

TESTIMONY FROM NYCHA CHAIR & CEO GREG RUSS
PRELIMINARY BUDGET HEARING – PUBLIC HOUSING
COMMITTEE ON PUBLIC HOUSING
TUESDAY, MARCH 8, 2022 – 1:00 PM
REMOTE HEARING (VIRTUAL ROOM 2)

Chair Alexa Avilés, members of the Committee on Public Housing, other distinguished members of the City Council, NYCHA residents, and members of the public: good afternoon. I am Greg Russ, NYCHA's Chair and CEO. I am pleased to be joined by Chief Operating Officer Daniel Sherrod, Executive Vice President of Finance and Chief Financial Officer Annika Lescott, Chief Asset and Capital Management Officer Shaan Mavani, Vice President of Intergovernmental Relations Brian Honan, and other members of NYCHA's team. Thank you for this opportunity to present the Authority's adopted budget (which was approved by NYCHA's Board of Directors on December 29, 2021) and discuss our efforts to transform this agency and our residents' homes.

I would first like to congratulate all the new members of the City Council; I look forward to working closely with you to serve the NYCHA community. I would also like to thank Mayor Adams for his partnership and support.

Reckoning with Decades of Disinvestment

This is a moment of significant change at the Authority – we have new leadership, including a new Chief Operating Officer, Chief Asset and Capital Management Officer, and Chief Compliance Officer – and we are instituting major organizational reforms through our Transformation Plan. At the same time, we are reckoning with the Authority's greatest existential threat in its 88-year-history: the compounding effects of more than four decades of federal government disinvestment from public housing across the nation.

The days of piecemeal fixes – of putting band-aids on our aging, deteriorating buildings – are over. Residents know this reality painfully well, with the near daily cascade of serious issues, from the rooftops to the pipes underground. We have experienced this in sharp relief this winter with the increase in heating outages.

It's not for lack of working harder or working smarter – we have increased our staffing levels in critical areas and are improving the way we do business. Quite simply, this is what disinvestment looks like, when buildings haven't received the continual investment they need: 80-year-old piping giving out behind walls; boilers and elevators failing; roofs leaking, giving rise to mold. Across our portfolio right now, there's more than *\$40 billion* in urgent repair needs that are seriously degrading our residents' quality of life – and the needs grow at a rate of about a billion dollars every year.

Residents should not have to suffer any longer. We have a responsibility to bring our buildings the investments they so desperately need, as quickly as we can. The only way to ensure that our properties can serve residents for another century is through comprehensive modernization, like we're doing at St. Nicholas and Todt Hill Houses. To bring top-to-bottom renovations and upgrades to every NYCHA building, we must use every tool in our toolbox, from PACT to the Public Housing Preservation Trust. These initiatives protect residents' rights while bringing the funding needed to transform their homes.

Our residents are relying on us to take the necessary action now; the very future of public housing in New York City is at stake. Despite the best efforts of our advocates in federal government, it is clear that the only serious and viable plan on the table right now is the Public Trust. We are continually reminded that we cannot depend solely on federal funding alone, and that we must implement creative strategies to bring residents the quality of life they deserve.

Budget Outlook

Operating Budget

The numbers illustrate the need for a new approach. Rent revenue, which is about a third of our budget, is down significantly (by about 30 percent), largely due to the

pandemic. The current rent shortfall has climbed to about \$311 million – a significant sum that we need to repair and preserve our buildings.

For 2022, with expected operating revenues of about \$4.144 billion and an expected \$4.179 billion in operating expenses, we anticipate a year-end deficit of about \$35 million. We believe we can close this gap – we will continue to closely monitor our spending and implement cost-saving measures as necessary, as we did to close the budget gap in 2021. However, with the increasing needs, and without additional revenue, the anticipated annual deficit climbs to about \$279 million in 2026.

Two-thirds of NYCHA's operating revenue comes from federal sources. This year, we expect to receive about \$1 billion in federal operating subsidy. However, as noted, the other third of our operating revenue comes from rent, and we expect to collect about \$867 million in rent this year, nearly \$130 million less than we should be collecting. The 2022 budget assumes a proration factor of 96 percent for the operating subsidy – about \$43 million less than what NYCHA is eligible for. We also expect to receive \$276 million in City operating funds.

We expect to receive about \$1.4 billion for Section 8 vouchers, and the associated administrative fees, this year. Our Section 8 program is well managed – deemed a “high performer” by HUD – despite the fact that we are underfunded by HUD's formula. NYCHA's contract with HUD authorizes us to lease about 106,000 vouchers. But this year, NYCHA is receiving the previous year's expenses plus a Section 8 administrative fee that is prorated by 84.7 percent. This funding only supports 88,880 vouchers, roughly 83.6 percent of the 106,000 vouchers that NYCHA is eligible for.

Our projected expenses for 2022 include \$1.3 billion in Section 8 payments to landlords; \$1.5 billion in salaries and fringe benefits; \$487 million in contracts; \$524 million in utility payments; and \$339 million for items such as supplies, vehicles, and equipment. A significant portion of our expenses are fixed, such as utilities and employee benefits.

As part of our efforts to close this year's budget gap, we will withdraw \$100 million from our operating reserves, leaving just over one month of reserves for 2023. We will also use \$80 million in restricted proceeds from PACT deals. And we will shift 35 percent of our federal capital grant for our basic operations (the maximum amount we can shift; typically, we would only transfer 15 to 20 percent) – this is because lack of investment in the buildings is driving up the costs to simply sustain them; the work orders keep surging due to leaks and mold and failing building systems, symptoms of the condition of our buildings.

Again, we cannot rely on federal funding alone to maintain our properties. The majority of our buildings are more than a half century old, and the federal, State, and City funding we receive will never meet their needs – which are currently 20 times the national appropriation from Congress. We receive an average of \$469 in tenant rent, \$573 in HUD operating subsidy, and \$119 in City subsidy per apartment – a total of about \$1,161 per month. However, it costs about \$1,490 to operate the apartment, a gap of about \$329 per month and \$3,948 per year.

Despite the funding constraints, we are investing in the areas that affect residents the most. Even with the decline in rent revenue, we increased our investment in the HUD Agreement pillar areas by \$162 million over the past three years.

We received over \$300 million in new needs requests from staff for this budget, largely to address the pillar areas of heating and elevator service, pest and waste management, lead, mold, and compliance. Funding them all would have created an even larger year-end deficit. And so we funded \$137 million worth of the most critical requests. That includes \$47 million for our Transformation Plan efforts, such as an additional 250 skilled trades staff to carry out our Work Order Reform initiative and make a dent in our repairs backlog. We also plan to hire about 200 janitorial staff and supervisors to maintain our grounds and buildings. We funded 100 percent of the requests from property managers regarding supplies, equipment, and contracts for their buildings. We also budgeted for additional overtime – considering the needs of our aging, ailing buildings, overtime is necessary to provide vital services to residents and improve our

responsiveness as a landlord. We allocated \$38 million in additional funding for the HUD Agreement pillar areas, including the comprehensive modernization pilot; heating investments; asbestos, lead, and mold abatement; elevators; and pest and waste management. These investments pertain just to operations and are in addition to the capital investments we're making in these areas.

We expect to spend substantially more over the next several years to continue addressing all the major areas of the HUD Agreement. For example, we expect that it will cost at least \$1.1 billion to fully abate lead-based paint across the portfolio. We are currently spending about \$101 million to complete XRF tests in over 134,000 apartments – we estimate that interim control protocols in this area would cost roughly \$230 million annually.

[Operating budget slides presentation from Chief Financial Officer Annika Lescott]

Capital Investments

About \$2.9 billion in capital funding is available in 2022, including around \$700 million in expected federal capital funding, \$410 million in City capital funding, and rolled over funds from the prior year. However, this barely makes a dent in the more than \$40 billion in needs. For 2022, we are allocating \$773 million to update heating systems, \$245 million for façade repairs, \$264 million to repair roofs, \$205 million to replace elevators, and \$53 million for security systems and fire alarms.

Since January 2021, NYCHA has been spending an average of \$63 million per month on capital projects from all sources – more than a billion dollars of construction work is currently underway across the city. NYCHA consistently meets and exceeds HUD's deadlines for obligating and expending federal capital funds – for the past four years, we've exceeded those deadlines by an average of 7 months and 16 months, respectively. In addition, NYCHA anticipates committing 23 percent, or \$231 million, of City capital funds that became available to NYCHA since November 2021, by the end of the City fiscal year in June 2022, representing a significant increase from last year's rate.

We are incredibly grateful for all the City funding we've received, which is vital to residents' quality of life, and we're looking at ways to streamline the City funding approval processes and work with our partners more effectively on expending those dollars. This includes enhancements related to strategic vendor management and increasing our use of alternative project delivery models that allow us to select for quality and other critical value-for-money factors in addition to cost.

Also, to provide greater transparency to residents and stakeholders on the progress of NYCHA's capital investments, we are developing a publicly accessible online tracker that presents details and status for each capital project.

[Capital projects tracker mockup slide presentation from Chief Asset and Capital Management Officer Shaan Mavani]

As of the end of 2021, we have completed \$2.47 billion worth of Sandy recovery projects, providing residents with new roofs, electrical systems, boilers, exterior lights, CCTV cameras and security systems, backup power, and flood protection. We expect to complete 90 percent of this work by the end of the year, closing out all \$3.2 billion of the Sandy recovery work by the end of 2023.

Over the next several years, we plan to replace 356 elevators and 357 boilers at scores of developments. However, simply replacing the boilers isn't enough to fully resolve the heating issues – we also need to update the associated infrastructure, from underground distribution systems, to pipes in walls, to heating components, to apartment radiators. But we don't have the funding to do so, which is why we need the Public Housing Preservation Trust.

Since 2014, we have invested more than \$212 million in CCTV cameras and other security measures at our developments, and another \$101 million on exterior lighting.

To date, we have replaced 220 roofs, benefitting nearly 52,000 residents and helping to prevent leaks that can cause mold.

Investing in Transformation Along With Safety and Quality of Life

In tandem with the efforts to improve our buildings, our imperative is to also improve our organization. Our Transformation Plan envisions operational and organizational changes that will improve customer service and responsiveness to conditions at our developments, ensure that large projects are completed in a timely manner, and promote accountability through property management performance metrics. The Transformation Plan was created from ideas and feedback we received directly from residents and staff. In fact, it was the first plan NYCHA made available for public comment, and the Resident Roundtable we established continues to shape the plan and its implementation. The plan's initiatives will enable us to manage our properties better and use our limited funding more effectively, all while improving the quality of life for our residents.

A vital element of our Transformation Plan is our Neighborhood Model, which creates smaller property management portfolios and brings more decision making and resources to developments. To strengthen property-based budgeting, we have been training all our property managers and some of our resident leaders on budget concepts and processes.

Another critical piece of these efforts is our Work Order Reform initiative, which assigns skilled trades staff (such as painters and plasterers) to developments and "Neighborhoods" to ensure faster repairs. It also simplifies the repair scheduling process for residents, allowing all related work orders for a repair to be scheduled at once through one phone call (rather than sequentially, as each work order involved is completed). We began rolling out Work Order Reform by borough in November, and it will be in place citywide by the end of this year. As I mentioned, our budget provides funding to hire additional skilled trades staff for this important initiative.

We are also in the process of changing our janitorial scheduling to allow site-based schedules for our caretaker staff that are designed by the property managers to meet their unique site needs. Caretakers will also be assigned to specific buildings, allowing for increased accountability to ensure our properties are clean and maintained. These changes will be fully implemented by this summer.

In line with our transformation efforts, we have been strengthening our organization's leadership. Daniel Sherrod, who brings vast experience with improving the performance of public housing authorities across the nation, was appointed Chief Operating Officer in January. That month, we also appointed a new Chief Compliance Officer, Brad Greenburg, as well as NYCHA's first-ever Chief Asset and Capital Management Officer, Shaan Mavani. Mr. Mavani leads the new Asset and Capital Management Division, which integrates and aligns the Authority's existing development, modernization, and asset management work being carried out by the Real Estate Development, Capital Projects, and Comprehensive Modernization teams. This division will bring comprehensive repairs to NYCHA buildings and apartments through strong partnership with residents and other stakeholders; strategic, data-driven portfolio planning; and cost-effective project delivery and management. The division will also position NYCHA's housing portfolio for the future by incorporating innovative building materials, construction methods, and technology, improving residents' quality of life while enhancing building performance and management. Aligning NYCHA's capital investment plans portfolio-wide is an important part of our Transformation Plan efforts to become a stronger and more streamlined organization, and we are excited about the progress we're making.

Permanent Affordability Commitment Together (PACT)

With our PACT preservation initiative, which is truly transformative, we are bringing total repairs and upgrades to at least 62,000 apartments while safeguarding resident rights and protections. Since 2016, PACT has generated more than \$3.4 billion in capital funding for comprehensive apartment renovations and building infrastructure improvements for nearly 15,500 households. That includes beautiful, brand-new

kitchens and bathrooms; upgraded building systems (like elevators and boilers); and improved grounds and common areas (including playgrounds and security systems).

Approximately \$579 million in renovations have already been completed, and \$2.8 billion in major upgrades are underway or will begin early this year. Another 19,700 households are part of active development projects in the process of resident engagement or pre-development. In total, NYCHA has more than 35,000 apartments completed, in construction, or in a stage of resident engagement or pre-development.

Together with PACT, the Public Housing Preservation Trust would bring top-to-bottom renovations to all of our buildings, providing residents with the quality of life they deserve regardless of the vagaries of funding from Washington.

Fighting Tirelessly for Public Housing

Bringing investment back to our buildings and restoring them is the most pressing issue we face. We cannot wait – residents cannot wait – for sufficient federal funding to suddenly materialize, and we must address the challenges now with sustainable, realistic, and comprehensive solutions. We will continue to work around the clock to do the best we can for residents with the resources at our disposal, and we will advocate equally tirelessly to raise the capital funding our buildings so desperately need.

Thank you for standing with us as we fight for our residents and the future of public housing in New York City. We are happy to answer any questions you may have.



**Assemblymember Yuh-Line Niou Testimony before the
New York City Council Public Housing Committee**

March 8th, 2022

Assemblymember Niou represents the 65th Assembly District which includes Battery Park City, Chinatown, the Financial District, the Lower East Side, and the South Street Seaport.

Good afternoon, and thank you for the opportunity to speak about Public Housing in the New York City budget.

I am Assemblymember Yuh-Line Niou, and I represent the 65th Assembly District, which covers the lower Manhattan neighborhoods of the Lower East Side, Chinatown, Battery Park City, South Street Seaport, and the Financial District. I represent a total of eleven NYCHA developments: 45 Allen Street, 175 Eldridge Street, Hernandez Houses, LaGuardia Houses, Lower East Side I, Meltzer Tower, Rutgers Houses, Seward Park Extension, Smith Houses, Two Bridges, and Vladeck Houses.

The current situation in NYCHA is both unconscionable and unsustainable. The issue is often described as a \$40 billion dollar capital deficit, but residents in our district do not know the issue they face as a deficit in an account book. They know it as broken elevators, as foul odors, as pest infestations, mold outbreaks, chronic hot water outages, heat outages, and lead poisoning. While my office and those of other elected officials work with the Authority to address these individual

cases as they arrive, they ultimately pile up faster than they resolve. But when NYCHA fails, they do not suffer the consequences. It is our residents that suffer. It is sickening that in the wealthiest city in the country, our public housing residents go so underserved and live in inhumane conditions. As a landlord, NYCHA must do better for its residents. NYCHA believes that the path forward is through the Blueprint for Change which would transfer apartments from Section 9 to Section 8 and alter NYCHA operations.

The response from NYCHA residents has been clear and I am here to echo their call.

We do not want the blueprint.

There are two main reasons for our opposition. The first is the track record of Section 8 housing, and the second is the risk of default.

Regarding Section 8 housing: NYCHA tenants have seen the disastrous results of RAD. The program privatized management of several developments and the result was less transparency and more evictions. I understand that efforts have been made to keep as many protections as possible, but the reality is that the only true protection from the dangers and injustices of Section 8 Housing is Section 9 Housing programs. We cannot trust that this conversion could be undertaken without harming residents, especially when the program encourages private investment and prevents true accountability for NYCHA's mismanagement with a majority non-resident trust board.

Regarding the risk of default: while the blueprint would raise capital funds, it does so at a cost. By issuing bonds against public housing vouchers, it ultimately places units at risk. In the event of a default, bond holders would have broad leeway to get their return by fleecing the trust for all that it's worth. This might include privatizing buildings or issuing unreasonable financing plans which could further strain the budget or remove tenant protections.

There is no magic money. The resources that the blueprint raises are not a gift or a blessing, they are an investment by private investors who will get their return. If our public housing system

were to default under the blueprint, it could very well become like Puerto Rico where years of financial abuse can occur and that residents will pay for. While the blueprint's supporters assure us that the risk of default is small, remember that NYCHA is almost a hundred years old. No one can predict what the risk situation will be one hundred, fifty, or ten years from now. In fact, the pandemic taught us we cannot even predict the risks we might face this time next year.

Chairman Russ and the Blueprint's supporters are pushing it for understandable reasons. They say public housing has been waiting on government funding for decades. They are tired of waiting. They think the government will never pay attention to its public housing residents. If we agree on nothing else, we can agree on this: our residents cannot wait.

That is why I am here today alongside my fellow state lawmakers from across the city to show you that there is political will in Albany to help fund NYCHA using state funds. On our end, we are advocating for an additional \$7.2 billion in state money for public housing. In recent years state appropriations for NYCHA were measured in the low hundred millions and ten years ago they were zero. I call upon my colleagues in the city council to be similarly bold in getting as much money as possible for public housing. The political will to fix public housing is stronger in the city, in Albany and in Washington than it has been in decades. Now is not the time to throw up our hands and settle for a dangerous scheme, we must advocate and push for decisive action at all levels of Government to both address the current deficit and ensure that we never again let our public housing deteriorate to this level. Keeping units under section 9 and increasing public funding is not a way to fix NYCHA's problems, it is the only way to address this crisis, and I hope you will all join me in fighting from City Hall, to Albany, to Washington, or wherever else this path for real fixes and funding for our public housing system leads us.



HARVEY EPSTEIN
Assemblymember 74th District

THE ASSEMBLY
STATE OF NEW YORK
ALBANY

RE: NYC Council Committee on Public Housing Preliminary Budget Hearing Testimony

March 8, 2022

Chair Alexa Aviles and members of the Committee on Public Housing:

Thank you for allowing me to testify before you during the 2022 preliminary budget hearing. My name is Harvey Epstein, and I am the Assembly Member for the 74th Assembly District, home to 13 public housing developments. During my time as an Assembly Member, my team has intervened to assist thousands of NYCHA residents with a wide range of issues, including leaks, repair needs, rodent infestations, holes in their kitchens that have existed for more than 1 year, rent certification, and more. The goal is clear; we need to fully fund public housing across this state and NYCHA in New York City.

I am honored to work with several of my colleagues in the Assembly and Senate calling for \$3.4B in capital funds and \$2.8B in operating funds for NYCHA in the state budget. We need to address NYCHA's ongoing operating deficits, increase the Operations Division and Capital Projects Division, and truly invest in giving our Tenant Associations the tools they need to start Resident Management Corporations. We cannot and must not rely on the federal government to be the sole legislative body to fund NYCHA; the city and state must do so also in substantial amounts.

I would also like to urge the Council to support my bill in the Assembly, A8209, which would waive sanitation fees charged by New York City to NYCHA and save NYCHA \$30M in funds. While we are trying to find creative ways to fund NYCHA, some that just further privatize NYCHA and cause many issues for residents such as the Blueprint, we need to look at simple ways that puts residents first. NYCHA should not have to pay for basic sanitation needs. The funds that NYCHA must pay DSNY could be used to address repair needs for residents. NYCHA residents already pay for these services through their tax dollars. With NYCHA struggling to balance its budget every year and provide essential services, the payments should be eliminated, and residents should continue to receive the necessary level of sanitation services.

Sincerely,

A handwritten signature in black ink, appearing to read "Harvey Epstein", with a long horizontal line extending to the right.

Harvey Epstein
Assembly Member
District 74



PUBLIC ADVOCATE FOR THE CITY OF NEW YORK

Jumaane D. Williams

**TESTIMONY OF PUBLIC ADVOCATE JUMAANE D. WILLIAMS
TO THE NEW YORK CITY COUNCIL'S
COMMITTEE ON PUBLIC HOUSING
MARCH 8, 2022**

Good afternoon,

My name is Jumaane D. Williams and I am the Public Advocate for the City of New York. Thank you Chair Avilés for the opportunity to provide testimony at the Public Housing Committee's Preliminary Budget Hearing.

In the City of New York, the term "chronic budget deficit" and the entity known as NYCHA (New York City Housing Authority) have become synonymous. NYCHA has suffered due to underfunding from the federal government to no funding from the state. While it is unclear to me how NYCHA prioritizes the multitude of repairs and capital needs that exist, there is one thing that NYCHA needs to prioritize—the quality of life of their tenants.

It is not acceptable for tenants to be weeks and months without heat, hot water, gas, elevator service, or basic repairs. Three legislative sessions ago, I was serving my first term as a Council Member, and the NYC Council created a multi-year \$10M initiative to address the NYCHA repair backlog. NYCHA residents started to see and feel the impact of the initiative, and today, it seems like a distant memory. The high volume of complaints that my office receives from NYCHA residents for basic repairs indicates that something in the repair process is not working and must be changed.

First, NYCHA must start with instituting a policy of more than one attempt at access before closing a repair ticket. Next, NYCHA cannot continue to close repair tickets as repaired or resolved when someone is not home. This is not only a false statement, it's a confusing policy since it would lead the average person to assume mismanagement and shoddy repair work. These two recommendations will go a long way to grasping the actual number of repairs needed in the NYCHA universe and the response time. Ultimately, this would result in "Real & Rapid Repairs" which is what the residents need, want and deserve.

In addition, I want to address NYCHA's participation in the federal RAD (Rental Assistance Demonstration) Program implemented in NYC as PACT (Permanent Affordability Commitment Together). NYCHA is attempting to resolve its chronic deficit and augmenting list of capital repairs by transitioning developments into PACT. NYCHA has converted over 14,000



PUBLIC ADVOCATE FOR THE CITY OF NEW YORK

Jumaane D. Williams

residential units and is in the process of converting an additional 20,000 units. The intention is to enable its residents to:

1. Receive extensive needed repairs;
2. Maintain apartments affordable and preserve their rights as renters; and
3. Invest in amenities (i.e.: gardens and playgrounds), community spaces (i.e.: senior, youth and community centers), and programming.

Nonetheless, I've received complaints from residents in converted developments that cannot log a repair order request and get the needed repairs. NYCHA's Customer Contact Center ("CCC") directs them to 311 because they are now in PACT. 311 Operators direct them to CCC because it's a NYCHA building.

I hear that more residents are being evicted in the PACT converted buildings than in traditional public housing developments. I need to understand why there is an increase, and if this is a trend we can expect with other PACT converted buildings.

Lastly, as you may have heard, I have been conducting a five-borough tour through NYCHA developments. The conditions that I've witnessed are unconscionable. I am ready to assist and work alongside NYCHA so that residents can have essential services such as heat, hot water, and gas service.

Once again, thank you for the opportunity to address everyone today.



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Courtney Bryan. Director

**Center for Court Innovation
New York City Council
Committee on Public Housing
Preliminary Budget Hearing
March 8, 2022**

Good morning Chair Avilés and esteemed councilmembers of the Committee on Public Housing. Since its inception, the Center for Court Innovation (the Center) has supported the vision embraced by Council of a fair, effective, and humane justice system and building public safety through sustainable community-driven solutions. The Center's longstanding partnership with Council over the past twenty-five years has helped bring this vision to life through evidence-based and racially just programming that spans the entire justice continuum, which includes expanding access to comprehensive housing supports to ensure quality and safe housing for all and preventing evictions and homelessness. We seek to build off of our past experience by partnering with Council to greatly expand our programming to reach more New Yorkers.

Our firsthand experience operating direct service programs and conducting original research uniquely positions us to offer insights that the Council can apply as it considers the development of initiatives that respond to needs of all New Yorkers. In each instance, our aim is to provide a meaningful and proportionate response, to treat all people under our care with dignity and respect, to prioritize public safety, and to produce much-needed cost savings for the City. And, as an anti-racist organization, to ensure the needs of marginalized New Yorkers are addressed.

The Center's Innovative Core Funding

This year, we ask the Council to continue and expand support for **the Center's Innovative Core Funding**. The Center uses this funding to flexibly respond to the immediate needs of New Yorkers by piloting novel and effective community-based pilots to test for scalable solutions. Through this work, the Center is making a deep investment in engaging individuals as far upstream as possible, to limit, and ideally prevent justice system involvement. An increase in investments from Council would support the very issues at the heart of this committee – housing stability and security. Support would also go to further homelessness prevention, youth development programs, community-based violence interventions, and mental health services in all five boroughs.

Examples of the programming this funding supports are reflected across the City. In Brooklyn, the Housing Resource Center at the Center's Red Hook Community Justice Center conducts home visits to vulnerable public housing residents to prevent eviction, maintain

affordability, and address critical home repairs and hazardous conditions. Support would also lift up Center’s Midtown Community Court’s Client Navigators, who build meaningful connections with individuals battling homelessness, mental illness, and/or substance use disorder to engage them in support services through two new pilot programs: Midtown Rapid Engagement Initiative and the Community First Program. At the Center’s Staten Island Justice Center, the Youth Wellness Initiative provides robust mental health services to justice-involved youth and allows participants to co-design community engagement and service activities aimed at reducing mental health stigma.

In the Bronx, the Center’s Bronx Child Trauma Supports uses this funding to provide therapy sessions to young people, ages 3-15, who have been victims of or witnesses to violent crime, thereby improving community health and reducing intergenerational trauma. And, the Center’s Queens Community Justice Center’s Youth Impact’s peer leadership program engages youth diverted from the justice system in workshop and skill-building programming. We ask the Council to expand the Center’s core funding so that we can continue innovating scalable solutions in response to issues we are seeing on the ground, and effectively serve the most vulnerable New Yorkers – including those that present with issues related to housing instability and/or homelessness.

Our Housing Equity Work

Access to quality, sustainable, and safe housing is a crucial element to the conversation around social justice and equity. The Center’s Harlem Community Justice Center and Red Hook Community Justice Center have operated for nearly 20 years, hearing landlord and tenant matters between NYCHA and tenant families. Through our onsite **Housing Resource Centers**, we support problem solving on rent and repair complaints, lease renewals, and other housing issues, while working in close partnership with NYCHA’s property management, borough office, and law department. In housing courts across the country, Housing Courts are widely viewed as landlord’s “home court” with stark power imbalances and upwards of 97% of cases being eviction filings. The Red Hook Community Justice Center’s community approach means that in Red Hook, tenants see the court as a means of accessing justice and attaining critical home repairs. In Red Hook’s housing court, 34% of cases are brought by tenants in the form of Housing Part Actions, compared to 6% citywide. Additionally, when landlords initiate a claim against the tenant, citywide 1 in 4 default, while those we work with receive default judgements in only 1 in 25 cases. *See Figure 1.*

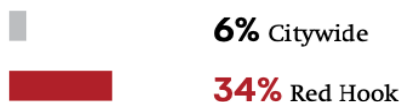
RED HOOK COMMUNITY JUSTICE CENTER

1,268

households served representing 43% of all Red Hook public housing residents.



Tenants see housing court as a means of attaining safe, affordable housing and accessing justice by filing Housing Part Actions:



We help tenants respond to landlord claims, which prevents automatic losses (default):



Figure 1

Our mission in these community courts has been to improve access to justice, respond to the needs of litigants, and prevent eviction. We also operate a Housing Resource Center in Brownsville, Brooklyn. Over the past 3 years, we have worked with over 6,000 clients in Harlem, Red Hook, and Brownsville who are facing eviction or experiencing severe housing repair needs to navigate the court process, access assistance with arrears, obtain legal counsel, and receive social services.

We also oversee neighborhood storefront legal information centers, known as **Legal Hand**, in Jamaica, Queens, Crown Heights, and the South Bronx. Legal Hand trains volunteers to provide free legal information, assistance, and referrals to help our community members resolve civil legal issues that affect their lives. Our volunteers are neighbors helping neighbors. Many of our volunteers know someone who has been through similar situations as our visitors or have been affected by housing issues themselves. While we offer support in areas like family, immigration, domestic violence, and benefits, by far, the greatest area of support given is on housing. Since opening in 2015, Legal Hand has seen over 36,000 visitors with civil legal issues including 14,000 of those dealing with housing issues. Since the pandemic lockdown in March 2020, Legal Hand has assisted 7,985 community members. Legal Hand is also engaged in community outreach and conducts Know-Your-Right workshop sessions and workshops, including 25 this past year.

Finally, our **Neighborhood Safety Initiatives (NSI)** project seeks to improve public safety in New York City public housing communities by cultivating and investing in resident leadership networks, social programming, and shaping public policy solutions. Since 2017, NSI has partnered with the Mayor's Action Plan for Neighborhood Safety (MAP) to engage government, CBOs, and resident partners in Neighborhood Stat, a process that helps government and residents re-imagine public safety. Neighborhood Stat convenes community residents, city agencies, and local organizations on a routine basis to identify site-specific and citywide systems solutions to neighborhood public safety. NSI holds regular trainings and project management efforts to shape government responses and underpin a strong network of NYCHA residents who actively organize for safety, wellness, economic empowerment, improved quality of life, and equitable public space.

Through this work, we have developed an understanding of the intimate connection between housing stability, physical and mental health, public safety, and long-term community outcomes. After years of tackling our clients' housing concerns at every level, the Center stands ready to enhance its partnership with this Council to better address the dire circumstances that we are witnessing in our communities. Residents are unable to obtain emergency rental assistance in a timely manner. Residents are unaware of their rights and do not know what to do to prevent an eviction. NYCHA residents are not receiving equal treatment under the City's own Housing Maintenance code to obtain repairs that would make their homes habitable. Somewhere between the resources provided by the government and the processes overseen by the courts, our city's most vulnerable residents are falling through the gaps.

Housing as a Justice Issue: Preventing Eviction through Citywide Comprehensive Housing Support

Our research shows that 18%-25% of our Felony Alternatives to Incarceration program participants are experiencing homelessness.¹ By proactively addressing factors like access to housing and housing resources, we hope to reduce the likelihood of individuals intersecting with the justice system.

The Center's unique positioning—a community-based organization with programs across all five boroughs and individuals already engaging in this work—means that we can bridge those gaps to ensure that our most vulnerable residents do not fall through. We seek funding from Council to support the Center's proposed **New York City Housing Justice Corps** in launching a city-wide, community-based project dedicated to preventing evictions while promoting housing stability, affordability and tenant protections for vulnerable tenants and public housing communities through a network of trained housing navigators and mobile, pop-up events in all five boroughs.

The Center conceives broadly of addressing the factors that lead to housing instability by providing tailored services through predictable series of stages at which a client facing the potential loss of housing can be helped so as to avoid that potentially devastating outcome.² The Center introduced the Eviction Intervention Stage Model, which identifies junctures at which supportive, problem-solving interventions can ensure the necessary community supports and legal representation (Appendix A).² We believe that integrating these procedural protections and problem-solving interventions across the eviction process continuum, including but not limited to housing court, will support people with mental health conditions in retaining stable housing.

While New York City has made significant investments in attorneys for low-income residents, tenants are more likely to remain stably housed when they have assistance beyond legal representation in Housing Court. Support prior to legal filings have been noted to improve legal representation by having files, evidences, and written request evidence gathered and organized prior to representation. We have found that a problem-solving approach in, and beyond, Housing Court helps both tenants and landlords connect to resources to address challenges like building repairs and back rent.

Conclusion

By partnering with the Center, Council can go beyond transforming the public housing system to cultivating vibrant and prosperous communities that center public safety and security for all its members. We thank the Council its continued partnership and are available to answer any questions you may have.

Notes

¹Center for Court Innovation. (2020). [ATI data file]. Retrieved from the Justice Center Application case management system.

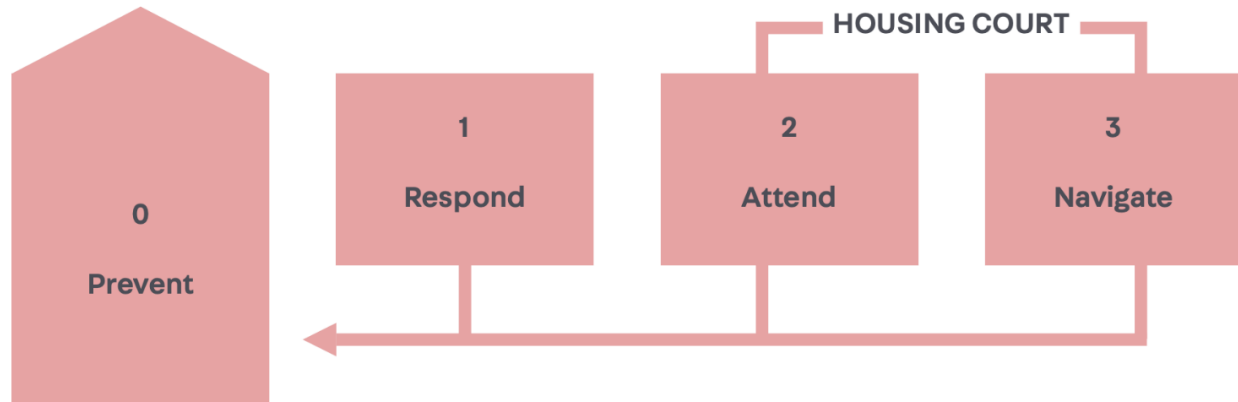
²Jaureguilorda, I. & Laurel, F. & Lopez, R. & Rotter, M. (2021). Eviction Prevention and Mental Health: A New Paradigm for Civil Justice Reform. New York, NY: Center for Court Innovation. Available at: <https://www.courtinnovation.org/publications/eviction-prevention-mental-health>

Ibid. at citation 2

Appendix

A.

The Eviction Intervention Stage Model and Representative Interventions



- **Stage 0: Prevent**, in which housing stability is maintained through housing affordability and access to support services as needed.
- **Stage 1: Respond**, in which the person receives the first notice of the housing problem, e.g., rent non-payment or nuisance complaint.
- **Stage 2: Attend**, in which the person has to navigate the Housing Court process.
- **Stage 3: Navigate**, in which the person has to navigate the tasks necessary to address the complaint in between Housing Court hearings.



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Courtney Bryan. Director

Center for Court Innovation FY23 City Council Proposal Summaries Committee on Public Housing

Center for Court Innovation General

Innovative Criminal Justice Programs Initiative

- **Center for Court Innovation #128665 - \$1,000,000 (Renewal/Expansion)** This is an application to support the continuation of our alternative-to-incarceration, youth-diversion, and access to justice programs across all five boroughs in New York City. The Council's support allows us to serve tens of thousands of New Yorkers with mental health services, family development, youth empowerment, workforce development, and housing, legal, immigration and employment resource services. Our goal continues to be improving safety, reducing incarceration, expanding access to community resources and enhancing public trust in government to make New York City stronger, fairer, and safer for all.

Access to Justice

Community Housing Preservation Strategies Initiative

- **New York City Housing Justice Corps #128541 - \$1,346,497 (New)** The Center for Court Innovation proposes to launch a city-wide, community-based project dedicated to preventing evictions while promoting housing stability, affordability and tenant protections for vulnerable tenants and public housing communities through a network of trained housing navigators and mobile, pop-up events in all five boroughs.

Red Hook Community Justice Center

Community Housing Preservation Strategies Initiative

- **Red Hook Community Justice Center: Housing Resource Center #128621 - \$50,000 (New)** The Red Hook Community Justice Center's Housing Resource Center seeks funding from the Community Housing Preservation Strategies Initiative to help seniors, non-English speakers, and other vulnerable public housing tenants in the Red Hook Houses obtain critical home repairs, preserve affordability, prevent evictions, and find justice and fair treatment in housing court.

Member Items

- **Red Hook Community Justice Center: Housing Resource Center #129476 - \$20,000 (Renewal)** The Red Hook Community Justice Center's Housing Resource Center seeks funding from Councilmember Aviles to help seniors, non-English speakers, and other public housing tenants in the Red Hook Houses obtain critical home repairs, preserve affordability, prevent evictions, and find justice and fair treatment in housing court.

Legal Hand

Member Items

- **Legal Hand: Crown Heights #128309 - \$10,000 (Renewal)** This is an application to support Legal Hand: Crown Heights' expansion of workshops and Know-Your-Rights training to the community. Since 2015, Legal Hand has recruited and trained more than 400 community volunteers who have helped nearly 50,000 community members in Crown Heights, Brownsville, Jamaica, Highbridge, and Tremont with preventing civil legal issues from becoming court cases, increasing community legal empowerment, and bridging the justice gap.
- **Legal Hand: Jamaica #128336 - \$10,000 (Renewal)** This is an application to support Legal Hand: Jamaica's expansion of workshops and Know-Your-Rights training to the community. Since 2015, Legal Hand has recruited and trained more than 400 community volunteers who have helped nearly 50,000 community members in Crown Heights, Brownsville, Jamaica, Highbridge, and Tremont with preventing civil legal issues from becoming court cases, increasing community legal empowerment, and bridging the justice gap.
- **Legal Hand: Tremont #128347 - \$10,000 (Renewal)** This is an application to support Legal Hand: Tremont's expansion of workshops and Know-Your-Rights training to the community. Since 2015, Legal Hand has recruited and trained more than 400 community volunteers who have helped nearly 50,000 community members in Crown Heights, Brownsville, Jamaica, Highbridge, and Tremont with preventing civil legal issues from becoming court cases, increasing community legal empowerment, and bridging the justice gap.



240 West 35th Street ■ Suite 302 ■ New York, New York 10001

Testimony on NYCHA and New York City's Fiscal Year 2023 Preliminary Budget

Submitted to the City Council Committee on Public Housing

March 8, 2022

Sean Campion, Senior Research Associate, Citizens Budget Commission

Thank you for the opportunity to testify regarding the New York City Housing Authority (NYCHA) and the City's Fiscal Year 2023 Preliminary Budget. I am Sean Campion, Senior Research Associate at the Citizens Budget Commission (CBC), a nonprofit, nonpartisan think tank and watchdog dedicated to constructive change in the services, finances, and policies of the New York City and New York State governments.

I will focus on NYCHA's operations and finances, including City subsidies to NYCHA in the Preliminary Budget. The rapidly worsening condition of NYCHA's building stock rightly commands the public's attention, but there needs to be a clear understanding that the housing authority's operations and financial outlook are highly stressed as well. The fate of NYCHA's turnaround plans depends not only on capital funding, but also on its ability to stabilize its finances and transform itself into a modern, efficient property management organization.

CBC's review found that based on NYCHA's (calendar year) 2021 financial performance and 2022 operating budget, the housing authority's outlook faces at least seven risks:

1. Operating costs that are growing faster than revenues;
2. A plummeting rent collection rate, which reduces revenue;
3. Continued reliance on City subsidies;
4. Dwindling reserves;
5. Diversion of capital subsidies to the operating budget;

6. Growing costs of unfunded mandates from the settlement with the U.S. Department of Housing and Urban Development (HUD); and
7. Operating reforms that have failed to secure savings or bring operating costs in line with industry standards.

Two important steps to help stabilize NYCHA's operating budget are:

1. State approval of the Preservation Trust, which would raise capital to improve conditions, improve management to better serve residents, and reduce operating costs; and
2. Labor productivity increases, which would bring operating costs in line with industry benchmarks and maximize the potential benefits of the Preservation Trust.

Background

For most public housing authorities, two revenue sources—tenant rent and a federal operating subsidy—are sufficient to sustain operations. Rents paid by residents are capped at 30 percent of household income and reset annually. The Section 9 operating subsidy from the federal government is intended to fill the gap between tenant rents and housing authorities' operating costs. In most years, housing authorities get less than 100 percent of their need; over the past decade, this ranged from a low of 82 percent of HUD's formula-estimated need in 2013 to a high of 112 percent of need in 2020.¹ (Public housing authorities also received additional COVID-related federal aid in 2020.) Housing authorities may also collect operating revenue for parking fees, leases, and other commercial activity at their developments.

NYCHA's Operating Budget and Recent Trends

Over the last decade, the cost of operating NYCHA's public housing portfolio has ballooned. Public housing operating expenses are approximately \$2.7 billion in NYCHA's calendar year 2022 adopted budget, or approximately \$1,300 per unit per month.² (All references to NYCHA's budget refer to calendar years, unless otherwise noted.) NYCHA's per-unit expenses have exceeded the operating costs of comparable properties, being 13 percent more than Mitchell-Lama rentals and 39 percent more than the average rent stabilized building (both excluding property taxes).³ Its operating expenses also exceed operating revenues. In 2022, monthly operating costs are projected to be well over \$1,300 per unit, 38 percent higher than the \$943 per unit in rent and operating subsidy.

To balance its operating budget, NYCHA has employed an approach that is not fiscally sustainable. Efforts to increase efficiency have had limited success at curbing spending growth.

Instead, NYCHA has turned to City subsidies, capital transfers, and one-time revenues to balance its budget. In 2021, NYCHA received \$286 million in City subsidies, transferred \$296 million from its capital budget (the maximum allowed under federal regulations), and drew down \$75 million in reserves. This year, NYCHA expects to receive \$276 million from the City, transfer \$245 from the capital budget, and draw down another \$100 million from its reserves.⁴

Risks to NYCHA's Operating Budget

NYCHA's 2022 operating budget starts the year with a modest deficit but includes several potentially optimistic assumptions about rents and expenses. CBC has identified seven risks that deserve close attention:

- **Operating costs growing faster than revenues:** Worryingly, NYCHA's operating expenses are growing more than three times as fast as its operating revenues. Since 2013, operating costs per unit have increased 50 percent, or 4.7 percent annually, while combined rental income, federal operating subsidies, and other operating revenue combined have increased only 14 percent, or 1.4 percent annually.
- **Plummeting rent collection rate costs NYCHA significant revenue:** NYCHA's rent collection rate was declining prior to the pandemic, but the trend has accelerated since March 2020, even despite the Authority processing more than 60,000 emergency rent reductions in 2020 and 2021.⁵ NYCHA's rent collection rate, which was as high as 95 percent as 2016, declined from 88 percent in February 2020 to 70 percent by January 2022.⁶ As a result of the falling collection rate, NYCHA's rental income was 12 percent, or \$119 million, below expectations in 2021.⁷

NYCHA's 2022 adopted budget forecasts \$867 in rent revenue, which assumes the collection rate returns to 83 percent. If the collection rate continues at 70 percent in 2022, NYCHA would collect only \$735 million in rent, increasing its budget gap by \$132 million.

- **Continued reliance on City subsidies:** Over the past decade, NYCHA's reliance on support from the City has increased steadily. As recently as 2013, NYCHA paid the City \$89 million for protective services and payments in lieu of property taxes.⁸ Beginning in 2014, however, the City allowed NYCHA to end these payments and instead began to subsidize NYCHA's operations. By fiscal year 2021, the City provided \$257 million in direct subsidies to NYCHA.⁹ (See CBC's 2021 policy brief "NYCHA's Operating Outlook" for more information on the historical trends in City subsidies for NYCHA.) The largest

components of the subsidy in City fiscal year 2021 were \$121 million for collective bargaining increases, \$51 million in Community Development Block Grant funding for capital project division staff, and \$33.6 million for the homeless unit readiness program.¹⁰

The City's Preliminary Budget for Fiscal Year 2023 anticipates a subsidy of \$412 million in fiscal year 2022 and \$223 million in fiscal year 2023.¹¹ The sharp increase in fiscal year 2022 is due to some non-recurring federal-COVID related aid and one-time funding for repair work that often rolls from year to year.

- **Dwindling reserves:** Actual and planned use of reserves in 2021 and 2022 would reduce NYCHA's operating reserves by 35 percent to just \$330 million, or 1.3 months of operating costs. This contrasts with other housing authorities, which have taken advantage of the atypically high funding rate for the federal operating subsidy in recent¹² years to replenish reserves and prepare for rainy days ahead.¹³ As a result of taking reserves, NYCHA will have less of a cushion when operating subsidies inevitably return to historic levels.
- **Diversion of capital subsidies from critically important capital needs to the operating budget:** While HUD regulations allow housing authorities to transfer up to 20 percent of the capital subsidy to operations, exercising this option counterproductively reduces the money available to meet NYCHA's dire capital needs. NYCHA has done this increasingly in recent years to balance its budget.
- **Growing costs of unfunded mandates from the HUD settlement agreement:** Complying with the HUD agreement has been costly for NYCHA. NYCHA has spent \$1.2 billion in operating funds since 2018 on various action plans mandated under the agreement, including \$359 million spent in 2021 alone.¹⁴ This accounted for 12 percent of last year's public housing budget. This spending goes towards urgently needed repairs and to improving NYCHA's operations, but to date, the federal government has not provided any additional funding or granted waivers to help NYCHA meet these obligations.
- **Operating reforms have failed to secure savings or bring costs in line with industry standards:** Another optimistic assumption is that NYCHA plans to increase headcount in 2022 but reduce labor costs. To date, the City and NYCHA have made little progress on bringing its operating costs in line with industry standards by either boosting productivity or decreasing labor costs. NYCHA's labor costs are high partly due to outdated work rules that limit productivity, inflexible scheduling that contributes to high rates of overtime, and high fringe benefit rates, which unlike City agencies, NYCHA must fund out of its own revenue.

It is worth noting that NYCHA has proposed or is implementing other promising reforms, including a new organizational strategy, a plan to shift to property-based budgeting, improved processes for maintenance and management activities, and revamped compliance and accountability standards, among others. However, to gain support for these initiatives, NYCHA more often than not has had to increase compensation for current workers or increase headcount, the costs of which offset any potential savings or productivity gains. The City also has failed to secure any savings or productivity enhancements in collective bargaining.

NYCHA's only path to stable operations and improved physical conditions requires comprehensive renovations funded through a combination of PACT and the Preservation Trust.

The City and State should approve the Preservation Trust, which has the potential to generate much needed capital investment and to deliver significant operating savings and productivity improvements. Converting from Section 9 funding to alternative federal funding programs like Section 8 or Tenant Protection Vouchers allows NYCHA to raise capital to renovate buildings and restore habitability. This capital investment will also allow NYCHA to operate more efficiently and reduce operating costs. New building systems can reduce utility costs, and renovations will reduce the need for repairs and associated staffing costs, allowing workers to be more productive. And procurement reforms proposed as part of the Preservation Trust legislation will ensure that NYCHA can get more and better value for its capital dollar.

The success of the Preservation Trust, however, also depends on NYCHA's ability to stabilize its finances, improve its financial outlook, and transform itself into a modern and efficient property management organization. To do so, NYCHA, in collaboration with its federal monitor, HUD, and labor, needs to redouble efforts to boost productivity and bring operating costs closer to peer housing authorities and private property managers, which sustain operations based on rents and federal subsidies alone. These operating changes are needed to ensure that NYCHA is prepared to self-manage developments converted under the Preservation Trust.

¹ New York City Housing Authority, *Five Year Operating Plan Calendar Years 2021-2025* (December 30, 2020), <https://www1.nyc.gov/assets/nycha/downloads/pdf/operating-plan-2125.pdf>.

² These budget figures exclude revenue and expenses associated with NYCHA's Section 8 program. CBC estimates 2022 Section 8 expenses will be \$129.5 million, in line with prior year's expenses.

³ New York University Furman Center for Real Estate and Urban Policy, *NYCHA's Road Ahead* (August 2019), p. 12, https://furmancenter.org/files/NYCHAs_Road_Ahead_Final.pdf; and Sean Campion, "Stabilizing the Foundation: Transforming NYCHA to Address Its Capital Needs" (*Citizens Budget Commission*, July 3, 2018), <https://cbcny.org/research/stabilizing-foundation>.

⁴ Meeting minutes, New York City Housing Authority Board of Directors (December 29, 2021), https://www1.nyc.gov/assets/nycha/downloads/pdf/board_meeting_final_calendar_summary_12292021.pdf.

⁵ Mihir Zaveri, “‘I’m Scared’: Thousands in New York Public Housing Are Behind on Rent,” *New York Times* (February 8, 2022), <https://www.nytimes.com/2022/02/08/nyregion/nycha-evictions-tenants.html>.

⁶ CBC staff analysis of data from New York City Housing Authority, *NYCHA Metrics* (Accessed March 3, 2022), <https://eapps.nycha.info/NychaMetrics/>.

⁷ Meeting minutes, New York City Housing Authority Board of Directors (December 29, 2021), https://www1.nyc.gov/assets/nycha/downloads/pdf/board_meeting_final_calendar_summary_12292021.pdf.

⁸ Maria Doulis and Rachel Bardin, “Cleaning House: How to Close the New York City Housing Authority’s Operating Gaps” (*Citizens Budget Commission*, April 29, 2015), <https://cbcny.org/research/cleaning-house>.

⁹ CBC analysis of data from Office of the New York City Comptroller, Checkbook NYC, www.checkbooknyc.com (Accessed January 7, 2022), www.checkbooknyc.com.

¹⁰ CBC analysis of data from Office of the New York City Comptroller, Checkbook NYC, www.checkbooknyc.com (Accessed January 7, 2022), www.checkbooknyc.com.

¹¹ CBC staff analysis of data from New York City Mayor’s Office of Management and Budget, “Expense Budget” (accessed March 3, 2022, last updated March 1, 2022), New York City Open Data, <https://data.cityofnewyork.us/City-Government/Expense-Budget/mwzb-yiwb>.

¹² Meeting minutes, New York City Housing Authority Board of Directors (December 29, 2021), https://www1.nyc.gov/assets/nycha/downloads/pdf/board_meeting_final_calendar_summary_12292021.pdf.

¹³ Michael Novogradac and Rich Larsen, “Jan. 11 2022: Hot Topics for PHAs” (*Novogradac Tax Credit Tuesday Podcast*, January 11, 2022), <https://www.novoco.com/podcast/jan-11-2022-hot-topics-phas>. Public housing authorities were required to obligate CARES Act funding for qualified expenses and could not use it to bolster reserves.

¹⁴ Meeting minutes, New York City Housing Authority Board of Directors (December 29, 2021), https://www1.nyc.gov/assets/nycha/downloads/pdf/board_meeting_final_calendar_summary_12292021.pdf.



The Community Preservation Corporation

28 East 28th Street, 9th Floor
New York, New York 10016

**Testimony of Erin Burns-Maine
Vice President of Policy and Chief of Staff
The Community Preservation Corporation**

**New York City Council Preliminary Budget Hearing
New York City Housing Authority**

March 8, 2022

Thank you, Chair Aviles for the opportunity to speak today. My name is Erin Burns-Maine; I am the Vice President of Policy and Advocacy and Chief of Staff at the Community Preservation Corporation (CPC).

NYCHA is in crisis. It is our nation's oldest and largest public housing system and a lifeline providing permanently and deeply affordable housing to over 400,000 New Yorkers; but mold, lead, rodents, heat and elevator failures, and more plague residents on a daily basis. NYCHA needs \$40 billion in direct capital to comprehensively address repairs, and the federal infusion we hoped for is increasingly unlikely. The city and state have to step up, both with capital and other solutions to protect NYCHA residents.

NYCHA has been waiting for decades for the Federal government to act to address the capital needs of its public housing stock. With the public housing capital funding in Build Back Better stalled indefinitely, New York needs to act. The State and City must step in to provide funding for capital repairs along with legislative solutions to ensure NYCHA's long-term financial sustainability. Unless we work together to make a change, NYCHA will continue to present budgets with operating gaps and huge capital needs, and your constituents will live in unacceptable and deteriorating conditions.

First, the City should provide \$1.5 billion in Capital, and work with the State to ensure an additional \$1.5 billion, to begin to address urgent repair needs. But we can't stop there – NYCHA needs all the tools we have available.

We also need to work together to advance the state's Trust for Public Housing that would create a fully public conversion process allowing NYCHA to leverage debt for repairs, Tenant Protection Vouchers for a deeper level of operating subsidy, and overhaul the bureaucratic procurement issues to deliver faster repairs. To address resident concerns, and to test out the model, the City should support a proof-of-concept pilot, with a set number of units, and a required third party evaluator tracking implementation. This responsible path forward would balance the need for change while also ensuring residents maintain all of their rights and realize the intended repairs.

Lastly, NYCHA should also continue RAD/PACT conversions for buildings in desperate need of repair, in collaboration with tenants. CPC is currently a partner of the PACT Renaissance Collaborative (PRC), financing the renovation and preservation of 16 NYCHA properties in Manhattan and delivering improved conditions to residents. RAD/PACT remains the one of the most efficient ways to bring livable conditions to NYCHA residents, which should be our priority especially in absence of Federal assistance.

Often these paths forward, capital, the Trust, and PACT, are presented as mutually exclusive options – a “pick this or that” discussion. We have to stop making false choices: NYCHA's problems are far more complex and diverse than that, and will require all of the available resources and tools to make meaningful change for residents.

NYCHA residents have heard decades of promises as their homes have deteriorated around them, leaving everyone understandably wary of change. But if we work together, there are ways to move forward. Over the last few years, residents of Fulton and Elliott-Chelsea worked closely with the City, NYCHA, and other community stakeholders to evaluate different solutions for their developments, direct the decision-making and planning process, and eventually select the development team that will deliver repairs to residents. This meaningful engagement process can be successful in other communities. It's time to work together – and use every tool at our disposal – to finally deliver better quality of life for NYCHA residents.

Thank you for your time and consideration. I would be happy to answer any questions you may have.

Goddard Riverside

INVESTING IN PEOPLE, STRENGTHENING COMMUNITY

FY23 Preliminary Budget Hearing Testimony for Committee on Public Housing March 8, 2022

I'd like to thank Council Member Avilés for her leadership and the opportunity to provide testimony. I'm Gregory J. Morris, Chief Program Officer for Goddard Riverside, a multi service organization with over two dozen programs that impact the lives of more than 20,000 New Yorkers annually. Goddard Riverside's programs range from early childhood to older adult programming in areas of homeless services, housing, education, and community development. My testimony for today's hearing will focus on Goddard's impact in multiple New York City Housing Authority (NYCHA) developments on both the west and east side of upper Manhattan.

In late 2021, Goddard Riverside announced its new strategic alliance with its east side partner – [Stanley Isaacs Neighborhood Center](#) (Isaacs Center), which has provided critical services for older adults, at-risk youth, and families residing in public housing for sixty years. The two organizations, after forging this unique partnership, now serve hundreds of NYCHA residents in several developments including Holmes Towers¹, Isaacs Houses, Taft Houses, Amsterdam Houses, and Wise Towers. NYCHA residents in need are provided home delivered meals, case management and mental health services, employment training and placement, after school services, as well as access to a wide range of health and recreational programming at our development-based sites.

While an outlier in the City's budget, as technically a State run Authority funded by federal subsidies, NYCHA's residents and social service organizations operating in its community centers are still deeply impacted by operational and fiscal decisions made by the City. Goddard Riverside, Isaacs Center, and other similarly situated organizations, are routinely forced to make challenging decisions between waiting for NYCHA to make necessary facility repairs that directly impact their ability to provide critical services to public housing residents, and allocating their own private funding, thereby negatively impacting their overall fiscal health and sustainability. As noted in the Council Finance Division's FY23 Briefing Report, "The Fiscal 2022 Adopted Budget added about \$19.6 million in City capital funds for 38 discretionary projects citywide within NYCHA's City Capital portfolio."² Notably, only \$1.3 million was allocated to "community center renovations" for the entire City of New York.

Further, a data sample (taken by Isaacs Center) from 12 organizations representing 57 sites – all operating within NYCHA facilities – showed that collectively these organizations spent nearly \$4 million of their own privately raised dollars on repair and maintenance in one fiscal year (FY18) – for facilities which are City-owned. The average cost per organization (within the data sample) was approximately \$328,000. Some of these same organizations waited *years* to see the repairs/construction associated with capital funding for their facilities, allocated through Reso A by City Council Members and Borough Presidents, while others are still waiting.

We ask the Committee to consider the following recommendations in support of NYCHA residents and the community-based organizations that remain a lifeline in marginalized neighborhoods throughout NYC.

¹ Holmes Towers was one of four developments included within the City's 2018-2020 *Build to Preserve* program, which planned to utilize private development on NYCHA land to generate revenue for the Authority. After strong community opposition, private development at Holmes Towers has since been on pause. See page 13-14: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2022/03/NYCHA.pdf>

² See page 7: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2022/03/NYCHA.pdf>

Goddard Riverside



INVESTING IN PEOPLE, STRENGTHENING COMMUNITY

1. We recommend that Committee Members lend their support toward creating a new City Council citywide initiative for \$5 million in FY23, to address repair and maintenance costs for community-based organizations operating in NYCHA owned facilities. This funding would go directly to nonprofits awaiting repairs to their community centers.
2. We recommend that the Committee on Public Housing conduct a comprehensive investigation and public hearing identifying all City capital funding currently mired in bureaucratic red tape – forcing organizations operating in NYCHA community centers to wait *years* before seeing repairs to their facilities, despite tens of millions of dollars in allocations being made in Reso A by City Council Members and Borough Presidents each year.

A new Mayoral Administration and new City Council present multiple opportunities for the City's renewal. It is critical that those who have been historically marginalized and remain particularly vulnerable are not left behind. We at Goddard Riverside look forward to working with the Committee, as well as the Office of the Speaker, in seeking a just path forward for all residents of public housing and the vital community centers that serve them.



**Written Testimony of LISC NYC
New York City Council
Committee on Public Housing**

Friday, March 11, 2022

My name is Valerie White; I'm the executive director of LISC NYC, a community development non-profit committed to closing the racial wealth gap and creating a more equitable, inclusive, and sustainable New York City through direct investment in affordable housing, minority-owned businesses, and community-based partners. Our organization is the flagship New York City office of the national Local Initiatives Support Corporation (LISC).

The communities we work with on a regular basis – Black, brown, and Latinx communities – are the same communities who have been subject to the decades of disinvestment and disrepair that has characterized New York's public housing stock for the past few decades. Far too many of our neighbors who call NYCHA home find themselves in unlivable, unhealthy, and frankly unsuitable conditions that impact quality of life, educational and careers prospects, and health outcomes.

While investment in NYCHA is desperately needed, and it's critical all levels of government do everything necessary to increase funding for the housing authority, it's also important that we ensure NYCHA – from its leadership to its day-to-day property managers – are held accountable. I'm confident that Mayor Adams, Speaker Adams, and Committee Chair Avilés recognize that reality and that their leadership and policy making will reflect that as well.

Fortunately, there are solutions outside of immediate funding that can help improve the living conditions and quality of life for the nearly 400,000 New Yorkers that live in New York City's public housing ecosystem.

For one, NYCHA's Permanent Affordability Commitment Together (PACT) program is helping to facilitate important repairs, renovations, rehabilitation, and management of thousands of units across NYCHA's portfolio. We're seeing real progress made through this program. That doesn't mean, however, that there isn't room for improvement.

LISC NYC is part of the PACT Resource Team, a group of independent organizations and professional consultants that provide direct, technical assistance to residents and help ensure that they have a voice throughout the PACT investment process – including identifying needs and priorities for investment, selecting PACT Partner teams, informing the physical design of developments, planning for new property management, and augmenting social services and economic empowerment resources. The PACT Resource Team will continue to play a fundamental role in making sure that private and non-profit development partners participating in NYCHA's PACT program lead a project that is community-focused and community-centered. It's critical that this team continues to be expanded and provided the

resources and funds necessary to make a positive impact on the lives of public housing residents and to begin to regain the trust of residents who are skeptical of the PACT program in the first place.

Similarly, it's also important we consider how the Fulton and Chelsea-Elliott Houses model becomes the model that NYCHA pursues for all PACT investment processes.

Central to the PACT program is tenant engagement and input. However, in some cases this period of input starts too late – it starts after the for-profit and non-profit developers are selected by NYCHA. In the case of the Fulton and Chelsea-Elliott Houses, that approach was flipped, and its impact has been resounding. The Chelsea Working Group, made up of tenants and tenant advocates, made history by leading both the review and developer selection process for the multi-million-dollar campaign. The developers selected by the working group – one of which happens to be one of New York City's largest developers – will renovate 18 buildings inside and out, create new community spaces, health centers and gardens area.

This is the model that should become the standard for the PACT program: one driven by resident input from the very earliest stages of the planning process.

The New York City Housing Authority is at the foundation of the city's affordable housing stock. It's the largest single affordable housing system in the country and 1 in 15 New Yorkers call NYCHA home. So, we must do better as a city to ensure that this critically important stock of housing isn't left to deteriorate further.

Action must be taken now, before it's too late.



The majority of testimony presented at this hearing will, rightfully, speak to the dreadful conditions at New York City Housing Authority developments, the resulting plight of tenants throughout the city, frustration of residents who experience almost unimaginable delays in management addressing their complaints, and the consequences of this neglect - both physical and social. The agencies responsible in turn will cite the shameful decrease in federal funding, for decades, that has precipitated this situation.

Our testimony does not ignore any of those circumstances but faces forward with a request that the City Council, in its oversight role, bear in mind the necessity of incorporating support for social programming in its budget advocacy on behalf of NYCHA.

The capital expenditures to support such programming to benefit residents are relatively modest compared to the backlog of major work needed, but will unquestionably uplift NYCHA residents in so many ways. The kinds of things we envision are community centers, day care facilities, accommodations for seniors and on-site centers to congregate, and, closest to our mission, the physical resources to support and encourage early literacy programming for families.

In our vision, this could mean embracing the design of tiered steps in a lobby corner allowing small groups to gather for stories or read alouds, shelving to support a book nook or tenant lending library, furniture scaled to young children, a common space to facilitate the critical pre-reading activities of playing, singing, or drawing together and the space to support such activities as children grow.

Having the designed environment to support these kinds of social programming will create a centrifugal force that generates positive energy. Residents who are growing up with an attractive, engaging setting will be far more likely to return to it time and again as they move through childhood and teenage years; they will be far more likely to be respectful of the property around them. They become stakeholders and attached to their setting. NYCHA must mean more than basketball courts!

Literacy, Inc. works in multiple NYCHA developments to support early literacy development. Working with children from infancy to kindergarten means working with their parents and reaching children through their families and caregivers. We partner with community based organizations that operate their programs at NYCHA as well as working directly with tenants and tenant associations. We know that early literacy is the most effective tool we have to improve educational outcomes and that access to early literacy is a social justice issue, a

question of equity. A number of LINC program staff are former program participants and are themselves NYCHA residents. We know that the appetite for our programming is strong. And we know that our work can be even more effective if it is supported by a built environment that is designed for this age cohort and these kinds of activities.

The expense funding portion of this suggestion is also a significant consideration, but this is not a “the chicken or the egg” kind of proposition. We reiterate that these capital expenditures are, in budgetary terms, a small percentage of overall costs to rehabilitate NYCHA properties. Whether such improvements come through New York City initiatives, are part of the RAD program or even funded through philanthropy, we urge you to incorporate the concept of a supportive environment into specifications for every NYCHA development as a way to, quite literally, rebuild a more equitable city post-pandemic.

Thank you for the opportunity to submit this written testimony.

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March 11, 2022



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**Testimony of Brendan Cheney, New York Housing Conference
Committee on Public Housing – Preliminary Budget Hearing - Public Housing**

March 8, 2022

My name is Brendan Cheney. I am Director of Policy and Communications at the New York Housing Conference (NYHC). I would like to thank the Committee Chair Alexa Aviles as well as the other members of the City Council Committee on Public Housing for the opportunity to comment on the city's preliminary budget for the New York City Housing Authority.

NYHC is a nonprofit affordable housing policy and advocacy organization. As a broad-based coalition, our mission is to advance City, State and Federal policies and funding to support the development and preservation of decent and affordable housing for *all* New Yorkers.

We were disappointed to see the preliminary budget for FY 2023 maintain the status quo for affordable housing, especially the New York City Housing Authority (NYCHA). Mayor Eric Adams' capital budget for NYCHA is unchanged from Mayor de Blasio's final capital budget, never rising above \$1 billion. Adams NYCHA capital budget proposes \$1 billion in the current fiscal year (FY 2022, which ends in June), \$587 million in FY 2023, \$597 million in FY 2024, \$657 million in FY2025 and \$424 million in FY 2026.

NYCHA is in crisis. The \$40 billion unmet capital need is the result of decades of divestment and we cannot continue this trend. Tenants live in deplorable conditions – leaks, mold and pests, lead, and lack of heat and hot water – that negatively impact their health and quality of life, especially for children.

While we were hopeful that federal funding through Build Back Better would provide most of the capital needed for NYCHA, it has become clear that federal help is not on the way. Build Back Better is stalled, its chances appear slim and any version that does pass will be significantly scaled down. The city and state must step up.

We are leading United for Housing, a coalition of more than 90 organizations that has called for the city and state to each provide \$1.5 billion per year for capital funding for NYCHA and to coordinate and agree on a plan for the funding. This is the absolute minimum necessary.

At present, the only financing tool to raise capital to make repairs is through PACT conversions, which have already produced thousands of apartment and building updates. Absent a

significant infusion of capital, it will be important for NYCHA to continue implementing their conversion plan.

The Chelsea Working Group led to expanded tenant protections and an important process of resident input and decision-making in site development planning and developer selection. NYCHA's efforts to replicate resident-led RFPs and developer selection are a step in the right direction.

NYCHA has also proposed a public housing preservation trust which has the potential to raise capital by leveraging the Section 118 disposition at scale. To advance this proposal, the housing authority should work to gain support from resident organizations.

Additionally, any new plans to address the issues at NYCHA must be part of the city's overall housing plan, instead of as a separate plan as has happened in the past. NYCHA is the largest source of permanently affordable housing in NYC and we cannot continue to silo off over 350,000 New Yorkers from the overall housing plan.

Thank you for the opportunity to testify before you today. I am available to answer any questions.



Testimony Submitted by Red Hook Initiative To
City Council Public Housing Committee Meeting
3.8.2022

Good afternoon Chair Aviles and City Council Members and thank you for allowing me to provide testimony today. My name is Betty Bernhart and I am the Community Outreach Worker at Red Hook Initiative (RHI) and a Red Hook Houses resident for 20 years. RHI is a community-based organization serving 6,500 public housing residents in Red Hook, Brooklyn each year through youth development, community building, and local hiring programs. Red Hook is home to the largest New York City Housing Authority (NYCHA) development in Brooklyn and the second largest in New York City.

I am here today to ask for your support in securing additional funding for NYCHA in this year's budget, as the budget proposed by the Mayor includes no additional funding for NYCHA.

As an Outreach Worker at RHI, my job is to support residents with any needs they may have and to be an advocate for them. During the pandemic, the needs in Red Hook have been overwhelming. In addition to the financial and health impact we all have suffered, the conditions in Red Hook Houses have deteriorated to a point of emergency. Every day, I am talking with residents and witnessing apartments such as these (photos): black mold, crumbling ceilings, leaks causing severe flooding for weeks and months, dark hallways, widespread garbage issues, and more. The last assessment of Red Hook East and West's physical needs was in 2017 and totaled nearly \$800 million. In addition to crumbling infrastructure, the Recovery and Resiliency construction project has removed every playground, bench, and 457 of our mature trees, has put up scaffolding and fences around every building, and has left two story high piles of toxic dust outside of our windows.

Since July 1st, my team has served over 300 Red Hook residents, the majority of whom are coming to us with issues with their apartments negatively affecting their health. This is particularly harmful for Red Hook, because many residents have health issues already. For example, 23% of residents of the Red Hook Houses surveyed by Red Hook Initiative in 2016 had at least one family member with asthma. In a health survey conducted in 2018, Community residents identified home repairs as the #1 needed service to improve health in Red Hook. In the small group conversations, community members shared their

experiences with poor housing conditions and the impact they have on their families' health, especially asthma and stress.

During the past year, my team and I also helped many Red Hook residents with Emergency Rental Assistance Program (ERAP) applications. As you know, NYCHA is being excluded from the ERAP benefit, and Red Hook residents with back rent from the pandemic's impact are now left overwhelmed and scared with massive rent bills. In addition, NYCHA will lose out on funding that it needs to improve our homes and buildings.

NYCHA is in a critical moment and we need funding now. Council member Aviles, we know that you are a strong advocate for public housing and we look forward to continuing our work together to address the urgent needs of Red Hook's NYCHA community. We are calling on all elected officials to demand additional funding for NYCHA's capital and operating needs. In addition, we need to hold NYCHA accountable for how the money is spent through additional resident oversight of spending. We urge you to act for NYCHA residents to ensure that the budget allocation matches the urgent needs of public housing residents.

Thank you for the opportunity to provide testimony today.

FY 2023 Preliminary Budget Hearing: Committee on Public
Housing
Council Member Alexa Avilés, Chair
March 8, 2022

Testimony Presented by Angel Sacarello,
Community Center Operations & Engagement Director
University Settlement

Thank you for convening this hearing. My name is Angel Sacarello, and I am the Community Center Operations & Engagement Program Director at University Settlement. Since 1886, University Settlement has been providing holistic services to New York families. Currently, we have over 30 program locations across Lower Manhattan and Brooklyn, where we provide support ranging from early childhood education to youth afterschool programs, tenant advocacy to older adults programming.

My testimony today will focus on the need to fund mental health programming for our NYCHA community members. University Settlement has been privileged to offer programming at multiple NYCHA buildings across the city, including at Ingersoll and Atlantic Terminal in Brooklyn, and East New York. Settlement houses are unique in our ability to provide holistic services for our community members. Because we offer robust and diverse programming for the entire family, settlement houses and other community-based organizations are best situated to partner with the city to bring services to NYCHA residents.

Historically, outreach tailored for NYCHA residents is lacking, and COVID-19 has made it worse. Two years into a once-in-a-generation pandemic, we are aware of COVID's negative impact on mental health—both for children and adults—is wide-ranging. We are seeing our NYCHA residents experience continued financial stress as inflation increases prices that families could barely afford pre-pandemic. We also know that the stigma of seeking mental health support continues, and often this stigma prevents individuals, youth, or parents from obtaining the care that they need.

An individual's mental health impacts more than just the individual. It can influence the entire family unit. Having a trusted community-based organization offer mental health services can remove some of the stigma. Importantly, it also makes it far more accessible to NYCHA residents to have services offered on site or even sometimes come to their door. For teens, who have seen their lives disrupted by the pandemic in so many ways, accessibility to services is key—not only to address mental health directly, but also to interrupt potential bad decisions. As NYCHA families face increased economic insecurity, teens are acutely aware of their families' financial state. During the pandemic, I personally know teens under such

immediate pressure to support themselves and their families that they were arrested for stealing. These are young people who lost jobs or struggled to find employment when Covid shut down many restaurants and early vaccine and safety protocols inadvertently excluded teens from the job market. Having services based in their own building prompts youth to be more aware of alternatives and the larger context along with scaffolding mental health support that will strengthen their relationships, including with their schools and families.

University Settlement's Families Thriving is a model that demonstrates our unique position as a bridge between the community and institutions. We believe this program could be deepened and replicated to support more NYCHA members. Families Thriving recognizes the multiple institutions and systems that families interact with daily: from schools to organizations to the larger community. Rather than viewing each institution and system as siloed and independent, Families Thriving is designed as a wraparound and culturally sensitive family and community support program, with sessions that can occur at home, school, or in the community.

In 2020, responding to the needs of the communities we work with, Families Thriving developed Connection Circles, a model that fosters relationship building, emotional processing, community care and support, against the backdrop of the uprising for black lives and increased antagonism towards APIA folks. In May 2021, Families Thriving began integrating mental wellness support in all our youth program sites, including our NYCHA community centers, offering onsite mental health support such as regular mental health check-ins for 556 youth, social-emotional learning activities and group facilitations, and professional development and consultations for support staff. These two examples show responsiveness to community needs as they arise and a critical need for funding to support this approach. Both initiatives have successfully strengthened families across our sites as well as strengthened relationships between families and schools. Additionally, we have disrupted systems-involvement for at-risk and vulnerable families, preventing higher levels of intervention by helping families develop skills and strategies to reinforce positive family dynamics and increase success across contexts.

We strive to build on our existing successes and expand programs like Families Thriving, but without stable funding, this is challenging. Along with targeted mental health funding, more funding in general for community-based organizations working alongside NYCHA residents could increase hours and essential services for our neighbors. For example, right now, University Settlement's community centers can only cover limited staffing and hours over the weekend. But the weekend is when many of the NYCHA residents have more time and ability to access the necessary services that we provide. We believe that investment in NYCHA collaborations with community-based organizations like University Settlement and programs like Families Thriving can revitalize our community centers, making them spaces where community



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members gather, dialogue and express concerns, learn from each other, and share resources. This, in turn, will strengthen our neighborhoods and our city. Thank you for your time.

LEAD. ACT. IMPACT. 領導。行動。影響。 LIDERA. ACTÚA. IMPACTO. अगुवाई करवाई असर DIRIGEZ. AGISSEZ. IMPACTEZ. ارشدوا. اعملوا. احدثوا. ЛІДИТИ. ДІЯТИ. ВПЛИТИ.

Dr. Jessie Fields Testimony

I, Dr. Jessie Fields am a medical doctor affiliated with the Mount Sinai Doctors Faculty Practice located at 2771 Frederick Douglass Boulevard. I am also a member of the Committee for Independent Community Action (CICA) led by Dr. Lenora Fulani. The Committee includes New York City Public Housing residents, community activists and also New Yorkers who do not live in public housing but are concerned about the undermining of public housing and want our city to provide safe, decent housing for people including for people who are poor and underserved. .

I have practiced medicine in the Harlem community for over three decades. And at the 2771 Frederick Douglass Boulevard location since 2010. Many of my patients live in the surrounding neighborhood in NYCHA public housing (Drew Hamilton Houses, Harlem River Houses, the Polo Grounds, Rangel Houses, etc.) and many have asthma and suffer from exposure to leaks, mold and unsanitary conditions.

I have been a medical doctor in the Harlem community for over 30 years. I have seen and currently see many patients who live in public housing and I know the health effects and suffering of patients who have asthma due to leaks and mold in the buildings and chronically suffer from lack of heat and hot water in the winter. And frequent lack of utilities and having to depend on hot plates to cook food.

The impact of exposure to lead in paint is neurologically harmful for young children and has been a major crisis for the families in public housing. .

Increased funding for public housing is critical to protect the health of the residents, families and children who live in public housing.

The RAD/PACT programs have endangered the health and safety of public housing residents as well as increasing the risk of eviction and displacement.

The health and safety of the current residents of public housing should be the top priority of the Mayor's budget for the city, the current funding is grossly inadequate in relation to the needed repairs and upgrades in the public housing developments.

Dr. Jessie Fields Testimony

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Date: March 07, 2022

From: Leonel Barragán
NYCHA Chapter 25, Local 375, DC37

To: New York City Council
Hearing Registration/Submit Online Testimony

Re: NYCHA's Fraud, Health and Safety Issues affecting Residents and Staff

Good Day,

NYCHA misappropriates, misuses and defrauds Housing Developments' Residents, Stakeholders and Staff. For decades NYCHA has been paying dubious contractors and consultants without checking the quality, quantity, safety and health of their construction work. Payments that amount to Hundreds of Millions and / or Billions of US Dollars.

Our knowledgeable staff is denied working on those same projects, projects awarded instead to the same dubious contractors and consultants. NYCHA goes further by hiring culprits out of those entities, at extravagant salaries, while they continue helping their "former" bosses secure projects and payments. NYCHA staff is denied proper treatment, overtime (OT) and work but they have no problem hiring dozens and dozens of overpaid and clueless consultants and insiders. It is well known internally that NYCHA works for their independent contractors and not the other way around.

Recently, a building that one of those dubious companies was working on was at the verge of collapsing, because the General Contractor (GC) did not shore up its foundations. The Department of Buildings (DOB) had to intervene and put a stop work order to prevent possible calamities. Unless that have happened, no one at NYCHA would have known what was going on because their Engineering Auditors seldom visit sites or check the quality and content of the work.

Engineering Auditor are supposed to be License / Registered professionals and they are mandated by the New York City Comptroller Office's Directive 2 and Directive 7 to perform periodic, in-person inspections, in addition to desk audits. None ever visits sites and relegate their work to lower paid, unexperienced and unlicensed staff.

Plenty of proof of NYCHA's poor intentions can be provide and NYCHA shall be held accountable fully for their poor actions, which some say is because its paperweights (management) just want to show how many projects have been completed, justifying further fundings and mismanagement. Thank you.