it to us by borough breakdown, because if this should come to pass, then all those individuals are going to go to legal services and Legal Aid and like to give them

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2 in each borough a heads up that their offices are
3 going to be inundated.

4 The 8,400 units that you were
5 supposed to transition to Section 8 that were in
6 your city and state developments that have now
7 been federalized, how many of those--it's less
8 than 2,900, how many of those units actually were
9 transitioned?

10 JOHN RHEA: Get you the exact
11 number, but it's less than 3,000 as you just
12 stated. And we have in our plan to--so something
13 that you're pointing out is that in NYCHA's plan
14 over the next five years, we have those remaining
15 5,000 apartments transitioning to Section 8.
16 Obviously, if vouchers aren't available, you can't
17 transition those apartments. So there's risk, not
18 only to the Section 8, availability of Section 8
19 to individuals, but there's risk in NYCHA's
20 ongoing plan that if we don't receive the revenues
21 from those vouchers in our public housing units
22 that have been reserved for, we will have strains
23 on our budget going forward that will exacerbate
24 this existing problem.

25 CHAIRPERSON MENDEZ: According to

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2 NYCHA's former plans, those units should have been
3 transitioned but have not been to date, and that
4 is--this is part of the problem?

5 JOHN RHEA: Well there's no doubt
6 about it that when the plan was initially put in
7 place, the anticipation was that all 8,400 units
8 would be transitioned by the end of 2011, that
9 didn't happen. It didn't happen. The program was
10 voluntary, we encouraged people to transition to a
11 Section 8 voucher, almost 3,000 people decided to
12 do it, many decided not to. So our plan going
13 forward had the remaining 5,000 being phased in
14 over a number of years. And the reality now is
15 that the unavailability of vouchers is the main
16 impediment beyond just the issue of working with
17 residents to make the transition.

18 CHAIRPERSON MENDEZ: Thank you.
19 Can you tell me how many senior buildings do you
20 have in your portfolio?

21 JOHN RHEA: We'll have to get you
22 the exact number. I mean, obviously, most of our
23 buildings have a large percentage of senior-headed
24 households, but--

25 CHAIRPERSON MENDEZ: [Interposing]

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2 Thirty-six percent of your residents are seniors,
3 you have like about 40 something senior-only
4 buildings or developments?

5 JOHN RHEA: We have both; we have
6 some senior-only buildings and some senior-only
7 developments, we'll have to get you the exact
8 number.

9 CHAIRPERSON MENDEZ: Okay. Of the
10 senior-only buildings or developments, how many of
11 them have a NYCHA-run center that's going to
12 close?

13 JOHN RHEA: Again, we'll have to
14 get you that number. All of the senior centers
15 are going to close, you are asking for a subset
16 that how many of those--

17 CHAIRPERSON MENDEZ: [Interposing]
18 Right, but we're talking about--

19 JOHN RHEA: --so how many of the...
20 Right, you're asking how many of the 37 centers,
21 the senior centers that will close--

22 CHAIRPERSON MENDEZ: [Interposing]
23 Are in senior--

24 JOHN RHEA: --are in senior-only--

25 CHAIRPERSON MENDEZ: --buildings.

2 JOHN RHEA: --buildings.

3 CHAIRPERSON MENDEZ: Senior-only
4 buildings.

5 JOHN RHEA: Have to get you that.

6 CHAIRPERSON MENDEZ: That, to me,
7 is critical 'cause you have--

8 JOHN RHEA: [Interposing] We think
9 it may only be one, Meltzer, but we will get you
10 the exact number.

11 CHAIRPERSON MENDEZ: Okay. That,
12 to me, so I'm thinking of Meltzer, right? I don't
13 want to make it about me, but I'm thinking of
14 Meltzer. Meltzer, where you're planning and fill
15 development, by the by, right? And was stranded
16 during Sandy 'cause it was Zone B and so we had to
17 go in there and do stuff, and NYCHA didn't send
18 anyone there. Over 100 units of seniors, I forget
19 how many, they would have to cross Houston Street
20 and Essex Street--two big, double, you know, two-
21 way streets--and/or First Avenue to try to get to
22 a senior center. And that's a big deal to cross
23 Houston alone, or Houston and Essex, or Houston
24 and First Avenue. And a lot of the seniors there,
25 we've been working on getting some food delivered

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2 there because they weren't leaving their building
3 at all. So that, the individuals who worked there
4 would no longer be working there; the other
5 services that are being given there wouldn't be
6 received, but you don't know if this is going to
7 happen in any other of your developments right
8 now.

9 MALE VOICE: [Off mic] DFTA

10 question.

11 [Long pause]

12 LILLIAM BARRIOS-PAOLI: I was not
13 aware that there were senior-only buildings that
14 had closures of senior centers. We had looked at
15 some of them that we knew had a density of seniors
16 and we had thought of maybe the most appropriate
17 thing would be to have a NORC located there, which
18 would provide them services and it wouldn't be
19 just a senior center, but it would have a health
20 component and case management and home delivered
21 meals, certainly, if they needed it. And so we
22 will absolutely go to all of them, to all 37, and
23 do a canvassing of all the seniors that attended
24 and gauge what the service needs are.

25 My sense is that in senior-only

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2 buildings, NORCs are more appropriate than just a
3 senior center because it's more comprehensive for
4 them because it's housing-based, and I think that
5 that's the kind of thing we would have to gauge.

6 CHAIRPERSON MENDEZ: Thank you.

7 Thank you, Mr. Chair.

8 CHAIRPERSON RECCHIA: Thank you.

9 Council Member Fidler.

10 COUNCIL MEMBER FIDLER: You know, I
11 try to find good news in a sea of bad news. I
12 will say that I do have greater faith in DYCD and
13 DFTA to run these programs than I do NYCHA. Now
14 the bad news is, are we going to be able to run
15 the programs. And I do understand this question
16 was not asked, but I think it is maybe the most
17 relevant question to me as we sit here trying to
18 do a budget for the City of New York. I
19 understand that the current proposal is that, of
20 the 69 community centers, that DYCD will pick up
21 45; and of the 37 senior programs, DFTA will pick
22 up 4. I'd like to know what the cost per is
23 should we decide to pick up all of them. So that
24 question would be to the two commissioners.

25 LILLIAM BARRIOS-PAOLI: So when we

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2 looked at all the centers, at the 37 centers, most
3 of the centers, except for the four that we
4 decided to pick up, the space in which they were
5 located was relatively small and the seniors that
6 were being served were certainly under 30 and by
7 and large, sometimes there were many fewer than
8 that. So we feel that we couldn't run fully
9 fledged senior centers doing that, and that's why
10 we sort of did not look at continuing to run those
11 and felt it was more appropriate to try to take
12 those seniors to centers that were within a few
13 blocks with transportation.

14 We also felt that maybe some
15 seniors, you know, were... Most of these centers
16 did not serve food so we felt that maybe those
17 seniors needed home delivered meals, and so we
18 will go and canvas that much.

19 It is difficult for me to say to
20 you what would it cost to run them because most of
21 these are not really senior centers, they're
22 spaces that have a staff person that works with
23 the seniors in different types of programs, if you
24 will, but it's not the kind of center that DFTA
25 runs.

COUNCIL MEMBER FIDLER: I

understand that, Commissioner, and I understand your reasoning and I know that you would serve every senior the best way that you possibly could, but I am asking the what if. And I recognize it doesn't fit your model, and maybe not even your standard of service, which goes back to my first point. But at least for the next year, on the average, if we were to maintain them under DFTA's jurisdiction, what would the cost, the approximate per center cost be?

LILLIAM BARRIOS-PAOLI: So I would have to go figure it out, but the kind of thing we could do would be to drop off meals from--you know, make them sort of a satellite from a larger center that is in the neighborhood, drop off meals, and have maybe a staff person from those agencies, you know, supervise some of the activities. We've done that in the past in some situations, particularly with some of the discretionary funding that the Council has made available, so we could certainly go and cost it out.

COUNCIL MEMBER FIDLER: So I don't

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mean to put you on the spot, you can't--

LILLIAM BARRIOS-PAOLI: Well--

COUNCIL MEMBER FIDLER: --hazard a
guess?

LILLIAM BARRIOS-PAOLI: --it's kind
of difficult. Our centers normally--

COUNCIL MEMBER FIDLER:
[Interposing] I won't hold you--

LILLIAM BARRIOS-PAOLI: --our
centers normally, the smaller neighborhood centers
cost approximately about \$300,000 a year, this
would be a much smaller version of that, so I
would say, you know, somewhere in the neighborhood
of \$100,000 if you want to keep them as a drop-off
meal site and maybe a staff person to make sure
that things are supervised and seniors are, you
know, have safety and taken care of.

COUNCIL MEMBER FIDLER: Okay.
Thank you. And Commissioner Mullgrav?

JEANNE MULLGRAV: Oh, it was on?
We too did that analysis and looked at all 69 and
looked at their SACC capacity, their--the
licensing that these centers would have to have
and off--immediately took off the list the 15 or

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2 so that had a capacity under 40 because it didn't
3 represent opportunities for comprehensive
4 programming. As you know, we do, not only the
5 younger children, but also the teens, as well as
6 adults and it is a robust community center. That
7 being said, we did look at the SACC capacity for
8 those that we didn't think were optimal for
9 programming. And in terms of the per participant
10 rates, figured that 5.6 million could cover the 24
11 centers that were not among the 45, it's something
12 like a total of 24 million if you include the 18.5
13 to run the 45 sites.

14 COUNCIL MEMBER FIDLER: So I want
15 to be sure I understood your answer. The cost of
16 covering the ones that were not going--not
17 planning on covering would be about 5.6 million?

18 JEANNE MULLGRAV: Yes. But, again,
19 we looked at them in terms of their capacity, they
20 were smaller centers, they didn't offer the
21 opportunities for comprehensive service and
22 quality services in the way that is our vision for
23 Cornerstone. They were also clustered next to
24 other centers so that you had some that were sort
25 of side-by-side and then we looked to see which

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2 center was in the best shape and needed the least
3 amount of capital investment. And so those
4 objective determinations were made in choosing the
5 45.

6 COUNCIL MEMBER FIDLER: No, I
7 understand, you know, the criteria that you used
8 to choose the 45 and understand the mission that
9 you were given, but if I could summarize the
10 answer that you've given and DFTA's given, in the
11 abstract, other issues notwithstanding, it would
12 cost about \$8.9 million to keep every senior
13 center open and every community center turned into
14 a Cornerstone. I am sure that there are issues
15 for both of you with doing some of that, maybe not
16 everywhere, but some places, but it just strikes
17 me that, you know, what's the size of our budget?
18 Sixty billion, seventy billion? We have done
19 everything we could during our tenure as the City
20 Council not to close senior centers and youth
21 programs, and the price tag for making sure that
22 we maintain that good faith is not exorbitant. I
23 know that both of you will work with our finance
24 staff to really drill down on the places where it
25 might actually be impossible, or for some other

1
2 reason, ridiculous, to do so. But at least this
3 Council Member believes that somewhere, somehow if
4 the maximum price tag is \$8.9 million, we should
5 find the way.

6 And the irony is for the people who
7 were being served now, they will be served better
8 when your agencies are running those programs
9 'cause that is the mission of your agency to do
10 that and I have every faith that both of you do it
11 very, very well. I'm afraid I can't necessarily
12 say the same for NYCHA, but I know that this is
13 your business and these people will be better
14 served. Now it's our responsibility to work
15 together to find the money in a \$70 billion budget
16 to make sure that these places stay open. Thank
17 you.

18 CHAIRPERSON RECCHIA: Thank you.
19 Council Member Mealy.

20 COUNCIL MEMBER MEALY: Good
21 afternoon. The BCG report recommended identifying
22 areas of cost saving and creating relations so
23 that other organizations can operate these
24 centers. The recommendations would generate 5
25 million and in savings from efficiency and 45

1
2 million in saving by having third-party operate
3 them. What have you really implemented to try to
4 have third parties take over the centers?

5 Everybody can't answer at once.

6 JOHN RHEA: A couple of things.

7 Based upon the findings of the--

8 COUNCIL MEMBER MEALY:

9 [Interposing] What have you implemented, first?

10 MALE VOICE: We have a tour from
11 the--

12 JOHN RHEA: [Interposing] Based on
13 the findings in the BCG report in our budget that
14 we presented to you earlier this year and part and
15 parcel of what we're presenting today in terms of
16 describing our gap, we have roughly \$50 million of
17 savings in our budget that are a direct result of
18 the actions that BCG recommended. So NYCHA is
19 aggressively moving on the recommendations and
20 many other recommendations that our staff has come
21 up with and our partners in labor. So we are
22 moving on that.

23 Additionally, what's being
24 described here today is absolutely consistent with
25 the recommendations in the BCG report, which is to

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2 have third parties operate them. It's not why
3 we're pursuing this, we're pursuing this for
4 financial reasons in terms of closures of our
5 centers. But the fact that the City of New York
6 through DFTA and DYCD are stepping in to build on
7 a program that they already have, either on DFTA's
8 part with running senior centers at NYCHA
9 locations or accommodating NYCHA seniors at non-
10 NYCHA locations, and what Commissioner Mullgrav
11 has described as an expansion of Cornerstone,
12 obviously is consistent with third parties
13 operating those centers because both of their
14 models are models in which community-based
15 organizations and other providers provide the
16 direct services.

17 COUNCIL MEMBER MEALY: I'm sorry, I
18 was kind of late coming, so we trying to fill a
19 gap of 202 million?

20 JOHN RHEA: Two hundred and five
21 million.

22 COUNCIL MEMBER MEALY: Two hundred
23 and five million, so that's 50 million. And you
24 feel with outsourcing all our city jobs can save
25 money also.

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2 JOHN RHEA: I don't think we
3 suggested that and we have not said that,
4 suggested that, and that's not a driver of
5 anything that we presented here today from NYCHA--

6 COUNCIL MEMBER MEALY:

7 [Interposing] With NYCHA, I know NYCHA have some
8 outsource jobs working in NYCHA buildings. With
9 the layoffs that you are intending to do, how many
10 of those outsourcing entities will be laid off
11 also or fired? That can save the city money?

12 [Long pause] I have two other questions, Chair.

13 JOHN RHEA: In our properties, the
14 vast majority of the work, the day-to-day work is
15 provided by NYCHA employees, our maintenance
16 workers, our caretakers, our skilled tradesmens
17 work very, very hard to provide services to our
18 residents. To the extent that they do not have
19 the skill capabilities, for example--

20 COUNCIL MEMBER MEALY:

21 [Interposing] You saying we don't--

22 JOHN RHEA: --for example--

23 COUNCIL MEMBER MEALY: --the labor
24 do not have the skills that the outsourcing--

25 JOHN RHEA: [Interposing] No, no,

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no--

COUNCIL MEMBER MEALY: --entities--

JOHN RHEA: --what I'm saying is is there are sometimes unique instances in which we need special skills, for example, to fix, you know, complicated intercom systems, that is a service that we outsource, we purchase the repairs to some of our more challenging intercom systems, that we will continue to do that. However, in the plan that we put together, there are areas in which we will make reductions in costs for our third-party contracting.

CHAIRPERSON MENDEZ: I'd like to take one moment right now to say we have some special guests in the chambers today. The Academy of St. Joseph has brought some third graders located in Manhattan. Gentlemen--

[Applause]

CHAIRPERSON MENDEZ: --welcome to the chambers of the New York City Council, thank you for being here. Council Member Mealy.

COUNCIL MEMBER MEALY: Thank you. So I'm back to what our chair had just spoke about, some of the senior centers only. With some

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2 of the senior centers, we have been providing
3 lunch for them, so that's not a cost to some of
4 the senior centers. I know I have been doing it
5 with Marcus Garvey now going on three years and it
6 only costs like 28,000 to feed the seniors. So
7 closing a senior center in which sometime that's
8 their only lively interaction with people. Do you
9 really feel that would be the best thing for the
10 New York City here?

11 JOHN RHEA: No.

12 COUNCIL MEMBER MEALY: So is there
13 any other way we can try to not close these
14 centers? Maybe if we take half of the--we don't
15 want any layoffs, but half of the layoffs and then
16 if the Council could put money into some of the
17 senior centers themselves, do you think that we
18 can maybe save half of them? And I have one other
19 question.

20 JOHN RHEA: I think I'd like to
21 turn this one over to my colleague, the
22 commissioner of DFTA, but I will say that we are
23 very appreciative, as NYCHA, that the City is
24 working diligently to find a programmatic solution
25 to a very unavoidable problem. And I'd like to

1
2 turn it over Commissioner Paoli.

3 LILLIAM BARRIOS-PAOLI: So I think
4 we have to think of the two things as separate. I
5 know it's hard to do that, but NYCHA's closing the
6 centers. And I think the second question is how
7 can DFTA step up and do the best job that we can
8 in serving the seniors that are going to be
9 impacted. And we have come up with a proposal
10 that included keeping four centers open, and then
11 providing transportation and other services to the
12 other seniors. Clearly, nothing is written in
13 stone, I mean, I'm very open to having a
14 conversation and figuring out if there are better
15 ways of doing it. So that, you know, we believe
16 that with the proposal that we have, we would
17 continue to serve all of those seniors in an
18 appropriate way. I am happy to enter into a
19 dialogue with the Council to see if there's things
20 that you have particular concerns and how we can
21 address that.

22 COUNCIL MEMBER MEALY: Okay.
23 Commissioner, how much money would you raise by
24 selling a NYCHA vacant lots? That I know CAMBA
25 [phonetic] just sold--you just sold a vacant space

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2 in Van Dyke. How much money would you get from
3 that selling? And the parking spaces. You raised
4 that rent--no, you sold it to a outside entity,
5 the parking?

6 JOHN RHEA: Couple things just--

7 COUNCIL MEMBER MEALY:

8 [Interposing] How much would you raise for that?

9 JOHN RHEA: --just for
10 clarification--

11 COUNCIL MEMBER MEALY: To fill this
12 gap?

13 JOHN RHEA: For clarification, you
14 referenced, I think, the recent increases in
15 reserve parking spaces that NYCHA has implemented
16 to roughly 300 to \$400 a year for residents.

17 COUNCIL MEMBER MEALY: But didn't
18 you sell it?

19 JOHN RHEA: Let me finish. No, we
20 did not, and so I want to be very clear--

21 COUNCIL MEMBER MEALY:

22 [Interposing] So you lease it.

23 JOHN RHEA: --we have not--we are
24 not even leasing our parking facilities, NYCHA
25 still owns them, we still control them, we have

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2 not leased out the actual physical parking spaces.
3 We have contracted with a provider to help us
4 manage the parking program, but that's very
5 different than--

6 COUNCIL MEMBER MEALY:

7 [Interposing] And in NYCHA, we have no other
8 management company in NYCHA that could have
9 managed that--

10 [Crosstalk]

11 JOHN RHEA: [Interposing] We were
12 managing--

13 COUNCIL MEMBER MEALY: --

14 outsourcing?

15 JOHN RHEA: --them and we were not
16 managing them well and we were expensive in our
17 management of them. And as many of the things
18 that you pointed out, whether it's the BCG report
19 or other initiatives that NYCHA is taking, we are
20 finding opportunities to be more efficient in how
21 we operate. Many cases, that's using our own
22 employees more effectively, and in some select
23 situations, as the general manager suggested,
24 third parties can manage them more efficiently
25 than we can internally.

2 COUNCIL MEMBER MEALY: So how much
3 would you raise with selling a vacant parking--

4 [Crosstalk]

5 JOHN RHEA: [Interposing] So those
6 are different questions. So the first one that
7 you asked about, which is the management of our
8 reserve parking facilities is a different
9 question. In terms of developing our land which
10 we've laid out--

11 COUNCIL MEMBER MEALY:

12 [Interposing] How much do you think you're going
13 to raise from that, the parking? You never
14 answered that question either.

15 JOHN RHEA: It's less than a
16 million dollars. That is not--

17 COUNCIL MEMBER MEALY:

18 [Interposing] Every million counts--

19 JOHN RHEA: No--

20 COUNCIL MEMBER MEALY: --that we
21 need to know.

22 JOHN RHEA: --agreed, we couldn't
23 agree with you more, which is why we did it. But
24 the point is, we are not, you know, aggressively
25 raising our parking--what we charge residents for

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2 parking in order to have some massive revenue
3 inflow to NYCHA. We recognize that public housing
4 residents are of limited income and we try very
5 carefully to minimize the impact on them with the
6 changes in our parking program.

7 Having said that, we believe that
8 there is a tremendous, hundreds of millions of
9 dollar opportunity in the development of our land,
10 which will ultimately equate to billions in
11 capital repairs to public housing. And we've--

12 COUNCIL MEMBER MEALY:

13 [Interposing] We're not talking about capital
14 repairs.

15 JOHN RHEA: That's what we have
16 decided is the best use of the revenues that we
17 would generate from leasing, ground leasing our
18 land or, in the case where you referenced a number
19 of situations where we've sold the land--

20 COUNCIL MEMBER MEALY:

21 [Interposing] Oh, ground lease.

22 JOHN RHEA: --for the development
23 of new housing, we have principally earmarked that
24 money for capital investments to preserve public
25 housing.

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2 COUNCIL MEMBER MEALY: And we
3 couldn't take 205 million out of the billion that
4 you will be ground leasing on NYCHA development
5 vacant space and you feel it would not be worthy
6 to just put 205 million in instead of closing all
7 these senior centers that seniors who have been
8 the backbone of America. And here it is with the
9 ground leasing of these parking lots, you're going
10 to make billions, did you not say billions? And
11 you're just putting it all in capital.

12 JOHN RHEA: So, number one, there
13 is a real timing issue. The proposals that we
14 have around ground leasing our land and developing
15 it will not begin to produce money within this
16 budget. So we're talking about \$205 million this
17 year. So that's the first point.

18 Second point is, we can't spend the
19 same dollar multiple times. We have over \$6
20 billion of unmet capital needs. If we can't find
21 ways to make those investments in public housing
22 buildings, we will be in here having a very
23 different conversation, which is about how do we
24 house 650,000 people who rely on NYCHA because the
25 buildings are no longer being preserved.

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2 So we believe in a world of very
3 scarce resources and difficult choices,
4 preservation of our buildings and preservation of
5 providing housing is our priority and our core
6 mission.

7 COUNCIL MEMBER MEALY: Well they
8 came so late 'cause half of the people have been
9 waiting for maintenance for years, and all of a
10 sudden now you feel that to take away the seniors
11 place where they congregate and almost stay alive,
12 that that would be a great way to do your
13 shortcomings from not taking care of the buildings
14 for years. So I just think this is really bogus--

15 JOHN RHEA: Well--

16 COUNCIL MEMBER MEALY: --'cause
17 seniors have been here doing what they supposed to
18 do, paid their taxes, and all of a sudden now,
19 here it is an opportunity for them to just stay
20 connected with society, and here is the
21 administration come and saying no, we going to
22 have you back in your house, never come outside.
23 That is wrong, and that's all I have to say right
24 now.

25 JOHN RHEA: We share your--

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2 COUNCIL MEMBER MEALY: We going to
3 have to find another way to do this.

4 JOHN RHEA: We share your
5 frustration, but we would take issue with your
6 characterization that the reason why we are not
7 maintaining public housing is because--

8 COUNCIL MEMBER MEALY:
9 [Interposing] If a wait list is ten years.

10 JOHN RHEA: --we have money to do
11 so and we're not doing it. The 6 billion of unmet
12 capital needs are a direct result of Congress not
13 providing the funds to make those investments,
14 number one.

15 Number two, we're talking about
16 \$205 million in cuts on top of hundreds of
17 millions of dollars in operating cuts that have
18 come before this that we've outlined for this
19 Council many times.

20 And third, we have maintained
21 senior and community center programs because of
22 the fact that we view them as important and
23 valuable to our residents, even though Congress
24 provides us with no funding stream to run those
25 programs.

2 COUNCIL MEMBER MEALY: Congress,
3 okay.

4 CHAIRPERSON MENDEZ: Thank you,
5 Council Member Mealy. We've been joined by
6 Council Member Steve Levin from Brooklyn; Council
7 Member Sara Gonzalez from Brooklyn; and Council
8 Member Margaret Chin from Manhattan.

9 Council Member Cabrera, to be
10 followed by Maria Carmen Arroyo.

11 COUNCIL MEMBER CABRERA: Thank you
12 so much to both chairs or commissioners, welcome.
13 Let me just echo what Council Member Viverito has
14 said and... Look, to me, first of all, it's
15 unfortunate that you have to become the lightning
16 rod for something that you did not cause. You did
17 not cause this problem. And I want to start so
18 you understand my motive of the line of questions
19 I'm going to have.

20 I think we need to be clear that
21 the City did not cause this problem, this is a
22 federal issue. You have come year after year, I
23 listened very carefully to what you have said,
24 Commissioner, every year, the federal government
25 keeps cutting, the state keeps cutting, and it

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2 comes to a point where the City can only do so
3 much.

4 Having said that, we having here at
5 a--we have the problem and we have to deal with
6 the problem. So I want to go back to the whole
7 police issue. What services--maybe let me ask
8 this way, what services will not be provided if
9 NYCHA will not pay the 100 and something million
10 dollars for the extra services?

11 JOHN RHEA: Yeah, I would like to
12 refer us back to the merger report, which details
13 the services because I would just be giving you
14 anecdotes.

15 COUNCIL MEMBER CABRERA: But that
16 report, it comes yearly, right?

17 JOHN RHEA: Correct.

18 COUNCIL MEMBER CABRERA: So you
19 have last year's.

20 JOHN RHEA: Correct.

21 COUNCIL MEMBER CABRERA: So based
22 on last year's report, which I have not had the
23 opportunity to look at, looking forward to reading
24 it, what services there are listed that--

25 JOHN RHEA: [Interposing] Okay. So

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2 there are a range of things, the deputy budget
3 director mentioned, for example, vertical patrols,
4 that's--yes, vertical patrols, up and down our
5 stairwells--

6 COUNCIL MEMBER CABRERA: Okay.

7 JOHN RHEA: --we're a vertical city
8 in public housing. Secondly, they do patrols on
9 our rooftops. Third, they issue summonses inside
10 of our buildings when they're doing those vertical
11 patrols and they come across someone who's either
12 trespassing or they come across someone who's
13 engaged in illicit activity, whether that's drug
14 activity or something else, they issue summonses
15 and perform arrests on the private property
16 premises. Third, they issue summonses to
17 illegally parked vehicles on NYCHA's private
18 property, right? Not on streets, but inside of
19 our parking lots. Fourth, they detail broken
20 windows, broken--or incorrectly operable doors and
21 intercoms, immediately they issue that to NYCHA's
22 management team so that we can dispatch someone to
23 repair a breach in security, like a door. I can
24 go on, but there's a range--

25 COUNCIL MEMBER CABRERA: Okay.

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2 JOHN RHEA: --of things that the PD
3 does for NYCHA as a landlord that they do not
4 provide for other landlords.

5 COUNCIL MEMBER CABRERA: So,
6 Commissioner, I have to tell you, at least in my
7 experience in my district--and, again, this is not
8 an attack, it's an observation, I'm trying to be
9 constructive here--the police officers do not go
10 up and down our buildings. I have three NYCHA
11 complex. At the very best, whenever they are
12 there, they're not there every day, whenever
13 they're there, they're there by the door perhaps,
14 or they're hanging out in the corner. I don't see
15 them going up and down. It'd be interesting to do
16 an internal investigation to have somebody follow
17 each of the building, have somebody undercover and
18 see are we really getting the services for what
19 you're paying for.

20 Let me get back to the youth
21 services. The \$18 million will cover 44--remind
22 me again? Forty--

23 JEANNE MULLGRAV: [Interposing]
24 Forty-five.

25 COUNCIL MEMBER CABRERA: Forty-five

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2 youth centers. How much are we paying now for the
3 same amount of young people that are receiving
4 services in NYCHA?

5 CECIL HOUSE: For the community
6 centers and the senior centers, we are paying--

7 COUNCIL MEMBER CABRERA:
8 [Interposing] For the 45.

9 CECIL HOUSE: Oh, for the 45.
10 Yeah, we'd have to get you that number, we haven't
11 broken them out specifically.

12 COUNCIL MEMBER CABRERA: Okay. I
13 would think that will be important. I'm trying to
14 figure out are we paying more; are we paying less;
15 is this going to be a bargain now? Are we going
16 to be paying less now? Can you all at least
17 estimate? Is this a savings? Does anybody know?

18 CECIL HOUSE: Sure. So we expect
19 that DYCD, and the commissioner can actually
20 address this, will serve more people in the
21 individual locations than we currently do. So on
22 a per capita basis, it is likely to more
23 efficient. But one of the purposes for this
24 exercise as we've gone through it was to determine
25 the most efficient and effective way to provide

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2 these services and we've always thought that DYCD
3 would--given that that's their core mission, would
4 be the most efficient and effective service
5 provider.

6 COUNCIL MEMBER CABRERA: So then I
7 go back to the administration, if we're getting a
8 bargain, if we're getting a discount, why--you
9 know, I have seen in the four years that I've been
10 here, whenever we needed to find money, for some
11 reason, the money shows up. We're building \$100
12 million--and I'm all for it, I thought the mayor
13 was genius in coming up with this plan and having
14 the engineer par excellent university at Roosevelt
15 Island, I think we need to be the Mecca of
16 technology, but it just baffles me is that there's
17 always money for the things that the mayor wants
18 to happen. But then when it comes to the little
19 people, when it comes to the vulnerable people,
20 when it comes to the youth, and every year that
21 I've been here--and maybe the Council Members that
22 have been here for 10, 12 years, they could tell
23 you better than I, it just seems that the target
24 groups is always the young people and the elderly.
25 And I don't understand why we cannot find the

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2 extra--we're not talking to the youth what is an
3 extra \$5 million? Why can't we... Five million, in
4 the \$70 billion, we can't find five extra million
5 dollars? We just had a major victory with the
6 liveries, we're going to get another billion
7 dollars. I mean, can't we just--I don't
8 understand how OMB cannot find that extra \$5
9 million.

10 And then also when it comes to the
11 senior center, and let me just say, just to be
12 fair and balanced, I commend for the 44, you know,
13 I'm not going to be an extremist here, for the
14 effort, but I think that we can do better because
15 we are better and this is New York City and we
16 could do it. I don't know if you want to respond
17 to that.

18 MICHAEL DARDIA: Well just to note
19 that the plan that the DYCD and DFTA came up with
20 serves everyone currently served. So that's what
21 the plan was meant to do is to preserve the
22 services to those participants.

23 COUNCIL MEMBER CABRERA: All of the
24 seniors are going to be cover?

25 MICHAEL DARDIA: That's correct.

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2 JEANNE MULLGRAV: We will be
3 serving--

4 CHAIRPERSON RECCHIA: [Interposing]
5 Please put your mic--

6 JEANNE MULLGRAV: [Interposing] We
7 will be serving, for example, 9,500 participants,
8 but in 45 centers, not in 69 centers.

9 COUNCIL MEMBER CABRERA: So just so
10 I could be clear, maybe I misunderstood, and if I
11 did, my apologies. You're saying that every
12 single senior and every single youth will be
13 covered, it just in less locations, is that
14 correct?

15 JEANNE MULLGRAV: Yes.

16 COUNCIL MEMBER CABRERA: Okay.
17 Have we been able to estimate how far the centers
18 will be from the NYCHA buildings?

19 JEANNE MULLGRAV: We did our
20 analysis looking at other centers and the
21 clustering of centers, so we don't anticipate it
22 being far. I think Aging has more definitive...

23 COUNCIL MEMBER CABRERA: I'm sorry,
24 Commissioner, I don't know what not far means, I
25 know you have a 3 o'clock, a presentation?

2 LILLIAM BARRIOS-PAOLI: No, yeah,
3 we--

4 JEANNE MULLGRAV: [Interposing]
5 That will involve mapping and--

6 CHAIRPERSON MENDEZ: [Interposing]
7 Can you say that into the mic?

8 JEANNE MULLGRAV: Sorry. At 3
9 o'clock, we will go site by site and look at the
10 mapping and look at what other centers are
11 available, which centers will be open, and which
12 centers will be closed so that we can, you know,
13 specifically look at each center.

14 COUNCIL MEMBER CABRERA: Have you
15 averaged out what's the average distance once you
16 analyze? I'm sure you did an analysis of the
17 NYCHA buildings in comparison to where they're
18 going to have to go, what's the average distance
19 now they're going to have to travel?

20 JEANNE MULLGRAV: We did that, but
21 we don't have a figure at this time.

22 COUNCIL MEMBER CABRERA: You did
23 the research but you don't have a figure here, or
24 would it be available at 3 o'clock this afternoon?

25 JEANNE MULLGRAV: I don't have how

1
2 many blocks, but we did that in determining which
3 centers would be viable and which centers wouldn't
4 be.

5 CHAIRPERSON MENDEZ: Commissioner
6 Mullgrav, can I interject and just add when you
7 did that, you're going to now be consulting
8 Council Members because when we started the
9 Cornerstone initiative all those years ago, what
10 happened is one site was chosen and like in Upper
11 Manhattan, it was up on a hill and people from
12 down on the hill couldn't get up there, even
13 though it seemed like it was just two blocks away.
14 There are certain districts where there are turf
15 wars and certain youth cannot go past into a
16 certain block otherwise they will be targeted from
17 the other youth on that block. So you're going to
18 get all of that information and incorporate that
19 into your analysis. And you're also going to look
20 at NYCHA standalone census tracts, as opposed to
21 the whole district because my condos on Avenue D
22 changes the outcome for my NYCHA residents on
23 Avenue D and I've lost a lot of youth funding and
24 CDBG funding--

25 COUNCIL MEMBER CABRERA: That's a

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good point.

CHAIRPERSON MENDEZ: --as a result.

JEANNE MULLGRAV: We did not do a poverty analysis, it really was looking at which facilities could serve more than 40 and which facilities could serve less than 40, and then what were the capital needs of a given location in terms of being able to get SACC licensed and those kinds of determinations. It didn't go to that level of--

[Crosstalk]

COUNCIL MEMBER CABRERA:

[Interposing] My last question--

CHAIRPERSON MENDEZ: [Interposing]

And did you look at topography as--

JEANNE MULLGRAV: Yes.

CHAIRPERSON MENDEZ: --an issue?

JEANNE MULLGRAV: We did. But, again, you know, the main factor I would say is really being able to serve as many kids and adults as possible and really being true to the Cornerstone model, which is a comprehensive model and a community center. And some of them are, as was described, really just, you know, rooms.

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2 And, you know, the other thing that
3 we didn't talk about is even though it would be
4 5.6 million in programmatic expenses, that does
5 not include contract managers because to the
6 extent that you have small sites, you need more
7 staff to be able to visit those sites. So if
8 there is only ten people, even those ten people
9 are certainly benefiting from services, that means
10 that my oversight staff increases because they
11 have more sites to visit.

12 CHAIRPERSON RECCHIA: So you have
13 to hire more people?

14 JEANNE MULLGRAV: I have to hire
15 more people--

16 CHAIRPERSON RECCHIA: [Interposing]
17 Is it possible that we could take those--

18 JEANNE MULLGRAV: --to visit sites
19 that may have, you know, very few people.

20 CHAIRPERSON RECCHIA: Is it
21 possible that--

22 JEANNE MULLGRAV: You know, even
23 though I know that they are benefiting.

24 CHAIRPERSON RECCHIA: --is it
25 possible that we could hire those NYCHA workers

1
2 who are--might be facing layoffs to join your
3 staff and retrain them, is that possible?

4 JEANNE MULLGRAV: I think there
5 are, you know, there are certainly funding hurdles
6 that would need to be overcome. And civil--

7 CHAIRPERSON RECCHIA: [Interposing]
8 Well you just said you're going to hire more
9 people so I'm looking to--

10 JEANNE MULLGRAV: --civil service
11 hurdles. We do have seasonal staff that do some
12 of that work, for example, with our Summer Youth
13 Employment programs where some of the hiring is
14 more flexible. But for the most part, it is
15 through the civil service structure, and so, you
16 know, that would have to be addressed as well.

17 CHAIRPERSON RECCHIA: All right, I
18 just want all my colleagues to be clear is that if
19 we're able to find the money for this, we still
20 have another issue of 500 workers facing a layoff,
21 and that is an issue that we always have to keep
22 in back... And all this sounds great saying you
23 sent this, saving this, but we also have 500
24 people facing layoffs, and that is a problem.
25 Okay. Are you finished, Council Member?

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COUNCIL MEMBER CABRERA:

[Interposing] No, I just have--

CHAIRPERSON RECCHIA: One question?

COUNCIL MEMBER CABRERA: Yes, one question, and a quick follow up with that. Can there be given priority in terms of interviews for those 500 workers? Obviously, they will have to qualify and so forth. And my other question is, is there a plan in place for transportation for young people and for seniors and now they're going to have to leave where they are accustomed to, 'cause, you know, they were right there in the premises to now be able to have to travel a mile or so, especially when it comes down to the seniors.

LILLIAM BARRIOS-PAOLI: Right, for the seniors, yes, we have a transportation plan and we will be meeting with the specific seniors in each center that's slated to be closed to provide them alternative services and transportation. The other piece is that we... You know, when you're talking about the staff, the NYCHA staff, there are civil service titles, there are civil service lists, so even if you want to

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2 give them priority, you can't always do it within
3 the construct of civil service law, and I think
4 that that's something to be conscious of. Even
5 they may be in the same union, they're in
6 different civil services tracks and lists and all
7 of that, and I think that that would be an
8 obstacle to just move them from one place to the
9 other.

10 COUNCIL MEMBER CABRERA: But at
11 least to--and I understand--but at least for
12 notices to go to them, anything that--

13 [Crosstalk]

14 COUNCIL MEMBER CABRERA: --could be
15 proactive to be--

16 LILLIAM BARRIOS-PAOLI: Yeah, of
17 course.

18 COUNCIL MEMBER CABRERA: --given to
19 them so they don't say I didn't know, I didn't
20 find out about it, 'cause, you know, it's a scary
21 thing losing a job, especially during this time.

22 Commissioners--

23 LILLIAM BARRIOS-PAOLI: I just
24 wanted--

25 COUNCIL MEMBER CABRERA: Yes.

1
2 LILLIAM BARRIOS-PAOLI: --to one
3 thing, I mean, we have 71 centers already, DFTA
4 centers in NYCHA property, so we have a very big
5 presence in NYCHA development. Most of the
6 centers that are closing are within two or three
7 blocks from other DFTA centers; there are some
8 that are not, and those we took into account and
9 those are the ones we're going to reemphasize
10 transportation. Look, for any senior leaving the
11 place they're familiar with to go to an unfamiliar
12 place is an issue and we're cognizant of that and
13 we'll try to work with that.

14 COUNCIL MEMBER CABRERA: Well thank
15 you--

16 CHAIRPERSON RECCHIA: Okay.

17 COUNCIL MEMBER CABRERA: --so much,
18 I know you don't have any easy task. Many of us
19 here want to work together and the more
20 information that we receive and we could be
21 helpful, I think the better outcome we will have.
22 Thank you so much.

23 CHAIRPERSON RECCHIA: All right,
24 thank you, Council Member. It'll be Council
25 Member Arroyo, then Council Member Gonzalez.

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2 COUNCIL MEMBER ARROYO: Thank you,
3 Mr. Chair. Good afternoon, I'm not happy to see
4 you here, Commissioners. Usually I am 'cause
5 we're having a much different conversation. Five
6 hundred layoffs, civil service issues. This is
7 one city and my sense is that we're talking about
8 very same union. What are the civil service
9 issues. And does the 5.6 million in DYCD not able
10 to cover the staff that is affected by NYCHA
11 closing the centers or shifting people to DYCD or
12 DFTA?

13 LILLIAM BARRIOS-PAOLI: So I'm just
14 going to attempt to answer it briefly. I was city
15 personnel director many years ago, so,
16 unfortunately, I do know more about civil service
17 than probably I should.

18 COUNCIL MEMBER ARROYO:
19 Fortunately.

20 LILLIAM BARRIOS-PAOLI: So there
21 are two key things. One is that neither DFTA nor
22 DYCD does services directly, so our services are
23 not done through civil servants, they're done
24 through contracts with not-for-profits. So if the
25 NYCHA were to come--were to be slated to do that

1
2 work, they would have to go to work for a not-for-
3 profit, which means that they would have different
4 benefits, different salary structures, and so on,
5 which, you know, it's, for somebody who's worked
6 in a place for many, many years is a very
7 difficult thing to do.

8 The issue is not of them belonging
9 to a union, I believe DFTA and DYCD are
10 represented by Local 371, just as this NYCHA
11 workers are, it's just that they have taken
12 different civil service tests. For example, the
13 people in DFTA that monitor contracts are program
14 officers; the people at DYCD that monitor
15 contracts are contract managers. They're in
16 different civil service lists, they take different
17 civil service titles.

18 There are ways that you can move
19 one to the other, you can 619 people and so on,
20 but you have to do it within a--you know, it's a
21 process that you have to undergo. I don't know
22 what the titles are in NYCHA for the workers that
23 are slated to be laid off, but we would have to
24 look at their job description and see if they fit
25 within the parameters of what--

2 [Crosstalk]

3 COUNCIL MEMBER ARROYO:

4 [Interposing] So the process just requires will.

5 LILLIAM BARRIOS-PAOLI: Yes, of
6 course, and I--

7 COUNCIL MEMBER ARROYO:

8 [Interposing] That's all it requires.

9 LILLIAM BARRIOS-PAOLI: Yes, and I-
10 -

11 COUNCIL MEMBER ARROYO:

12 [Interposing] It requires that we agree that
13 people who moved, not physically, because,
14 ideally, they continue to work in the centers that
15 they're currently working in. But does the dollar
16 amount that both DYCD and DFTA have quoted to be
17 able to--for DFTA to run four combined sites and
18 DYCD to run 45 sites, that assumes a lower salary
19 for the staff that would be required to cover
20 those 49 sites?

21 JEANNE MULLGRAV: As the
22 commissioner laid out, because these are
23 nonprofits that we would contract with, these are
24 separate entities that really set their own
25 salaries and their own staffing structure. We

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2 will be making sure, of course, that there is the
3 appropriate staff-child ratio and other kinds of
4 things around licensure, but for the most part, we
5 are not heavy handed because it would be
6 inappropriate for us to be heavy handed in terms
7 of forcing them to hire anyone.

8 That being said, I think we should
9 do and will do everything in our power to
10 facilitate conversations and opportunities between
11 our nonprofit providers and staff who are looking
12 to work in them. We can do job fairs; we can make
13 résumés available; we can do meet and greets; we
14 can make sure that the nonprofits are fully aware
15 of the staff who might want to work there.

16 COUNCIL MEMBER ARROYO: So as a
17 matter of routine, DYCD or DFTA do not set the
18 parameters for what titles are included in a
19 contract and what those titles... I mean, the union
20 has a range, right? The union covered titles,
21 there's a minimum of, a maximum of, and stuff in
22 between. The contracted providers don't have a
23 floor that they have to bring people at in terms
24 of salary and a ceiling that they can pay for the
25 same titles.

2 LILLIAM BARRIOS-PAOLI: No, but we
3 do ask them to hire people with certain given
4 skills or certain, like, degrees and job
5 description--

6 [Crosstalk]

7 COUNCIL MEMBER ARROYO:
8 [Interposing] So it's up to the provider to set
9 the parameters for that salary, not--

10 JEANNE MULLGRAV: Yes.

11 COUNCIL MEMBER ARROYO: --guided by
12 any advice or direction that the agency gives
13 them.

14 JEANNE MULLGRAV: Now, of course,
15 we do review the budgets, and if, for example, we
16 anticipate that the average contract would be
17 357,000, if we saw, for example, that all of the
18 money went to one director with a very, very
19 exorbitant salary, we would certainly have a
20 conversation around that. So I don't want to
21 imply that we are not reviewing these budgets, but
22 they are really driven by the nonprofit
23 organization, and also, again, by the licensing
24 requirement in terms of what the staff ratio needs
25 to be. So we want to make sure that for every ten

1
2 kids or so, there is an adult in the room. We
3 also will mandate a full-time director based on--

4 COUNCIL MEMBER ARROYO: Okay.

5 JEANNE MULLGRAV: --some of the
6 numbers. So--

7 COUNCIL MEMBER ARROYO:

8 [Interposing] So let me then--I get that, I
9 understand it.

10 LILLIAM BARRIOS-PAOLI: Okay. But
11 to what you were saying is that, you know, for
12 example, if we require that they have a [off mic]
13 on board, some agencies pay [off mic] as 35,000 a
14 year, some pay them \$45,000 a year.

15 COUNCIL MEMBER ARROYO: Okay.

16 LILLIAM BARRIOS-PAOLI: Some of it
17 has to do with experience.

18 COUNCIL MEMBER ARROYO: So let me
19 go to NYCHA. For NYCHA to keep these centers open
20 and keep the staff that is currently employed, how
21 much does NYCHA need? And it's more efficient
22 dollar for dollar because the contracted providers
23 don't pay union wages, don't pay insurance for
24 their staff, so, yeah, it's cheaper for DFTA and
25 DYCD to contract out for these services.

2 CECIL HOUSE: Well, Commissioner, I
3 think we've discussed earlier today that's it's
4 not that it's just cheaper, it's that in these
5 service areas--

6 COUNCIL MEMBER ARROYO:

7 [Interposing] I think efficient.

8 CECIL HOUSE: --this is the core
9 business of DFTA.

10 COUNCIL MEMBER ARROYO: Okay.

11 CECIL HOUSE: They provide a higher
12 quality and a more extensive set of services than
13 NYCHA provides, as does DYCD, so it benefits the
14 seniors to get--

15 [Crosstalk]

16 COUNCIL MEMBER ARROYO:

17 [Interposing] Mr. House--

18 CECIL HOUSE: --service.

19 COUNCIL MEMBER ARROYO: --that, to
20 me, is just like really, really that you as an
21 institution can sit here and say that the work
22 that this authority has done over decades has not
23 been mastered and cost efficiencies identified, I
24 find that that's just unacceptable. And I'm not
25 going to debate with you about it.

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2 CECIL HOUSE: [Interposing] Well
3 that's not what I said.

4 COUNCIL MEMBER ARROYO: I'm going
5 to move on--

6 CECIL HOUSE: What I said--

7 COUNCIL MEMBER ARROYO: No.

8 CECIL HOUSE: --I said earlier our
9 employees provide--

10 COUNCIL MEMBER ARROYO: That you
11 cannot do it more efficiently--

12 CECIL HOUSE: --high quality
13 services.

14 COUNCIL MEMBER ARROYO: --than
15 NYCHA and DYCD is unacceptable to me.

16 CECIL HOUSE: But they provide a
17 broader range--

18 COUNCIL MEMBER ARROYO:
19 [Interposing] So I'm not going to debate it with
20 you.

21 CECIL HOUSE: --services.

22 COUNCIL MEMBER ARROYO: Now, DYCD,
23 DFTA--

24 [Crosstalk]

25 CHAIRPERSON RECCHIA: [Interposing]

1
2 Hold on, could I interject here? All right,
3 'cause the Council Member asked you a question
4 very clearly. To keep these centers open under
5 the auspices of NYCHA, how much would it cost--

6 COUNCIL MEMBER ARROYO: Yes.

7 CHAIRPERSON RECCHIA: --and we
8 never received an answer to that.

9 CECIL HOUSE: As we said earlier,
10 \$28 million is our budget for these services.

11 CHAIRPERSON RECCHIA: Twenty-eight
12 million dollars?

13 CECIL HOUSE: That's correct, for
14 the senior centers and the community centers.

15 CHAIRPERSON RECCHIA: Twenty-eight
16 million? And so if we did it with DYCD, it's
17 18.5, plus 5.6, all right, and how much would the--
18 --what was the number?

19 LILLIAM BARRIOS-PAOLI: For the
20 centers, the program that we were proposing was
21 4.8.

22 CHAIRPERSON RECCHIA: For how many
23 centers was that?

24 LILLIAM BARRIOS-PAOLI: That was
25 for four centers, plus a per--a certain amount of

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2 money per senior to either provide transportation
3 or further services at other senior centers.

4 CHAIRPERSON RECCHIA: So if we give
5 the money to DFTA and DYCD, they'll be serving
6 less people and costing us the same thing as if
7 NYCHA ran--

8 CECIL HOUSE: No.

9 LILLIAM BARRIOS-PAOLI: Not less--

10 CHAIRPERSON RECCHIA: [Interposing]
11 Well you just said 18.5, 5.6, and 4.8.

12 LILLIAM BARRIOS-PAOLI: Right, well
13 we're saying we're going to--

14 [Crosstalk]

15 CHAIRPERSON RECCHIA: [Interposing]
16 That comes out like almost \$29 million.

17 LILLIAM BARRIOS-PAOLI: No, I'm
18 just saying that we're--

19 [Crosstalk]

20 CHAIRPERSON RECCHIA: He just
21 testified that--

22 LILLIAM BARRIOS-PAOLI: --the best
23 people and I'm--

24 CHAIRPERSON RECCHIA: What?

25 LILLIAM BARRIOS-PAOLI: I'm not

1
2 arguing the money, just saying that we did not say
3 we were going to serve less people.

4 CHAIRPERSON RECCHIA: Right.

5 LILLIAM BARRIOS-PAOLI: We were
6 proposing to serve the same number of people.

7 CECIL HOUSE: And DYCD, more
8 people.

9 JEANNE MULLGRAV: More people.

10 CECIL HOUSE: Right. So the thing
11 that--

12 CHAIRPERSON RECCHIA: [Interposing]
13 Well wait, serve, wait. DYCD is going to serve
14 more people at less centers.

15 CHAIRPERSON MENDEZ:
16 Hypothetically.

17 CHAIRPERSON RECCHIA: Hypothetic.

18 CECIL HOUSE: Yes, yes.

19 LILLIAM BARRIOS-PAOLI: Because--

20 CHAIRPERSON RECCHIA: [Interposing]
21 Wait, but that is an assumption that the kids
22 would go to these other centers.

23 LILLIAM BARRIOS-PAOLI: Of course.

24 CHAIRPERSON RECCHIA: The bottom
25 line here--

COUNCIL MEMBER ARROYO:

[Interposing] And, Mr. Chair, it also assumes that these children can safely participate in these other centers. There's a real issue in these developments where children cannot cross a street into another development for fear of their lives. And that, I believe, is priceless, in my opinion, that as a city, we have not been able to get a hold of the youth gun violence issue in our communities and that most of it stems from NYCHA developments. Putting children in harm's way this way is unacceptable and we cannot put dollars and cents as a priority for the safety of the young people in our community. And the providers may run excellent centers, and they usually do, the ones that are contracted out, but the safety of our young people is priceless. I have no more questions, Mr.--

[Pause]

CHAIRPERSON RECCHIA: Thank you, Council Member. Council Member Gonzalez.

COUNCIL MEMBER GONZALEZ: I want to begin--thank you, Chair--I want to begin with Chair Rhea, if I may. We had many, many meetings

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2 in District 38 and about District 38, which is an
3 area that was hit hard by Sandy. My question to
4 you, sir, is months and months of meetings, my
5 office, your office, including Senator
6 Montgomery's office was involved, and I also
7 believe there were other officials involved. We
8 were concerned, very concerned, you were as
9 concerned about the senior center and how it's
10 going to exist after Sandy. I involved myself,
11 went here to the capital folks that--where money
12 is future--hopefully in the future allocated, and
13 I committed 1.8 million to that center, and I did
14 it because I believed in my heart that that senior
15 center needed that and that community needed that.
16 I don't understand why we're sitting here two
17 weeks before we have a responsibility in the
18 Council to pass a budget to speak about an
19 incredible mess. Because right now, \$28 million
20 we're talking about, it seems like it's all here.
21 It's been divided up into different areas and
22 we're still going to service people, but then
23 we're not concerned about the 500 employees that
24 will lose their job. And that's being put on us
25 as a Council.

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2 That responsibility is being given
3 to us two weeks before. I take my job so
4 seriously I have been doing budget negotiating for
5 the last five years. My expectation is that
6 you're going to do your job too, and to sit there
7 and tell us two weeks before that we have to
8 figure out where we're going to get \$28 million is
9 really sad for our communities and our city. And
10 I have a bad cold, so I apologize, I have my
11 antibiotic with me. But I don't understand what
12 we're doing here. Why aren't we talking to each
13 other?

14 We committed, Chair Rhea, there was
15 a commitment on your part, a commitment on my
16 part. And during Sandy, I commended you, I
17 commended the administration on the way they
18 handled the impact of Sandy and Red Hook. I
19 cannot sit here today and do that because I am
20 extremely disappointed that we have to figure out
21 where are we going to get \$28 million in two
22 weeks.

23 JOHN RHEA: So, Councilwoman--

24 COUNCIL MEMBER GONZALEZ:

25 [Interposing] I understand about sequestration, I

1
2 understand that, and we have to blame other folks,
3 but what are we doing about getting money from the
4 governor? What are we doing? We're now doing a
5 different plan last minute? Do we deserve that?
6 No, we don't deserve that. For us, it's a serious
7 business here.

8 JOHN RHEA: So--

9 COUNCIL MEMBER GONZALEZ: And I
10 know that the chair, we had this conversation two
11 days ago we found out about this. And here we
12 are. How fair is this to the city?

13 JOHN RHEA: I understand you're
14 frustrated, Council Member, and appropriately so.
15 And I'm not here to play the blame game by
16 pointing fingers at others. I have honored my
17 commitment to you, I worked very closely with you,
18 Senator Montgomery, and others to work hard to
19 ensure that the community center, the senior
20 center is preserved, despite the fact that it had
21 been displaced with Sandy with a lot of support
22 from my partners here at this table, and,
23 obviously, from your commitment to provide
24 additional councilmatic funds. That is a center
25 that is operated, not directly by NYCHA, but

1
2 through DFTA. And so I will let my commissioner
3 speak directly--

4 COUNCIL MEMBER GONZALEZ:

5 [Interposing] Excuse me, I got a call today that
6 they closed them. That's the call I got: That
7 they're closed.

8 JOHN RHEA: As I said--

9 COUNCIL MEMBER GONZALEZ:

10 [Interposing] So where do the seniors go today?
11 That's my question. And maybe there's a
12 possibility that they're going to reopen or that
13 they're going to have PAL Miccio available to
14 them.

15 JOHN RHEA: We're unaware of what
16 you're--

17 [Crosstalk]

18 JOHN RHEA: --describing and it has
19 nothing to do with what we're proposing today.
20 Secondly, we're here to solve a \$205 million
21 budget cut, not a \$28 million budget cut. And I
22 understand the very detailed focus on the impact
23 on seniors and youth and we are very concerned
24 about it, but we're here to deal with 205 million,
25 of which the 28 is a subset.

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2 Third, no one is more concerned
3 about the impact on NYCHA employees than General
4 Manager House, myself, and the board, and other
5 members of the staff. We have worked incredibly
6 hard over the past four years to put \$400 million
7 of additional revenue and cost cuts into NYCHA's
8 operations to preserve jobs. I am proud to say
9 that under my leadership we have hired people, not
10 let people go. Unfortunately, we didn't create
11 the sequestration and the continuing resolution
12 budget cuts, and they're real and we have to take
13 action as a result of that--

14 COUNCIL MEMBER GONZALEZ:

15 [Interposing] Chair, I clearly understand that.
16 What I'm saying to you is we knew this was coming
17 down the pike, why wasn't there a plan so that we
18 could have at least time to figure this out?
19 Because, you know, even in our own lives, we have
20 to pay mortgages, we have to pay utilities, but if
21 we just figure, oh well, wherever it's going to
22 come from, it's not going to happen, we're going
23 to lose our homes, we're going to lose our
24 utilities. It's the same with the city, we have
25 to be responsible. I don't understand how two

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2 weeks before we have to vote on a budget, we have
3 to now figure this out. Two weeks. That's what
4 I'm saying. I'm not saying that you or the
5 administration brought on this issue with the
6 economy and the federal government, absolutely
7 not. I do my homework, I know what I'm talking
8 about. This is about how do we plan proactively,
9 not reactively.

10 JOHN RHEA: Again, we signaled in
11 March that the cuts could be as big as \$253
12 million, and I'm happy that we're only trying to
13 solve for 205 of the 253 that we estimated. We
14 have not just begun this exercise today. We do
15 understand that we all have a limited window to
16 try to resolve it and we're working diligently as
17 partners to do that. So I understand your
18 frustration, I understand you feel that you're
19 being asked to solve a \$28 million problem, but
20 we're all trying to collectively solve a \$205
21 million problem.

22 COUNCIL MEMBER GONZALEZ: Well what
23 I expect is for you to step up to the plate the
24 way you have in the past, sir. The things that
25 you've done in the past that I have seen and I'm

1
2 knowledgeable of, that's what I expect. That
3 together we need to make this happen for our
4 seniors.

5 And the other thing is PAL Miccio
6 in Red Hook is a hub. During the impact of Sandy,
7 a lot of the necessities and emergencies were
8 dealt with there. If it turns out that this PAL
9 Miccio goes on to the responsibility of DYCD, is
10 DYCD going to make it available to our community?
11 Because it's been the heart of that community.
12 And that's for Commissioner--Jeanne.

13 JEANNE MULLGRAV: Is PAL Miccio on
14 the list?

15 [Off mic]

16 COUNCIL MEMBER GONZALEZ: And
17 meanwhile, I just also would like to know where is
18 the lists? Are we getting a list of what centers--
19 -

20 CHAIRPERSON RECCHIA: [Interposing]
21 Yes, Council Member, at 3 o'clock today, there is
22 a, like I said earlier, there's a briefing for all
23 Council Members in the cow to go over--

24 COUNCIL MEMBER GONZALEZ: Oh.

25 CHAIRPERSON RECCHIA: --exactly

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what will transpire.

COUNCIL MEMBER GONZALEZ: And then I guess, Commissioner, while you get that information, I would like to ask you--

JEANNE MULLGRAV: Yeah, is that--

COUNCIL MEMBER GONZALEZ: --I know you said earlier--

JEANNE MULLGRAV: --is that considered Red Hook?

COUNCIL MEMBER GONZALEZ: Yes. PAL Miccio? Yes.

JEANNE MULLGRAV: But we'll discuss it in more detail.

COUNCIL MEMBER GONZALEZ: Okay.

CHAIRPERSON RECCHIA: Okay.

COUNCIL MEMBER GONZALEZ: And I heard you earlier a little while ago state about the employees, that there's a consideration and it's not mandatory, I believe, I'm not sure if you said that, but will the consideration be there for these employees from NYCHA that they may be considered if the case is that this has to go through this entire transition? And I guess that question is also for Commissioner Paoli.

2 JEANNE MULLGRAV: Absolutely there
3 will be consideration, and we have found that many
4 of the CBOs want to hire the NYCHA employees
5 because they are very familiar with the community,
6 with the families, with the needs of the families.
7 So in our experience in 2009, that was the case
8 and we expect that to be the case as well.

9 LILLIAM BARRIOS-PAOLI: You know,
10 clearly, yes, but the issue is that they would
11 have to go from being public service employees to
12 working for a not-for-profit and that's a very
13 different proposition.

14 COUNCIL MEMBER GONZALEZ: This is
15 why I think this needs to be rethought, but that's
16 my opinion. I think that it needs to be rethought
17 and I say to you, Chair Rhea, it's a big
18 responsibility that you have in your hands and the
19 folks that work with you, but you need to consider
20 that people's lives are on the line, and I know
21 that you have done that. But it's important that
22 we don't stop to fix something and destroy
23 something else. Thank you.

24 CHAIRPERSON RECCHIA: Thank you,
25 Council Member. Council Member Levin, then

1 Council Member Chin.

2
3 COUNCIL MEMBER LEVIN: Thank you
4 very much, Mr. Chairman. Thank you,
5 Commissioners, Mr. Chairman, Mr. House, thank you
6 very much for coming down here on short notice. I
7 want to echo my colleagues' sentiment at the
8 outset that we don't hold you ultimately
9 responsible for the cuts coming down from the
10 federal government. You're not responsible for
11 the way that republicans act in Congress, that's
12 not your responsibility. However, we have known
13 for months that this was a possibility and the
14 sequester was a possibility, we knew for six
15 months. I mean, there was talk, there was--it was
16 punted for a couple of months, but we knew this
17 was a very likely possibility. We've gone through
18 two rounds of budget hearings now at the City
19 Council and, as Council Member Gonzalez said, to
20 find out now that this is the proposal, it doesn't
21 leave us much time to proceed in a thoughtful and
22 deliberative fashion. And so that's our concern I
23 think.

24 And so, first off, the concern that
25 really comes, that jumps out to me is that--and,

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2 Mr. House, I do take issue with your assertion a
3 little bit in that NYCHA's community operations,
4 this has been the core mission of NYCHA's
5 community operations for many years. And so the
6 NYCHA-run centers, and I'm not saying that the
7 not-for-profit-run centers run very well, but the
8 NYCHA-run centers, there is staff there that have
9 been with those centers for a very long time,
10 there is a connection that is there that has been
11 built up over years, and the professionals that
12 are NYCHA employees in your--that on your staff,
13 those individuals, that is their core mission,
14 that has always been their core mission. That's
15 what they do as professionals, they're often civil
16 servants.

17 And so my concern is this: That if
18 this were to go forward, both on the DYCD and the
19 DFTA side of things, that staff is, if they've
20 been with NYCHA for a long time, they have
21 benefits, they have a pension, they're vested with
22 the city, they may be civil servants, their salary
23 reflects their union contracts. What would we do
24 if--what happens to that person if, say they're
25 making \$55,000 a year and have health benefits and

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2 are vesting in their pension, what do we do if we-
3 -okay, so we offer them a job for \$27,000 a year
4 with no benefits and no pension and they--that
5 puts them in an impossible position. Are they
6 going to accept a job for half the salary with no
7 benefits, and if they turn down that job, are they
8 getting laid off? What happens to them? Because
9 that's putting them in an impossible situation,
10 they have families to support. I mean, they've
11 been doing their best and have acted in good faith
12 with regard to NYCHA for a long time, so what
13 happens under that circumstance?

14 CECIL HOUSE: So on your first
15 comment around the quality of the NYCHA employees,
16 I know the quality firsthand of our NYCHA
17 employees, I know the connections that they have
18 to the residents, and that wasn't the point that I
19 was making with the councilwoman earlier.

20 COUNCIL MEMBER LEVIN: Okay.

21 CECIL HOUSE: The point that I was
22 making was just a broader group or collection of
23 services that would be available as we go forward.

24 With respect to our employees, we
25 identified a maximum number of employees, a

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2 potential number, but there are a lot of
3 conversations and steps that we have to go through
4 and a series of services that will be provided to
5 those employees before we get to the first layoff.
6 For example, employees within our organization
7 will have an opportunity to bid for or apply for
8 jobs that exist or might exist in NYCHA before we
9 get to layoffs. And whether they are in the
10 community programs organization or in other parts
11 of NYCHA; for example, as we said, we are doing
12 everything to move forward our maintenance and
13 repair program and provide direct services to the
14 residents. So those are and will continue to be
15 opportunities for that group of employees to
16 continue to work within NYCHA maintaining their,
17 you know, retirement benefits and the other
18 benefits that go along with that. And I do
19 believe that our jobs are well paying jobs as we
20 go forward.

21 And then to the extent, though,
22 that we are not able within our organization to
23 provide employment opportunities, given the
24 financial restrictions that we have to operate
25 under, first of all, we will provide transition

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2 services. We have had conversations with the
3 other city agencies and we believe that our
4 employees are sufficiently qualified, that they
5 will present and compete well when others come in
6 to provide additional services to NYCHA and our
7 employees will remain on our preferred list. To
8 the extent that we come back and hire in those
9 areas, they will have a priority as we go forward.

10 COUNCIL MEMBER LEVIN: 'Cause, you
11 know, I just want to tell you that when I go to--
12 and I want to be clear that, you know, I have, for
13 instance, a NYCHA-run community center not very
14 far from a CBO-run community center and there's no
15 difference in the quality of service, they both
16 run excellent programs and so I don't want to
17 insinuate that one is better than the other. But
18 the specific NYCHA-run programs in my district,
19 when I go there, I am inspired by the level of
20 service that is provided. And the connection that
21 I see by the NYCHA staff to the kids in that
22 program, I am always, always reassured and I know
23 that those kids have somebody who they trust and
24 somebody who their parents trust and somebody that
25 they can believe and somebody that cares about

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2 them. And so I worry about them. Under this
3 scenario, I worry about those individuals and I
4 will continue to worry about them.

5 CECIL HOUSE: Yeah, and I worry, we
6 worry as well. We see those connections and
7 understand those connections, that is why in a lot
8 of cases, those employees do continue to provide
9 services in many of these locations. And if--

10 COUNCIL MEMBER LEVIN:

11 [Interposing] It would be a shame if they weren't
12 in the community.

13 CECIL HOUSE: It would, I agree.

14 COUNCIL MEMBER LEVIN: That's where
15 they should--

16 [Crosstalk]

17 CECIL HOUSE: [Interposing] I
18 agree.

19 COUNCIL MEMBER LEVIN: And I just
20 want to ask very quickly 'cause I don't know if
21 anyone asked about resident watch and the
22 elimination of the stipend for resident watch. I
23 have many tenant leaders that receive stipend for
24 tenant watch, it's an important part of their
25 livelihood. And these are people that do this

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2 important work because they are the liaison
3 between what's going on on the ground, in the
4 buildings, each building in the developments all
5 day, all night, they know what's happening. And
6 NYCHA, NYPD, the PSAs. And this is a program that
7 is--it's really essential so that they can do this
8 because otherwise, they're doing it on a volunteer
9 basis. And, really, the amount of work that's
10 required to put in to do it effectively, I think
11 certainly merits a stipend and I don't think that
12 it functions properly without that type of a small
13 incentive. So how much are we planning on saving
14 by eliminating the stipend?

15 CECIL HOUSE: It's a little more
16 than a million dollars.

17 COUNCIL MEMBER LEVIN: So it's
18 nothing. I mean, you know, it's really--I mean,
19 we could find a million dollars--

20 CECIL HOUSE: Absolutely.

21 COUNCIL MEMBER LEVIN: --I mean,
22 you know, we have a big budget here, we could find
23 a million dollars elsewhere than taking it
24 directly out of the pockets of resident watch
25 leader--

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[Crosstalk]

CECIL HOUSE: [Interposing] We acknowledge the value of that program, and if the program is funded, we actually intend to endeavor to keep that program running on a volunteer basis, but if funding is provided to continue to provide those stipends, we'd be happy to administer that.

COUNCIL MEMBER LEVIN: It won't function as well on strictly a volunteer basis--

CECIL HOUSE: Yeah.

COUNCIL MEMBER LEVIN: --in fact, if anything, we should be increasing that stipend. So I mean, I urge you to reconsider that. I pledge to work with NYCHA, with your offices because I think that that is really--would really be the detriment of NYCHA communities. Thank you. Thank you, Mr. Chairman.

CHAIRPERSON RECCHIA: Thank you, Councilman Levin. Council Member Chin.

COUNCIL MEMBER CHIN: Thank you, Chairman. You know, it's just very difficult to sit here and to all of a sudden hear that we got to deal with closing senior center and youth centers. And when I look down at the list, I

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2 mean, the senior center and the youth center in my
3 district that's operated by NYCHA, they were the
4 one that was the beacon of light during Sandy.
5 Two hundred Madison Street, that was the place
6 that all of us went to to gather volunteers, to
7 get goods, you know, water and food distribute out
8 to our community. And Hamilton Madison House, the
9 Smith Senior Center, the community center there,
10 it was where we feed people hot meals during
11 Superstorm Sandy. And now I'm looking at, you
12 know, the possibility of closing them? It can't
13 be. We got to find some way to keep these centers
14 open. That's the bottom line. Chairman Rhea, you
15 cannot allow them to be closed. We were talking
16 about how to make them better, right? How to fix
17 them up so that they could really be the center of
18 our community there. So we cannot allow them to
19 be closed.

20 If you're talking about, yes, it's
21 a \$205 million that you got to deal with, and we
22 know about, you know, sequestration, we've been
23 hearing this for a long time, so there's got to be
24 somewhere, there's got to be some backup plan.
25 And I think earlier you talked about one example,

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2 earlier you talk about the TPA funds, right?
3 There's a surplus there. So let's look about
4 think about using some of that money to keep our
5 center, the community center and the senior center
6 open. That's real. If the money is sitting
7 there, let's use them. Because those centers
8 service our residents, right? If they're sitting
9 there, if there's a surplus sitting there, let's
10 use them.

11 The other question is that, yes,
12 every year we spend over \$70 million for police
13 service, right? And you were saying all the
14 things that they do. Why it's still so unsafe for
15 our kids to go from one development to the other?
16 Right? Something's wrong there, we're not getting
17 what we pay for. So we really need to take a look
18 whether that service is worth \$70 million a year
19 and whether we could use that money to do good
20 things that we know are happening in our community
21 center and our senior center.

22 And one last question is that,
23 maybe you could address the TPA fund, but the
24 other thing is talking to OMB. Have you talked to
25 OMB about helping us, you know, find some

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2 resource? I mean, one thing I could offer up as a
3 suggestion during the budget hearing was that EDC,
4 you know, they have a pool of money there, over
5 \$200 million that they're supposed to give back to
6 the city, but our mayor haven't made the request.
7 So we could ask them, you know, we could all join
8 together, ask Mayor Bloomberg to make the request
9 to get the money back. And I would just, you
10 know...

11 So there are possibility out there
12 and resources out there, but saving our community
13 center and our senior centers has got to be a
14 priority. We're talking about saving jobs, but
15 saving this valuable resource that we have. We
16 cannot allow them to be closed 'cause once we
17 allow them to be closed, they'll never come back
18 so we got to do everything we can to save them.

19 So TPA surplus fund, let's see if
20 we could use that temporarily to do that. And
21 then in the long run, we got to find more
22 resources. Thank you.

23 JOHN RHEA: So we agree with you
24 that saving as many of our centers as possible is
25 a priority, and that's why, you know, we are very

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2 appreciative that our partners in city government
3 are looking hard at what resources they can bring
4 to bear to continue to provide services to NYCHA
5 residents, both seniors and youth, and to preserve
6 the presence of those programs within our
7 developments as many places as possible, and
8 they're working diligently to do that, and I
9 appreciate their support and their hard work. And
10 we are not going to waver in our support for what
11 they're doing to provide them with as much
12 information on the needs of our communities.
13 We've done a bunch of research and we have
14 specific analysis that we provided to them as they
15 look at their provider model and our needs to try
16 and bridge that gap as best as possible.

17 Secondly, around TPA, you know,
18 unfortunately, we can't have it both ways. I
19 understand the desire to preserve public sector
20 jobs, I fought hard to do that in my tenure here
21 at NYCHA and I'm proud of our track record in
22 doing that. The TPA funds that NYCHA uses, our
23 allocation, the 20% does exactly that. We are
24 spending that money to preserve jobs at NYCHA. So
25 we are already using our portion of the TPA to

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2 preserve public sector jobs, providing valuable
3 services to our residents. So we're in no way
4 inconsistent with the goal of this Council in how
5 we're using our portion of the TPA funds.

6 The residents' portion of the TPA
7 funds have strict requirements on what they can
8 and can't be spent on. Much of what we're
9 describing here today in terms of activities at
10 senior and youth centers are not eligible uses of
11 TPA funds, so I don't think that that's a real
12 option.

13 Beyond that, there are restriction
14 on where those monies can be spent. What I mean
15 is that the money is supposed to be spent pro rata
16 based upon the number of residents and apartments
17 at a particular development, so you can't just
18 aggregate money for a center somewhere that may
19 need \$350,000 or half a million dollars out of the
20 TPA funds if that's not pro rata use of that money
21 at that particular development. So there are
22 incredible restrictions around the use of TPA
23 money which is partially why it's unspent today,
24 that's not the only reason, but certainly, NYCHA
25 is not against the application of TPA money for

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2 these types of services. They don't meet the
3 requirements and the restrictions that would allow
4 for that to happen. But we're happy to continue
5 to take a look at it.

6 CHAIRPERSON RECCHIA: Okay.

7 COUNCIL MEMBER CHIN: I guess to
8 follow up with that is, like, yeah, I mean--

9 JOHN RHEA: [Interposing] And just
10 last, you asked about OMB. OMB is here at the
11 table with us, and so, you know, Michael Dardia
12 can speak for OMB, but I need to say that OMB has
13 been an incredible partner in helping us deal with
14 this \$205 million, you know, grenade that's been
15 dropped into NYCHA.

16 COUNCIL MEMBER CHIN: And I think
17 the thing with the TPA fund is have you consulted,
18 you know, worked with the tenant association?
19 Maybe we could all write to HUD and get a waiver.
20 I mean, this is an emergency, right? This is a
21 one-time thing and HUD should know, right? I
22 mean, Congress gave us the headache, gave us the
23 problem, right? The republicans there. So HUD
24 should work with us at least so that we could save
25 these centers now--

2 JOHN RHEA: [Interposing] I think
3 it's a good suggestion that we look at that as an
4 option. I will tell you that we've not asked HUD
5 that specific question about that waiver that you
6 inquired about, which we would be happy to look
7 into. I will say though that HUD's position is
8 that community centers and senior centers are not
9 the responsibility of HUD.

10 COUNCIL MEMBER CHIN: Well we will
11 join with you and get the residents together to
12 talk to HUD to get the waiver just so that we
13 could utilize this resource now to save our
14 community center and senior center.

15 CHAIRPERSON RECCHIA: Okay.

16 COUNCIL MEMBER CHIN: Thank you.

17 CHAIRPERSON RECCHIA: Thank you,
18 Council Member. We just have a few more questions
19 for this wonderful panel, we appreciate you being
20 here. But I just want to ask, you know, with the
21 furloughs and the layoffs, will this also impact
22 the managerial and administrative positions?

23 CECIL HOUSE: It will impact their
24 managerial levels as well.

25 CHAIRPERSON RECCHIA: And the

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administrative?

CECIL HOUSE: Yes.

CHAIRPERSON RECCHIA: And how many of those positions?

CECIL HOUSE: That's a function of our conversations with the union as we move forward so I can't determine that specifically now, but I can give you a list of the people that are in that mix of the 500 that I told you about.

CHAIRPERSON RECCHIA: Well how many managerial and administrative positions? Those are not union positions, so I just want to--you know how many union workers there are, I want to know how many administrative and managerial positions.

CECIL HOUSE: Go ahead.

JOHN RHEA: We believe that this pain needs to be spread across the Authority thoughtfully. At the same time, we don't believe that it's fair for managerials to be furloughed if our represented employees are unwilling to participate in furlough processes. We think what's good for one should be good for all, and we want to have those conversations very openly with

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2 the unions to get to something that is a fair and
3 equitable solution.

4 CHAIRPERSON RECCHIA: So does that
5 also mean that if workers are laid off, that
6 administrators and managers will be laid off?

7 JOHN RHEA: To the extent that
8 they're in those operations that are being
9 impacted by the cuts, yes.

10 CECIL HOUSE: The same impact.

11 CHAIRPERSON RECCHIA: I'm just
12 thinking about that answer. There's a lot to it.
13 But what happens--

14 JOHN RHEA: [Interposing] Let me
15 just, 'cause I don't want you to think I'm talking
16 in circles. All I'm saying is we've been very
17 clear that there are some areas of priority that
18 we are working hard to preserve, for example, in
19 our maintenance and repair effort. So there are
20 some parts of our organization that we are doing
21 the best we can to ring fence the impact of this
22 205 million, that's all I meant.

23 CHAIRPERSON RECCHIA: And how many
24 of the 500 proposed layoffs are NYCHA residents?

25 JOHN RHEA: Number one, we can't

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2 give you an answer to that because, although we
3 know the broad range of the number of positions
4 that would be affected, because of civil service
5 rules, there's someone who may be in a position
6 today that would be affected, but they may have an
7 underlying title that is also in use in another
8 department within NYCHA where they would have
9 seniority and so they would end up bumping someone
10 else's job. And so the person who ultimately
11 might be part of that 500, we can't tell you who
12 that person is today, we can tell you the broad
13 range of numbers that would be impacted and then
14 you've got to go through this and the positions
15 and then you go through the civil service process
16 of identifying who is the person, and then we
17 would be able to identify for you how many are
18 NYCHA residents.

19 CHAIRPERSON RECCHIA: Okay. Co-
20 chair Rosie Mendez.

21 CHAIRPERSON MENDEZ: Thank you. I
22 just have a series of questions. Going back to
23 the Section 8, do you know how many of the
24 households of that 9,600 will be getting
25 increases?

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2 CECIL HOUSE: So you mean that will
3 get increases in their rent?

4 CHAIRPERSON MENDEZ: Right.

5 CECIL HOUSE: Yeah, usually there
6 is an annual rent increase, but we'd have to go
7 back and see where those specific--their specific
8 circumstances are, and I don't have that
9 information here today.

10 CHAIRPERSON MENDEZ: So would that
11 be the difference in the math when in your
12 testimony on page--where is it?

13 CECIL HOUSE: Or you mean an
14 increase in the tenant portion, so all 9,600--

15 CHAIRPERSON MENDEZ: [Interposing]
16 In the tenant portion.

17 CECIL HOUSE: --would have an
18 increase, yes, I'm sorry.

19 CHAIRPERSON MENDEZ: All 9,600,
20 okay.

21 CECIL HOUSE: Right.

22 CHAIRPERSON MENDEZ: Now on page
23 five in your testimony where you reference the
24 9,600, that they will get an increase of \$57 per
25 month, when you do the math, that comes out to 6.6

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2 million, but you're saying this will reduce costs
3 by additional 3.3 million.

4 JOHN RHEA: Half a year. We only
5 have half a year.

6 CECIL HOUSE: Yeah, we don't have a
7 full year's impact.

8 CHAIRPERSON MENDEZ: Oh, this is--

9 CECIL HOUSE: Right.

10 CHAIRPERSON MENDEZ: --for this
11 year, okay. Okay. Thank you--

12 CECIL HOUSE: Actually, math--

13 CHAIRPERSON MENDEZ: --that makes
14 sense. Okay. Now in that same paragraph, you say
15 we are continuing to work with HUD to close the
16 remaining gap. What kind of discussions are you
17 having to close the gap? And are you requesting
18 funds for the shortfall from HUD, and how much?

19 CECIL HOUSE: Well absolutely. So
20 one line of conversation is around the waivers
21 that we've requested, and another line of
22 conversation is to participate in HUD's shortfall
23 funding.

24 CHAIRPERSON MENDEZ: How much?

25 CECIL HOUSE: We would expect that

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2 they would cover the entire gap. We're working
3 with them to cover the entire remaining gap.

4 That's--

5 [Crosstalk]

6 CHAIRPERSON MENDEZ: [Interposing]

7 And the remaining gap would be...

8 CECIL HOUSE: Oh, I'm sorry, it's
9 \$14 million in the testimony that we have
10 remaining after we've taken all the steps that
11 we've identified. If we received the waiver for a
12 payment standard change, then that would reduce
13 that 14 million by the 3 million that you just
14 talked about.

15 CHAIRPERSON MENDEZ: Thank you.

16 CECIL HOUSE: But at this point,
17 we're expecting HUD will--we're looking for HUD to
18 cover the entire gap that we have.

19 CHAIRPERSON MENDEZ: Okay. Now the
20 numbers that Chair Recchia went through earlier,
21 18.5, to transition the 45 community centers and
22 coming down from 69; 5.6 million, I don't remember
23 for what.

24 FEMALE VOICE: To fund the
25 additional--

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CHAIRPERSON MENDEZ: To fund the--
[Crosstalk]

LILLIAM BARRIOS-PAOLI: Twenty-four, the remaining 24.

CHAIRPERSON MENDEZ: To fund the additional 24 community centers. And then there was 4.8 for the seniors, but we're going from 37 senior centers to the 4, but you're anticipating you're still going to service all the same amount of seniors. Those numbers add up to 28.9 million that it will cost the city, saving NYCHA 28 million, but we're still closing 33 centers, and we're closing, I don't know, 15 or so youth community centers. So how are we going to be serving the same amount--

JEANNE MULLGRAV: [Interposing] If you include--

CHAIRPERSON MENDEZ: --in saving--

JEANNE MULLGRAV: --the 5.6 actually that is the other 24 of the 69.

MALE VOICE: And that there are [off mic] assistant commissioner Beacon Cornerstone programs, so that increases our number, actually, and at current number served by

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2 NYCHA, currently NYCHA serves 9,500, we can serve
3 9,545 sites, meaning 24 will close. If we keep
4 the 24 open, that will cost 5.6 million, which
5 will give us an increase of 3,000 additional
6 participants on top of the current number served.
7 So we'll cover 69 sites at a total of 12,400
8 participants. Currently, it's 9,500 participants.

9 CHAIRPERSON MENDEZ: And regarding
10 the 33 less centers?

11 LILLIAM BARRIOS-PAOLI: Our plan
12 was to run for much larger robust centers, and
13 then we would go to the 33 remaining centers, meet
14 with the seniors, offer them whatever services we,
15 you know, we need through dialogue, and then
16 transportation to other centers. So we intended
17 to serve the same number of seniors that are
18 there, but in a different way by taking them to
19 the nearby senior centers that DFTA sponsors
20 already.

21 And the reason that we didn't--that
22 we opted not to keep many of those centers open is
23 that the physical location was too small to run a
24 center as we run centers.

25 CHAIRPERSON MENDEZ: And,

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2 Commissioner Lilliam Barrios-Paoli, I have so much
3 respect for you, and you've worked really so hard
4 with me to make sure we keep our centers open, and
5 the ones that we've closed that we've been able to
6 transition those seniors elsewhere. So NYCHA has
7 42 senior-only buildings.

8 LILLIAM BARRIOS-PAOLI: Yes.

9 CHAIRPERSON MENDEZ: Developments.

10 Nine thousand eight hundred and something units
11 that are just senior only throughout the five
12 boroughs, and I want you to go back and look at
13 those and to make sure that somehow that these
14 seniors in these senior-only buildings are getting
15 services because, you know, I don't want them
16 getting lost in this mix. You know, some of them
17 may be near your NORC, some of them may not. And
18 as we cut some services at Meltzer some years
19 back, it resulted in those seniors in that
20 building just remaining in their own apartments
21 until the abled staff of NYCHA went door-to-door
22 and assessed what was the issues and got them
23 either Meals on Wheels and got them downstairs to
24 some of the programs they were running. So this
25 is critical.

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LILLIAM BARRIOS-PAOLI: Yes.

CHAIRPERSON MENDEZ: This could be life saving.

LILLIAM BARRIOS-PAOLI: We will do that.

CHAIRPERSON MENDEZ: Thank you. My last question for NYCHA is, considering that when I first started as chair of this committee, we went from having residents wait several months to get repairs to waiting a year to now waiting almost three years to get repairs, and NYCHA having, in this last year, aggressively attack that repair backlog. What does this mean for the maintenance of apartments and for the continuation of attacking that backlog that still exist?

CECIL HOUSE: So we worked very, very hard to ensure that we do not adversely impact our ability to continue to reduce the time it takes to get repairs done and to continue to increase the customer service and the service levels that we provide to our residents. So we've tried to separate the employees that provide direct service to our residents and ensure--'cause we've actually increased staff in those areas over

1
2 the last, you know, few months, year or so, and we
3 were trying to preserve our ability to continue to
4 provide those services and to continue to reduce
5 the backlog there.

6 And I did want to make a correction
7 to a statement that I made earlier because I note
8 that you and your staff are very good, careful
9 note takers, and when you asked about the amount
10 of money that NYCHA gets and our administrative
11 fee and I started to say 10 cents out of every 25
12 and someone directed me that it was 20%, actually
13 it's 10 cents out of every 25, 40%.

14 Ten dollars out of every--\$25 the
15 same as 10 cents out of every 25 cents, it's the
16 math's the same.

17 CHAIRPERSON MENDEZ: Ten cents out
18 of every twenty-five cents?

19 CECIL HOUSE: Ten yeah, 40%.

20 JOHN RHEA: Forty percent--

21 [Crosstalk]

22 CHAIRPERSON MENDEZ: Forty percent.

23 CECIL HOUSE: Yeah.

24 JOHN RHEA: To administer the
25 program.

2 CHAIRPERSON MENDEZ: To administer
3 the program, 40%.

4 CECIL HOUSE: Yeah.

5 JOHN RHEA: Correct.

6 CHAIRPERSON MENDEZ: For the money
7 that's been sitting there. Great, thank you.

8 JOHN RHEA: Correct.

9 CHAIRPERSON MENDEZ: Thank you for
10 the correction.

11 [Long pause]

12 CHAIRPERSON RECCHIA: All right,
13 before we close, I just want to say this: Been
14 sitting here now for almost close to five hours, I
15 want to thank you all. Well it's almost four
16 hours. I want to thank the panel.

17 But I just want to leave you with
18 this one thought: You know, 28 million, 29
19 million, you know, three more thousand kids
20 supposedly will be served, hundreds of less
21 seniors will be served, less centers will be open,
22 and with that, 250 people will be losing their
23 jobs. Is it worth it? That's the bottom line.

24 Well maybe we could all sit at the
25 table together, keep NYCHA running these programs,

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2 let DYCD and DFTA help them get better. Because
3 in the long run, if we layoff those 250 people,
4 some of them go on unemployment, some of them
5 collect food stamps, and it'll cost us more money
6 in the long run. Yes, it won't come out of your
7 budget; it's not my problem anymore, but it costs
8 the city more money in the long run. This is
9 something I think, Mr. Dardia, you have to really
10 think about in OMB, if it really pays to do this
11 right now or maybe we should just find the \$28
12 million, let's help them out, and then worry about
13 the rest of the money for NYCHA. 'Cause 250
14 people is a lot of people to lose their jobs in
15 these tough economic times.

16 I want to thank you all for coming.
17 It was a good day, we had good questions, we had a
18 good rapport. I want to thank you all. We're
19 going to take a two-minute recess, then we'll hear
20 from the public. Thank you very much.

21 [Long pause]

22 CHAIRPERSON RECCHIA: Okay. Can
23 everyone kindly find their seats? We're going to
24 hear from the public now. Shh.

25 [Off mic]

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2 TANISHA EDWARDS: Three minutes or
3 two minutes?

4 CHAIRPERSON RECCHIA: Yeah, yeah.

5 [Off mic]

6 CHAIRPERSON RECCHIA: Okay. Could
7 I ask the Sergeant-at-Arms to clean off this
8 table, please, before we call up.. Ladies and
9 gentlemen of the public, we will hear--you heard
10 the testimony from the administration, we will now
11 hear from the public. Okay. Please call the
12 first panel.

13 TANISHA EDWARDS: Anthony Wells,
14 Walthene Primus, and Judith Gallagher, Goldiner
15 from the Legal Aid Society.

16 CHAIRPERSON RECCHIA: Okay. Who
17 would like to go first?

18 ANTHONY WELLS: Good afternoon. I
19 would like to thank Chairs Recchia, Mendez, and
20 members of the Finance and Public Housing
21 Committees for the opportunity to speak to you
22 today. My name is Anthony Wells; and I am the
23 president of the Social Service Employees Union
24 Local 371. We represent over 17,000 social
25 service workers in every mayoral agency, and

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2 NYCHA, the HHC, and other areas.

3 I appear before this council to
4 discuss the proposed cuts to NYCHA, more
5 specifically, I have 378 workers slated to lose
6 their jobs when NYCHA closes, then privatizes its
7 community and senior centers. I want to deviate
8 from this testimony, Chair, because you have it,
9 okay. I just want to touch on a couple of points
10 that were mentioned earlier, if I may.

11 CHAIRPERSON RECCHIA: Yes, Mr.
12 Wells.

13 ANTHONY WELLS: First of all, there
14 have not been any real discussions between NYCHA
15 and at least DC 37 and our locals. We've had some
16 cursory discussions, but nothing concrete.
17 Unfortunately, a lot of information we also heard
18 today for the first time. We have told them in
19 previous times that we are prepared to discuss
20 with them ways to preserve the centers and our
21 jobs, and we still have that same commitment. But
22 the audience today, you'll see the many members,
23 workers of NYCHA who are here and from other
24 parts. There's no commitment on NYCHA to maintain
25 providing these services directly.

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2 As Commissioner Paoli so adequately
3 said that DFTA and DYCD do not provide direct
4 services, they oversee contracts. So a lot of the
5 discussion we had around the preservation of these
6 500 jobs would be lost if they are contracted out.

7 Two, I don't know if you're aware
8 of it, the city, because a lot of these workers
9 are in non-competitive titles, they do not have
10 the same civil service rights in terms of job
11 opportunities as a competitive title so,
12 therefore, NYCHA could layoff people in the
13 community titles and another city agency can hire
14 people in that same title and not offer these jobs
15 to those workers. And the history in this
16 administration has been to do so. Layoff in one
17 agency and hire brand new workers in another
18 agency.

19 CHAIRPERSON RECCHIA: So they're
20 not obligated to hire these community workers.

21 ANTHONY WELLS: No, they're not
22 because--and civil service law doesn't require it,
23 it only requires NYCHA to put them on the
24 preferred list to rehire them. Here's a problem--

25 CHAIRPERSON RECCHIA: [Interposing]

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2 In the NYCHA agency.

3 ANTHONY WELLS: Not just NYCHA, but
4 if there's no centers for them to go to work in,
5 they're not going to hire them again, okay? So
6 this is kind of the misinformation that was said
7 to you.

8 I just think it's an insult to
9 these workers, some of the comments that were made
10 to... These workers have been working in these
11 centers often under adverse conditions, often
12 providing single coverage, sometimes not even
13 having a lunch hour, okay? They have endured
14 shift changes for summer for as opposed to the
15 other nine months of the year, and they've done
16 so. They have worked with some of--they work with
17 our kids. And I think several Council Members hit
18 it on the head: What are we getting for the \$70
19 million for this additional police protection that
20 no one says what it is?

21 So there are other ways that NYCHA
22 can meet this gap, but I think this just has to be
23 a commitment on NYCHA's part to be committed to
24 providing these direct services with the skilled
25 and experienced people who have been providing

1
2 these services.

3 Additionally, sometimes in these
4 private contract agencies, they don't have the
5 same certifications. NYCHA workers who work in
6 community centers have to be certified by
7 Department of Health. We went through a exercise
8 about four years ago when NYCHA was not in
9 compliance and we worked with NYCHA so that they
10 would not lose senior employees, but we worked
11 together to get them certified.

12 So there's a will on labor's part
13 to sit down and have real discussions, okay? And,
14 yes, they knew about this, they have been talking
15 about it among themselves and they did not share
16 it, but we've offered to them, tell us, let us be
17 partners, let us find ways. And training, we
18 advocate training, we advocate training. So if
19 there is some entity that said they have a way of
20 doing it and training our members, we're not
21 adverse to that, we welcome it. But unless we
22 have those real discussions...

23 So my testimony is there for you.
24 These workers have proven time and time again that
25 they are committed to NYCHA, they are committed to

1
2 the residents of NYCHA, they are committed to
3 doing the best job under most adverse conditions.
4 And they were disingenuous with you 'cause their
5 first answer about the reduction of executive
6 staff was there's not going to be any reduction,
7 and then when you asked them about managers, they
8 talk about everybody sharing the pain.

9 One more thing I want to say to you
10 also, that they're inability to tell you the exact
11 number of workers they have slated, I think
12 they're just not revealing it, one. Two,
13 alternative jobs and training, they're not willing
14 to really do that. And this transitional service
15 amounts to nothing more than helping people with
16 résumés and not even doing true matches within
17 NYCHA.

18 I thank you for the time and
19 opportunity to speak to you, and we look forward
20 working with the City Council and NYCHA and the
21 administration to solve this problem. I don't
22 understand how people can say if you get \$28
23 million, it has no impact on the \$203 million
24 deficit, it just doesn't make... And they say
25 repeatedly that 5% of this is their own plan, has

nothing to do with the federal cuts.

CHAIRPERSON RECCHIA: Okay. Thank you very much.

[Crosstalk]

CHAIRPERSON RECCHIA: Next.

JUDITH GOLDINER: My name is Judith Goldiner, and I am the attorney in charge of the Civil Law Reform Unit at the Legal Aid Society and we appreciate the opportunity to testify today, and the leadership that Chair Recchia and Chair Mendez have always shown on these important issues.

I want to focus on Section 8. Obviously, Legal Aid opposes the cuts we're talking about to the senior centers, but there hasn't been as much focus on the Section 8 program and we're very concerned about what the Housing Authority is proposing here.

So let's start with the 9,600 households, so that's not 9,600 people, that's 9,600 households, who will see an increase of rent. They're saying the average increase will be about \$60 a month. That means that for some people the, you know, that's on average, some

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2 people the increase will be far more. These are
3 families who almost by definition cannot afford
4 increases. Most of the people on Section 8 are
5 either seniors on fixed incomes, on SSI or SSD, or
6 on public assistance. So these are among our most
7 vulnerable households and they could be losing
8 their apartments. And, with respect, I don't
9 think the City can afford to have 9,600 households
10 in the shelter system, that would cost the City
11 about \$3,000 a month.

12 The City really needs to explore
13 with the Human Resources Administration increasing
14 the shelter allowance for those vulnerable
15 families because, right now, the HRA pays a far
16 reduced shelter allowance for Section 8 than they
17 do for the private sector, and increasing that
18 amount could make a huge difference for these
19 particular families. Doesn't solve the whole
20 problem, there's a big problem, it continues to be
21 a big problem. And, unfortunately, NYCHA didn't
22 have the statistics on how many people would be
23 impacted who are on fixed incomes.

24 It would also probably it would be
25 helpful for the Council to know how many of these

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2 families live in each Council District, and I
3 would ask that the Committee get that information
4 from NYCHA 'cause I think that would be very
5 illuminating.

6 The waiver that NYCHA wants to ask
7 for which would mean if they get that waiver from
8 HUD, they will implement that rent increase
9 immediately, which gives families no opportunity
10 to plan and no opportunity to move, assuming that
11 they had the wherewithal to move. And where are
12 they going to move to either, I think is another
13 huge issue.

14 The other problem here is the
15 Housing Authority is saying they're not going to
16 do any rent increases for Section 8 households.
17 Well last I checked, the landlords in rent
18 regulated apartments get increases every year from
19 the rent guidelines board, and if the Section 8
20 isn't going to improve rent increases, the only
21 way the landlords are going to get those increases
22 is by suing the tenants in Housing court, and that
23 one measure could result in the whole Section 8
24 program getting sued 'cause, basically, most
25 tenants get a rent increase at either every once a

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2 year or twice a year. So the idea that we're
3 going to see almost--you know, more than 90,000
4 households end up in Housing Court because the
5 Housing Authority is not going to pay for rent
6 increases seems like another huge disaster for me,
7 and it's only that that is only saving \$3 million.

8 So you look at some of these
9 choices, and I'm not saying they have good
10 options, but these do not seem like options that
11 are really going to work for the families that
12 we're talking about.

13 Thank you very much for the
14 opportunity to testify.

15 CHAIRPERSON RECCHIA: [Interposing]
16 Thank you very much. Next.

17 WALTHENE PRIMUS: Good afternoon,
18 my name is Walthene Primus and I represent the
19 clerical employees in the New York City Housing
20 Authority, which is over 1,000 clericals. And
21 most of what's on my sheet has already been said,
22 but I would just like to say that we have been
23 taking hits for years already. I don't even know
24 where they could possibly start to cut because
25 there won't be any clericals left to do the work.

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2 Where we used to have four clericals, we now have
3 one. So I don't know exactly where they would hit
4 us at, but I just think it's devastating to even
5 consider such a thing when we ask all the time if
6 we could assist in helping them with these
7 problems and no one tells us anything.

8 My members got a memo last night,
9 5:52 in the afternoon--

10 [Crosstalk]

11 CHAIRPERSON RECCHIA: [Interposing]
12 I know, we got a copy of it.

13 WALTHENE PRIMUS: At 5:52, most of
14 them had left to go home already. They start work
15 at eight, they leave at four. So it's humiliating
16 to me to sit here and just listen to this
17 nonsense, it's just unbelievable, and I'm so
18 annoyed, I don't know what else to say.

19 But we've always been willing to
20 work with them, but they tell us this the day
21 before and that's just upsetting to me.

22 CHAIRPERSON RECCHIA: I got a copy
23 of that memo right here.

24 WALTHENE PRIMUS: Yes, and--

25 CHAIRPERSON RECCHIA: [Interposing]

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That was handed out last night.

WALTHENE PRIMUS: --as you know, the test process, when we did the DCAS with the provisionals, we lost a lot of provisionals, 383, of secretarial titles, so they didn't replace them. So I just don't understand where the cuts are going to come from.

CHAIRPERSON RECCHIA: No, we hear you loud and clear. We spoke to NYCHA last night, I got a copy of it last night, I've been on the phone with them, I told them that they have to come to the table with all of the locals, with DC 37, and this City Council is ready to step forward. We've did it last year under the leadership of Speaker Christine Quinn and myself when we sat in the room for hours and days with Chancellor Walcott and we were able to save 650 jobs. We are ready to assist any way possible that we need to and we will try and see what we could work out. Okay?

As far as the Section 8, we hear you loud and clear, we will keep an eye on that, and we should stay in touch with my attorney, Tanisha Edwards. Council Member Maria Carmen

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Arroyo would like to ask--

COUNCIL MEMBER ARROYO: Thank you.

CHAIRPERSON RECCHIA: --a question.

COUNCIL MEMBER ARROYO: Thank you, Mr. Chair. The question is primarily for the unions and those who may be coming up to testify after the two representatives at the table. Have you had an opportunity to think about alternatives that you would propose?

ANTHONY WELLS: We have not because they have not presented to us what their plan is. As we speak now, the senior management staff is continuing to meet with workers and telling them that August 31st is their last day. So we have not spoken to them.

I heard the chairman say if furloughs are rejected. We are prepared to discuss what's on the table to preserve these services and to preserve these jobs, and they're tied together. So we have to see what the issue, they have to open their books, let us see what their problem is, where we can make some adjustments.

COUNCIL MEMBER ARROYO: But you

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believe you can come up with a plan?

ANTHONY WELLS: Well I believe that via two parties at the table or three parties in the room and there's a will to come to an agreement, agreements could be made.

COUNCIL MEMBER ARROYO: Okay.

ANTHONY WELLS: Okay. That we can stop these layoffs.

COUNCIL MEMBER ARROYO: Okay.

ANTHONY WELLS: And as you so eloquently said, 500 people industry [off mic] people, people period in this day and age, that's a problem. Losing your job in this economy, in these circumstances is a problem. And this is just another in a long line of the privatizing public sector jobs, Councilwoman. That's as been with this administration has done; that's where the mood is even on a state level.

So the answer, the short answer is: Yes, we're prepared to sit down in a room and come to an agreement to stop this plan.

CHAIRPERSON RECCHIA: Okay. Thank you very much. Want to say something?

WALTHENE PRIMUS: Yes. And to add

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2 to that, there are people probably that would be
3 ready to retire if they were offered a package
4 that might would help--

5 CHAIRPERSON RECCHIA: Okay.

6 WALTHENE PRIMUS: --to alleviate
7 some of that.

8 CHAIRPERSON RECCHIA: All right,
9 well we'll see where we're going to go.

10 WALTHENE PRIMUS: Okay. Thank you.

11 CHAIRPERSON RECCHIA: Hold on, hold
12 on, Rosie Mendez has a question.

13 ANTHONY WELLS: Come on, just said
14 [off mic].

15 CHAIRPERSON MENDEZ: Mr. Wells--

16 ANTHONY WELLS: Yes, ma'am.

17 CHAIRPERSON MENDEZ: --do you know
18 how many union jobs were lost when the other
19 centers were transitioned to DYCD?

20 ANTHONY WELLS: We lost about a 170
21 jobs actually.

22 CHAIRPERSON MENDEZ: Eight hundred-

23 -

24 ANTHONY WELLS: [Interposing] No,
25 no, no, 170.

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2 CHAIRPERSON MENDEZ: A hundred
3 seventy.

4 ANTHONY WELLS: Okay. And that was
5 four or five years ago. We worked, got some
6 rehiring done, but we lost a significant number of
7 jobs at that time.

8 CHAIRPERSON MENDEZ: And those
9 members were not rehired in any other NYCHA center
10 or in--

11 ANTHONY WELLS: [Interposing] I
12 don't know how many was hired in the private
13 sector--

14 CHAIRPERSON MENDEZ: Yeah.

15 ANTHONY WELLS: --we actually have--
16 --we had some recall and those--and the number may
17 be off, so don't hold me to the exact number, it
18 was a significant number of people who and... Yeah,
19 and we don't know who is hiring in the private
20 sector. And one thing we do know is that, as you
21 all indicated, usually at lesser salary without
22 any benefits.

23 CHAIRPERSON MENDEZ: Ms. Primus?

24 WALTHENE PRIMUS: Yes.

25 CHAIRPERSON MENDEZ: I don't know

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2 if that was your first name or last name, I'd have
3 to go--

4 WALTHENE PRIMUS: [Interposing]
5 That's the last name, first name is--

6 CHAIRPERSON MENDEZ: Last name is
7 Primus--

8 WALTHENE PRIMUS: --Walthene.

9 CHAIRPERSON MENDEZ: --okay. If
10 you could just quickly explain, 'cause I know a
11 little bit, about the provisional jobs, but for
12 the public, since this is being recorded, they may
13 not understand the loss of those jobs, so I think
14 it's important to capture it for the record.

15 WALTHENE PRIMUS: [Interposing]
16 Well they were lost jobs because there were people
17 that came in that did not take a civil service
18 test so they're considered provisional workers.
19 Some of them worked as long as 10, 12 years. And
20 back then, the test wasn't given as often. Every
21 four years, there were a test given. Now that
22 DCAS has stepped in, the tests are given more
23 often, so now most everyone is going to come off
24 of a list as opposed to being hired. So now when
25 this happens, a lot of these people didn't take

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2 the tests so when this came out that they got to
3 get rid of all these provisionals we had, that's
4 what happened.

5 CHAIRPERSON MENDEZ: Thank you.

6 Ms. Goldiner, how many of your clients are
7 residents of public housing or Section 8?

8 JUDITH GOLDINER: I don't have
9 those numbers directly. I mean, through our
10 various lawsuits, we represent all public housing
11 residents and all Section 8 recipients. But in
12 terms of individual representation, I'd have to
13 get back to you with those numbers. But,
14 obviously, we're extremely concerned about the
15 impact this would have on our individual clients,
16 but the Section 8 people as a whole.

17 CHAIRPERSON MENDEZ: Can I ask you,
18 like, during the years, is the amount of public
19 housing or Section 8 clients coming to your office
20 more than they used to be 10 years ago, 20 years
21 ago?

22 JUDITH GOLDINER: Well, you know,
23 your committee has had a number of hearings on the
24 problems that we saw with the Housing Authority's
25 computer system. We had a huge spike in the

1
2 number of Section 8 people we saw when that change
3 went into effect, and we continue to see many more
4 Section 8 residents then at NYCHA than we used to
5 see because of ongoing problems with NYCHA's
6 ability to do recertifications, to do annual
7 inspections, to do interim recertifications, and
8 issue transfer vouchers. So as we have reported
9 before, we have three class actions currently
10 pending against the Housing Authority on various
11 parts of the Section 8 program because of the
12 problems that our clients are seeing in the
13 administration of those programs.

14 CHAIRPERSON MENDEZ: Okay. Thank
15 you.

16 JUDITH GOLDINER: Thank you.

17 CHAIRPERSON MENDEZ: One last
18 question, so I worked at Legal Services and we
19 interview a certain amount of people, but because
20 we can't take every case, we triage. How many
21 people do you actually end up representing from
22 all the ones that come in through your door?

23 JUDITH GOLDINER: We have to turn
24 away nine people for every one person that we can
25 take due to the cuts that we've seen.

2 CHAIRPERSON MENDEZ: Okay.

3 CHAIRPERSON RECCHIA: Okay.

4 CHAIRPERSON MENDEZ: Thank you.

5 JUDITH GOLDINER: Thank you.

6 CHAIRPERSON RECCHIA: Thank you
7 very much; thank you, panel.

8 WALTHENE PRIMUS: Thank you.

9 CHAIRPERSON RECCHIA: Call the next
10 panel. This one's at...

11 TANISHA EDWARDS: Steven Shooman,
12 Brian Zimmerman, Lachaune Tinsley.

13 CHAIRPERSON RECCHIA: Are any of
14 those people here who were just called?

15 CHAIRPERSON MENDEZ: Is Brian
16 Zimmerman here? 'Cause we--oh, that's you? Okay.
17 'Cause we got your testimony for the record, so
18 he's going to read it.

19 TANISHA EDWARDS: Steven Shooman?
20 Lachaune Tinsley? Guess they left.

21 CHAIRPERSON RECCHIA: Okay. We're
22 going to keep on calling because...

23 TANISHA EDWARDS: Okay. Tyree
24 Stanback, Americo Santiago, and Deborah Scott.

25 CHAIRPERSON RECCHIA: Okay. State

1
2 your name for the record before you testify. If
3 you have written testimony, the Sergeant-at-Arms
4 will love to take it so he can hand it to us. And
5 who would like to go first? Go ahead.

6 TYREE STANBACK: Good afternoon, my
7 name is--

8 CHAIRPERSON RECCHIA: [Interposing]
9 Yeah, you have to turn the mic on.

10 TYREE STANBACK: Hello?

11 CHAIRPERSON RECCHIA: Yeah.

12 TYREE STANBACK: Good afternoon, my
13 name is Tyree Stanback, and I am resident of
14 Lafayette Gardens, and I am a member of the
15 resident leadership of NYCHA.

16 I want to first thank you for
17 hearing me this afternoon and very quickly I'd
18 like to go through three areas of concern.

19 The first is I am a HUD certified
20 Section 3 coordinator and I need to really, really
21 let you know that this is getting ready to be a
22 watershed effect. NYCHA has been out of
23 compliance with the Section 3 since its inception.
24 I heard earlier someone questioned about the
25 Section 3. If properly leveraged, Section 3 could

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2 close the gap in and of itself alone.

3 The way it works is all contracts
4 that NYCHA enters into, 3% of those contracts
5 should be awarded to residents, resident-owned
6 businesses. And if you look at NYCHA doing a
7 billion dollars in contracts, 3% of a billion in
8 contracts would pay for keeping the centers open,
9 and opening and improving other centers, but it
10 has not been leveraged. NYCHA does not have a
11 compliant plan and/or policy regarding Section 8,
12 they kind of do it on a whim. So in terms of
13 funding, NYCHA is behind the times. They are not
14 looking at new and innovative ways to finance and
15 fund these centers.

16 I personally at my center at
17 Lafayette Gardens coordinated and worked out a
18 program with Google where they were willing to
19 come in and spend a quarter of a million dollars
20 to put in a computer center and run programs at
21 our center. It went by the wayside because it
22 became a argument because NYCHA wanted to say if
23 you give us that money, we have to be in control
24 of that money. Since Google would not turn
25 control of the money over to them, they moved on

1
2 to another entity, private entity in the Bronx.
3 That is the tale of how NYCHA does business. If
4 they worked more closely with resident leadership
5 to come up with community partnerships with
6 private entities, many of these centers would be
7 self-sufficient and would run themselves.

8 Which takes me into Tenant
9 Participation Accounts, the TPA money. They were
10 correct in saying that they cannot blanketly come
11 in and take the TPA money and use it for centers.
12 However, however, the HUD regulations 964 and the
13 CFR 135 require that those funds be used for
14 education, training, and development purposes. So
15 if they were to come to me as a resident leader
16 and say, Mr. Stanback, we would like to have a GED
17 program in the center, a GED program is a
18 qualified training and development tool,
19 therefore, it's covered under the HUD's 964,
20 therefore, it's a TPA acceptable activity.

21 But that's not what NYCHA is
22 willing to do. What NYCHA wants to do is you give
23 me the money and we'll decide how to spend it.
24 That becomes the problem. As a resident, I am
25 ready to file a fair housing complaint, a Section

1
2 3 complaint, and it's going to be a watershed
3 because NYCHA has not respected the rights of
4 residents. Where have the residents been in this
5 entire conversation?

6 I can close the budget for you
7 right now. REES, get rid of it, dissolve it.
8 There's your million dollars, dissolve it. REES
9 is duplication of services. We send a resident to
10 REES, REES sends the resident to Workforcel,
11 Workforcel sends the resident somewhere else. So
12 the REES department could be wiped out.

13 ESD at night, they're sitting there
14 idling the cars, running the air conditioner,
15 playing the radio, not doing any work. So all of
16 those trucks can be taken out and that's money
17 that can be used elsewhere.

18 NYCHA is not willing to sit down
19 and discuss the issue with residents, and so I
20 don't see it as a issue of sequestration in terms
21 of the residents. We see it as a ongoing issue of
22 incompetence, malfeasance, and stubbornness of
23 NYCHA to move ahead and become a progressive
24 housing agency.

25 Thank you.

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2 CHAIRPERSON RECCHIA: Thank you
3 very much. Next, please.

4 AMERICO SANTIAGO: Good morning, or
5 good afternoon. My name is Americo Santiago, and
6 just to give you a history, I'm a NYCHA employee,
7 I work at Cooper Park Senior Center, I've got over
8 26 years of tenure with the agency [off mic] the
9 social service division and in community
10 operations.

11 It's kind of frustrating for me, as
12 it was for you, to try to get answers from all of
13 these upper management individuals when somebody
14 could have just easily printed out a FAQ sheet
15 from their website that gives you the answer to a
16 lot of the questions you guys had.

17 To say that they have not been
18 approached about initiatives and ideas that can
19 create and bring in resources is pretty much a
20 lie. I personally at a labor management meeting
21 introduced various components that we can use to
22 bring in money. Whether it's getting some of our
23 celebrities to sponsor some of these programs, or
24 for us personally to just be the ones out there
25 writing the RFPs, they've never come back to the

1
2 table to say let's do it, let's make it happen.
3 And we're talking about three years in the run,
4 we've talked about any and everything under the
5 table that can possibly generate money. Not one
6 person at the table spoke of the rentals that we
7 do every week at all the facilities that generate
8 sometimes \$682,000 in 2009 to over a million
9 dollars now. No one's speaking of this money
10 that's actually existing that we actually don't
11 know where it's going.

12 To close any of the centers--and
13 I'll speak for my facility itself--my senior
14 center is not just a senior center where people
15 just come and sit around. This is the place where
16 my 56 grandparents now, because that's what they
17 are to me, spend eight hours of the day with me,
18 they get hugs, they get kisses, [off mic] brings
19 her soup, it makes her feel a lot more alive. To
20 take that away from them right now over \$28
21 million that I'm pretty sure we all can find this
22 money somewhere just by writing up the right
23 proposals, by going out there and reaching out to
24 some of these celebrities, these entertainers that
25 need a tax shelter, let's take that initiative to

1
2 do that. I am more than willing to write the
3 electronic press kits to send it off to these
4 guys, to the Yankees, to the Mets. All these
5 folks in our communities in the city that make so
6 much money that we can tap into, and they're going
7 to need this tax shelter anyway, I'm pretty sure
8 they'll be more than willing to donate this money
9 to keep these centers open to keep our residents
10 going to them and to save the jobs of a lot of my
11 colleagues that right now are trying to figure out
12 what's going to happen after August.

13 Thank you so much.

14 CHAIRPERSON RECCHIA: Thank you
15 very much. Next.

16 BRIAN ZIMMERMAN: Good afternoon,
17 my name is Brian Zimmerman, and I'm here to speak
18 on behalf of Benjamin Kallos. First of all, I'd
19 like to thank the ladies and gentlemen of the
20 committee for your time.

21 There are over 300,000 seniors in
22 New York City, and as baby boomers enter old age,
23 this number will grow significantly. We need to
24 decide now what services we want to have available
25 for our loved ones down the road. I join AFSCME

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2 Local 371 and others here in arguing that these
3 services must include well-staffed, well-funded
4 senior centers.

5 Among other vital services, most
6 senior centers in New York City provide lunch and,
7 in some cases, breakfast to seniors, totaling 12.4
8 million meals each year. This is a critical
9 service for those who struggle to purchase
10 groceries and to cook. Across the nation, Meals
11 on Wheels estimates fully 8.3 million American
12 seniors suffer from hunger.

13 Beyond providing healthy meals,
14 these centers also provide opportunities for
15 seniors to regularly exercise and receive health
16 screenings, including blood pressure, cancer,
17 mammography, vision, and hearing tests.

18 Finally, senior centers create a
19 community and can provide some seniors' only
20 opportunity to socialize outside of their house
21 and family.

22 The reality is, unless you're
23 caring for a senior personally, it's difficult to
24 imagine the importance of these services. Reflect
25 for a moment. Without senior centers, elderly New

1
2 Yorkers would have to find soup kitchens or other
3 food programs; they'd have to find another agency
4 that could help with benefits and services that
5 understands the needs of older adults; they would
6 have to join a gym; they'd have to find affordable
7 and accessible transportation; they'd have to
8 identify affordable health, recreational,
9 educational, and cultural activities, and get
10 there on their own.

11 I understand that NYCHA faces an
12 enormous shortfall, \$205 million, as a result of
13 the federal sequester. Yet I urge the City
14 Council to help NYCHA bear this burden. Doing so
15 will help save our city money for the following
16 reasons: Without the health screenings, balanced
17 meals, and fitness activities senior centers
18 provide, seniors will live less healthy lives, and
19 that will strain the healthcare system at the cost
20 of untold millions of dollars. Without meals,
21 charities like Meals on Wheels will face an
22 immense challenge in providing seniors meals at
23 home. If the 11% across-the-board cuts to NYCHA
24 translates to cutting 11% of senior centers'
25 meals, we would lose 1.3 million meals, costing

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2 charities \$5.2 million and thousands of volunteer
3 hours--Meals on Wheels asks for a \$4 donation per
4 meal. And finally, without daytime services
5 available for seniors in need of care, thousands
6 of families will be forced to sacrifice hours at
7 work, costing the City millions in lost income tax
8 and many more millions in additional services for
9 low-income families already struggling to get by.

10 I thank the Committee for their
11 time, and again urge you to find funding for our
12 senior centers.

13 CHAIRPERSON RECCHIA: Thank you
14 very much. Next.

15 DEBORAH SCOTT: Hello, my name is
16 Deborah Scott; I am the coordinator of Summer
17 Houses Senior Center, one of the many centers
18 slated to close.

19 Unfortunately, we were told through
20 the media what was going to happen to us. We
21 never got a call or a meeting until yesterday.
22 But that's not the fact. My main concern is we
23 have members who also live in public housing who
24 face a deficit because they don't have an income
25 coming in. We're looking at people who also might

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2 have chronic illnesses who, at the end of August
3 31st will have no type of insurance at all,
4 medical insurance. It might take them three to
5 four weeks to get a Medicaid card if they're
6 eligible.

7 The seniors and the children really
8 depend on the NYCHA staff because we are well
9 trained. We are trained in anything from CPR on
10 down to radiation to make sure that the children
11 and the seniors are taken care fully. DFTA has
12 come to some of the NYCHA sites at one time and
13 DFTA left some of them NYCHA sites, meaning that
14 the NYCHA staff had to come up with renovative or
15 creative ideas on their own to keep their centers
16 running with little resources. And who stepped
17 in? Some of the same TA presidents who will step
18 in again if given the opportunity to partnership
19 with NYCHA, who helped to fund programs through
20 Councilmatic funds or state funds by going online
21 and putting together proposals with the staff to
22 make sure that these programs still run.

23 I wear many hats, but I'm not the
24 master of any. I do anything from cleaning and
25 cooking to make sure the seniors also get social

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2 services and get needed and vital paperwork done.
3 Because that's what we're here for. We're here
4 for the same people we will one day be.

5 And I don't believe that the
6 seniors should or any child should go to another
7 location when in their own neighborhood are
8 centers that they come to love and grow to love
9 because the staff that who's there for them are
10 reliable and dependable and, yes, they work for
11 NYCHA.

12 And I appreciate everyone sitting
13 on the board and I just want you to think for one
14 second: Today it's us; tomorrow, it's somebody
15 else. You know, so that's more and more people
16 out of work when a solution can be made. A vital
17 one. Because in the end, it's not about money,
18 it's about the neighborhoods in which we go into
19 every day whether we live there or not who will be
20 affected. It's about those seniors who we get to
21 come out who live in that neighborhood who
22 eventually say no, I don't want to go out because
23 I don't want to go to another center, I want to go
24 somewhere close to home. Or a child who might not
25 feel safe because of gang activity.

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2 There's a lot at stake. And I
3 thank you for letting me speak.

4 CHAIRPERSON RECCHIA: Thank you
5 very much. I want to thank the whole panel. I
6 want to thank everyone for coming today. Ms.
7 Mendez, would you like to say anything? [Pause]
8 We close it down?

9 CHAIRPERSON MENDEZ: Yes. Just a
10 series of things 'cause you guys all had important
11 things today to say. I used to live in
12 Williamsburg, so do you still have the pink
13 leather couch?

14 [Off mic]

15 [Laughter]

16 AMERICO SANTIAGO: Actually, we
17 don't have a pink one, I have a brown one that I
18 was able to get from Paramount Pictures when we
19 turned the back room into a Zen zone.

20 CHAIRPERSON MENDEZ: 'Cause that
21 pink--

22 CHAIRPERSON RECCHIA: [Interposing]
23 See, if you had the pink one--

24 CHAIRPERSON MENDEZ: --into this
25 couch--

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[Crosstalk]

CHAIRPERSON RECCHIA: --she would have given you \$5,000. See, if you had the pink couch, she would have given you a grant.

AMERICO SANTIAGO: I was actually in the agency when that happened.

CHAIRPERSON MENDEZ: That pink leather couch came from a--

AMERICO SANTIAGO: [Interposing] Laura Blackburne.

CHAIRPERSON MENDEZ: --short-lived chairperson who ordered a pink leather couch for her office, and then the mayor fired her and Cooper Park--

CHAIRPERSON RECCHIA: You took--

[Crosstalk]

AMERICO SANTIAGO: Laura Blackburne.

CHAIRPERSON MENDEZ: --Senior Center got the couch.

AMERICO SANTIAGO: Laura Blackburne.

CHAIRPERSON RECCHIA: It's all about the pink--

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CHAIRPERSON MENDEZ: That's
history.
CHAIRPERSON RECCHIA: --couch.
CHAIRPERSON MENDEZ: It's history.
So, Americo--
AMERICO SANTIAGO: Americo.
CHAIRPERSON MENDEZ: --forget your
last name.
AMERICO SANTIAGO: Santiago,
Americo is good.
CHAIRPERSON MENDEZ: How many
seniors are coming into your--
[Crosstalk]
AMERICO SANTIAGO: [Interposing] I
have registered--
CHAIRPERSON MENDEZ: --right now?
AMERICO SANTIAGO: --56 seniors.
CHAIRPERSON MENDEZ: Fifty-six.
AMERICO SANTIAGO: On a daily
basis, I can get anywhere--
CHAIRPERSON MENDEZ: Okay.
AMERICO SANTIAGO: --from 35 to 40.
CHAIRPERSON MENDEZ: And I forgot
to ask NYCHA, there's no meals in their programs,

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but seniors bring stuff and I know sometimes--

AMERICO SANTIAGO: [Interposing]

No, no, let's go over that quickly. I've been at Cooper Park for two years, I have exhausted not one penny, not one penny from Housing, okay? Everything that I've gotten there has been from partnerships I've created with Paramount Pictures, Material for the Arts, individuals that I've worked with throughout the years. So the furniture there, I've gotten it on my own. Any and everything has cost NYCHA nothing--

CHAIRPERSON MENDEZ: [Interposing]

You got rid of the pink couch?

[Crosstalk]

AMERICO SANTIAGO: Okay. No--

CHAIRPERSON MENDEZ: No, oh.

AMERICO SANTIAGO: --the pink couch was gone before I got there.

CHAIRPERSON RECCHIA: He made a deal with Material for the Arts.

AMERICO SANTIAGO: Now our feeding program is funded by Diana Reyna. She dedicated \$25,000 to feed our seniors there, okay? And despite it's only for 25 meals, the vendor himself

1
2 has been exceptional. He feeds more than 25
3 people, and it's just based on the relationship
4 that we've created.

5 CHAIRPERSON MENDEZ: Ms. Scott, how
6 many in your program?

7 DEBORAH SCOTT: We have registered
8 102, at our 102--

9 CHAIRPERSON MENDEZ: [Interposing]
10 A hundred and two seniors.

11 DEBORAH SCOTT: A hundred and two
12 seniors have been registered there, however, some
13 register and don't come back so we encourage them
14 to come back through phone calls. But our daily
15 is 30 to 35. We feed, 'cause we have an
16 independent program that was established by the
17 resident association leader, we feed 30 seniors a
18 day. Some of those meals is also second meals for
19 some seniors who don't cook anymore.

20 AMERICO SANTIAGO: Ms. Mendez, just
21 so you get a sense, we also have programs that are
22 not going to be found in DFTA sites too. I have a
23 massage therapist that comes in religiously every
24 week and my seniors die for that. For a whole
25 week when they can get somebody to come in and

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massage a lot of--

[Crosstalk]

CHAIRPERSON RECCHIA: [Interposing]

What days? My staff wants to come.

[Laughter]

CHAIRPERSON RECCHIA: What day?

We're going to have a site visit.

AMERICO SANTIAGO: Tuesdays from--

CHAIRPERSON RECCHIA: What day?

[Crosstalk]

AMERICO SANTIAGO: --to 12.

CHAIRPERSON RECCHIA: Tuesdays?

We'll be there right after we pass the budget.

AMERICO SANTIAGO: And our

partnerships are good--

CHAIRPERSON MENDEZ: Okay.

AMERICO SANTIAGO: --we have a

partnership with St. Nick's Alliance that also

helps us out with funding to go to trips like

Sight and Sounds up in Pennsylvania, Lancaster.

So there's a lot that we do that, unfortunately,

the upper management does not come out to see what

we do. They can't speak of what's being done or

not done, okay? Because they're never out there

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2 at all. Just like you just saw my face, some of
3 them have seen my face for the first time today.

4 CHAIRPERSON MENDEZ: Mr. Zimmerman,
5 Benjamin Kallos, does he work in one of these
6 centers or he benefited from it or...?

7 BRIAN ZIMMERMAN: Well his mother
8 is a senior and a resident of the Upper East Side.

9 CHAIRPERSON MENDEZ: Who goes to
10 one of the centers.

11 BRIAN ZIMMERMAN: I don't believe
12 she's a resident of one of the centers, but--

13 CHAIRPERSON MENDEZ: Okay.

14 BRIAN ZIMMERMAN: --it's an issue
15 that--

16 [Crosstalk]

17 CHAIRPERSON MENDEZ: [Interposing]
18 'Cause actually, it's at some of the centers, if
19 you live in the neighborhood, whether you live in
20 NYCHA or not--

21 FEMALE VOICE: Right.

22 CHAIRPERSON MENDEZ: --they let you
23 come in.

24 FEMALE VOICE: Yes.

25 CHAIRPERSON MENDEZ: And I know

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that 'cause I go to my centers.

TYREE STANBACK: Madam, if I could just intervene right there, that's a interesting point that he brings up because in our particular center, DFTA cut the funding so we no longer received the food from the satellite center and we could not get the residents to go to the satellite center because the satellite center is more than ten blocks away and so they now needed to pay \$1 for the meal, \$2.50 to get there, and \$2.50 to get back, so it now became a issue of \$6 per dollar per day.

CHAIRPERSON MENDEZ: Two fifty to get there? Why 2.50 to get there?

TYREE STANBACK: That's because the bus, they have to take the bus, or they have to take public transportation.

CHAIRPERSON MENDEZ: But they get half fares.

TYREE STANBACK: Some of them have half-fare cards--

FEMALE VOICE: [Interposing] Not with Access-A-Ride.

CHAIRPERSON MENDEZ: Not everyone.

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2 TYREE STANBACK: --and some of them
3 don't. And then the issue regarding DYCD, the
4 largest complaint that we at the CCOP [phonetic]
5 hear is that at the DYCD centers, they have come
6 in and cut the number of participants in half.
7 Like so if there are 72 children that were in the
8 program, they went to the resident leader and said
9 you need to find a way to cut this down to 50
10 people, we can't have more than 50 people, that's
11 what the funding calls for in this program. So
12 how do you decide which 22 people you're going to
13 cut? And then when they talk about going, they're
14 going to--

15 CHAIRPERSON MENDEZ: [Interposing]
16 This is in DYCD?

17 TYREE STANBACK: Yes.

18 CHAIRPERSON MENDEZ: According to
19 them, they're serving everyone--

20 FEMALE VOICE: No.

21 TYREE STANBACK: Yes, but I'm--

22 CHAIRPERSON MENDEZ: --from--

23 TYREE STANBACK: --here to tell
24 you--

25 CHAIRPERSON MENDEZ: --according to

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them.

TYREE STANBACK: --and according to them, I'm here to tell you that none of those people sitting on the panel have been in developments. And that's the thing, you need to come on the ground and see what's happening because in terms of--I know firsthand the president that's in my district that they said you have to get rid of 22 people because our funding calls for 50. And then there's the issue that was so aptly brought up is, unfortunately, there is a culture--

CHAIRPERSON MENDEZ: [Interposing]
I want, not on the record--

TYREE STANBACK: Okay.

CHAIRPERSON MENDEZ: --I want to know who that person and I want to know what the program was after--

CHAIRPERSON RECCHIA: Okay.

CHAIRPERSON MENDEZ: --you finish your testimony.

TYREE STANBACK: [Interposing]
Okay. Actually, you've met him and you've talked to him.

2 CHAIRPERSON RECCHIA: I just want
3 to correct you on one thing, you know, when you
4 said that none of the people sitting up here have
5 ever been in a development, I--

6 TYREE STANBACK: [Interposing] Well
7 I mean in a development in a building. The
8 chairman has been in a development for a picture
9 opportunity--

10 CHAIRPERSON RECCHIA: [Interposing]
11 No, no, no. I personally been with all of those
12 commissioners in NYCHA facilities inside
13 buildings. Okay?

14 TYREE STANBACK: Inside an
15 apartment--

16 CHAIRPERSON RECCHIA: Yes.

17 TYREE STANBACK: --inside--okay, I
18 stand--

19 CHAIRPERSON RECCHIA: Okay?

20 TYREE STANBACK: --corrected.

21 CHAIRPERSON RECCHIA: I just want--

22 TYREE STANBACK: I stand corrected.

23 CHAIRPERSON RECCHIA: --you could
24 say what you want--

25 TYREE STANBACK: Okay.

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2 CHAIRPERSON RECCHIA: --but I just
3 want to stand corrected, all right? 'Cause--

4 TYREE STANBACK: I will--

5 [Crosstalk]

6 CHAIRPERSON RECCHIA: --personally,
7 I have been with all of those commissioners--

8 TYREE STANBACK: [Interposing] I
9 will correct the statement--

10 CHAIRPERSON RECCHIA: Okay.

11 TYREE STANBACK: --and say that
12 they need to engage the residents and the resident
13 leadership in the developments. When they come--

14 CHAIRPERSON RECCHIA: Okay.

15 TYREE STANBACK: --my experience
16 and what I see when they come to the developments,
17 they run in the community center, they take a
18 paintbrush and they hold it to the wall and they
19 take a picture, and they run back out and get in
20 the SUV and disappear. I don't see them walking
21 in the developments and seeing what's happening in
22 my building: That the elevators don't work, that
23 the stairs don't work. I haven't seen that level
24 of participation from them. I see them come and
25 take a photo op and run out.

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2 But what I wanted to say in terms
3 of DYCD and them having this model of having these
4 focus centers, that is a real serious, serious
5 issue. There is a subculture in NYCHA that says I
6 am from Lafayette Gardens, so I won't go in
7 Whitman, I won't go in Farragut, and that culture
8 is what makes DYCD centers unsuccessful to a
9 point. I live in Lafayette Gardens, the closest
10 DYCD center to me is Ingersoll. And I can tell
11 you that my residents will not go downtown to
12 Ingersoll because there's going to be this
13 friction, it's going to turn into shooting and
14 violence.

15 CHAIRPERSON MENDEZ: So you are--
16 this is the last question 'cause we got to get to
17 that briefing--you're a HUD-certified Section 3
18 coordinator?

19 TYREE STANBACK: Yes.

20 CHAIRPERSON MENDEZ: And how long
21 have you been doing that for?

22 TYREE STANBACK: I have been
23 involved with Section 3 all six years of my
24 presidency, and I was recently recertified at the
25 Section 200 on Sunday. I've just only just

1
2 returned from the certification in Tampa on
3 Sunday.

4 CHAIRPERSON MENDEZ: Because
5 everyone has to get certified to do that and--

6 TYREE STANBACK: [Interposing] We
7 have a certain number of presidents who specialize
8 in Section 3, and they have to be certified once
9 every two years.

10 CHAIRPERSON MENDEZ: Interesting,
11 okay. I've had many hearings on Section 3. It
12 seems like in the last--

13 CHAIRPERSON RECCHIA: [Interposing]
14 She's going to call you as a witness now.

15 CHAIRPERSON MENDEZ: --it seems
16 like in the last few years, they were doing, or at
17 least they're reporting better numbers. One of
18 the things they have not taken into account is
19 they're supposed to be employing Section 3 for the
20 74 million given to the police department, the
21 police department has not done the Section 3
22 compliance with NYCHA--

23 TYREE STANBACK: Yes.

24 CHAIRPERSON MENDEZ: --by the way.
25 So we--

2 TYREE STANBACK: [Interposing] That
3 was actually a very big issue with the Chicago
4 Housing Authority and they took a huge hit--

5 CHAIRPERSON MENDEZ: Chicago?

6 TYREE STANBACK: Chicago. They
7 took a huge hit on the compliance agreement, and I
8 think that when it hits New York, we going to make
9 that compliance agreement look like a little
10 child's book because we, as you say, we have not
11 ever explored the possibilities of Section 3.
12 Every time they say the word hire or need, they
13 should be first as a first tier looking at
14 residents; second tier, resident-owned businesses;
15 and third tier, residents who live in a certified
16 NYCHA home. So you may live with me, but not on
17 the lease, you qualify.

18 CHAIRPERSON MENDEZ: I want to
19 thank this panel for their testimony.

20 CHAIRPERSON RECCHIA: Okay. I want
21 to thank the panel, and I want to thank the public
22 for staying here. This meeting is now adjourned.

C E R T I F I C A T E

I, Tammy Wittman, certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature Tammy Wittman

Date June 27, 2013