



LINDA B. ROSENTHAL
Assemblymember 67th District

THE ASSEMBLY
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ALBANY

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**TESTIMONY OF ASSEMBLYMEMBER LINDA B. ROSENTHAL BEFORE THE NEW
YORK CITY COUNCIL COMMITTEE ON PUBLIC HOUSING
HEARING ON “PLAN NYCHA: A ROADMAP FOR PRESERVATION”
March 12, 2012**

Good afternoon. I am Assemblymember Linda B. Rosenthal, and I represent the 67th Assembly District, which includes the Upper West Side and parts of Clinton/Hell’s Kitchen in Manhattan. I am testifying today in regard to the financial plan recently released by the New York City Housing Authority (NYCHA) entitled “Plan NYCHA: A Roadmap for Preservation” (the Plan).

As a member of the New York State Assembly’s Committee on Housing and an elected official who has assisted countless constituents in the four NYCHA developments in my district (Amsterdam Houses, Amsterdam Addition, Harborview Terrace and 154 West 84th Street), I am pleased to see NYCHA taking a creative and proactive approach to addressing its serious budget difficulties as well as issues with maintenance and service provision to its residents. While I am encouraged by the Plan’s stated goals of generating additional revenue, reducing the backlogs of repair and capital work, improving safety and security and increasing both the number of New Yorkers served by NYCHA and the quality of that service, I am concerned by the lack of specificity about how some of these goals will be achieved.

I applaud some of the initiatives that are spelled out in the Plan. NYCHA’s plans to work with the New York City Department of Sanitation to expand recycling initiatives and to partner with energy service corporations to help finance energy efficiency improvements in NYCHA developments are particularly exciting. Recognizing that energy efficiency produces savings in the long run, NYCHA’s decision to pursue creative funding that will enable projects to proceed without impacting tenants is progressive and forward thinking. Similarly, charging commercial tenants in NYCHA buildings a market rent is an effective way to increase revenue without impacting services to tenants.

Other initiatives, such as the “right-sizing” of under- or over-occupied apartments and a potential home-sharing program will also help NYCHA to realize additional savings. However, these programs will and have already had significant impacts on the lives of NYCHA residents, and therefore, must be implemented and administered with the utmost of care. Improved communication between NYCHA and its residents is needed to streamline the process and reduce tenants’ resulting confusion and stress. Given the ongoing issues with the implementation and enforcement of NYCHA’s under-occupancy policy, any new programs that will directly impact tenants must be carefully reviewed and communicated to tenants before implementation.

Despite these few bright spots, however, the Plan does not provide enough information to enable meaningful comment on many of the proposals included therein. For example, the Plan establishes NYCHA’s intention to seek a “Moving to Work” (MTW) designation from the U.S.

Congress, which would increase the Housing Authority's flexibility in the allocation of its funding through a new contract with the U.S. Department of Housing and Urban Development (HUD). An MTW agreement would enable NYCHA to combine funding provided for the Section 8 voucher program and public housing. However, such a monumental change in NYCHA's funding and operations, achieved by combining what are currently dedicated revenue streams for Section 8 and public housing, demands far more than a brief mention in the Plan. NYCHA must explain the ways in which it would use this additional flexibility to achieve fiscal stability without negatively impacting either current public housing tenants or Section 8 voucher holders. Simply moving funding from one program to another is not a solution to NYCHA's fiscal crisis.

NYCHA also states that it will pursue public-private partnerships to generate funding, but only mentions two specific initiatives which it intends to pursue. The first is an application to HUD's Rental Assistance Demonstration (RAD) program, which would enable NYCHA to convert public developments to private rentals with long-term Section 8 contracts and other affordability protections. Secondly, the Plan includes NYCHA's intention to fund public housing through the construction of mixed-income or market-rate housing. While these initiatives may help balance NYCHA's budget, they would also heavily privatize NYCHA's portfolio of housing stock and could lead to a significant percentage of NYCHA-managed apartments becoming unaffordable for low- and middle-income residents. Given the substantial and likely negative impact of these programs on residents, NYCHA must fully explain how it would implement them. Similarly, the Plan fails to explain NYCHA's intent to work with private developers to use inclusionary zoning policies to develop new affordable units and preserve existing public housing units. In the absence of additional information, this statement is particularly perplexing given that inclusionary zoning is intended solely for private developers to ensure that their properties have a significant percentage of affordable units.

The Plan also states that the NYCHA will seek to monetize its air rights by implementing a program to secure private advertising to generate revenue. While I am glad to see NYCHA thinking creatively about potential new revenue sources, it must provide the community with more information regarding the interests to whom these rights may be sold. It falls to the community to prevent the proliferation of potentially unsightly billboards and other forms of advertising that are uniquely targeted to NYCHA residents. "Plan NYCHA" makes broad claims that it will reduce the repair backlog, work to improve the relationship between its residents and the New York Police Department (NYPD) and improve communication with residents without outlining the means by which it will accomplish these goals. If NYCHA is examining its relationship with the NYPD as it strives to overcome fiscal difficulties, I encourage it to renegotiate or eliminate the Memorandum of Understanding between it and the NYPD which takes \$70 million each year from NYCHA's operating budget to pay for police services to which public housing residents are already entitled as taxpayers.

Though "Plan NYCHA" is only the first step in a long process to reach financial solvency, NYCHA must provide stakeholders who have an interest in protecting middle- and low-income families living in New York with more information about the ways in which NYCHA plans to achieve that solvency. By providing concrete plans, NYCHA will enable these stakeholders to play a greater role in improving the quality of life for all residents living in NYCHA developments while at the same time demonstrating its own willingness to work with them to advance its goal of achieving financial sustainability. Thank you.