

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON PUBLIC HOUSING

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HELD AT: Remote Hearing - Virtual Room 2

B E F O R E: Alexa Avilés
Chairperson

COUNCIL MEMBERS:

Diana Ayala
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Darlene Mealy
Chi A. Ossé
Lincoln Restler
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Pierina Ana Sanchez
Julie Won

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

Karen Blondel
Red Hook West Resident Association

Aixa Torres
Public Housing Resident

Gregory Russ
NYCHA Chairperson and CEO

Daniel Sherrod
NYCHA Chief Operating Officer

Annika Lescott
NYCHA Executive Vice President of Finance and
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Shaan Mavani
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Assembly Member Harvey Epstein

Betty Bernhart
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Dana Elden
Saint Mary's Park Houses

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

Beverly MacFarlane

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Erin Burns-Maine
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Jessie Fields
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A P P E A R A N C E S (CONTINUED)

Joel R Kupferman
Environmental Justice Initiative

Crystal Gooding
Freedom Agenda

Sean Campion
Citizens Budget Commission

Gregory J. Morris
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UNIDENTIFIED: Welcome to today's New York remote Council Fiscal Year 2023 Primary Budget Oversight Hearing on the Committee of Public Housing. At this time, will all panelists please turn on your videos? To minimize disruption, please place electronic devices on vibrate or on silent. If you wish to submit testimony, you may do so at testimony@council.nyc.gov. Again, that is testimony@council.nyc.gov. Thank you, Chair, we may begin.

CHAIRPERSON AVILÉS: Buenos tardes. Good afternoon, everyone, and welcome to my first hearing as the Chair of the Committee on Public Housing. My name is Alexa Avilés, representing the great district 38 in South Brooklyn. First, I must express my deep thanks to all the hands that make this hearing possible, from the Sergeant at Arms to the Council Staff, to Tech, Finance, Policy. Your commitment to our city is appreciated. To the NYCHA staff, to my City Council colleagues who are here, thank you for your partnership and lastly, thank you to my incredible team, and thank you to the residents of public housing for all that you do and everything that you have endured, and all that you've

accomplished. Thank you all. I did not live in public housing as some of my predecessors, but come from a family with a long history in public housing, from my grandmother in Baruch Houses, to cousins in Lillian Wald, to Theaz [sp?] in Coney Island, to friends in the Pink Houses. Public Housing is one of New York City's greatest assets, housing hundreds of thousands of working class New Yorkers for multiple generations. We must acknowledge that we are not here by happenstance, but by direct decisions to defund and de-prioritize public housing at all levels of government over the decades. Throughout its history there have been many direct attempts to get rid of public housing, but tenants have fought back and because of that, New York City public housing remains the last bastion of affordable accessible housing for low income people, the lifeblood of our city. It is our duty to protect and preserve public ownership of public housing and to ensure that public housing residents live in healthy, safe, and dignified homes. Simply put, housing is a human right. Today is the first of many oversight hearings to come. We will be hearing testimony from the New York City Housing Authority, NYCHA, on its fiscal 2023 Preliminary

Budget and Five-Year Operating and Capital Plans for 2022-2026. Two years into this tragic pandemic, COVID-19 has claimed the lives of nearly 70,000 New Yorkers, deeply impacting NYCHA and exposing the long-standing systemic inequities in our country. The pandemic highlighted the importance of the city social safety net, and NYCHA is key component of that social safety net, providing truly affordable housing and facilitating access to social and vital community services. I want to extend my condolences to all the families impacted by COVID, residents and NYCHA workers impacted by COVID. My own family lost four family members to COVID. Two of them were public housing residents. As we initiate the budget process today, we hope the hearing will be to better understand how the authority's budget and how the agency intends to administer those funds to help and protect the nearly 400,000 residents that call NYCHA home. It is important to note that NYCHA's budget is not part of the City's budget, and its Fiscal Year follows the Calendar Year. The 2021 Year-end Operating Budget for NYCHA reflects a balanced budget for the last quarter in 2021. In December of 2021, the NYCHA Board approved its Five-Year 22-26

Operating and Capital Plans, which for 22 projects an overall deficit of 35 million, with revenues of 4.1 billion and expenditures of 4.2 billion. The authorities adopted 22 to 26 Capital Plan provides approximately 8.1 billion in plan commitments for infrastructure improvements, major modernizations, system upgrades, repairs, resiliency, and fortification for developments damaged by Super Storm Sandy. In total, over the five-year time frame, NYCHA expects to receive about 3.3 billion dollars from the City, including 125.2 million from the City Council. We have all bore witness to the crisis, whether covered in the news or not, to the many atrocities of no heat or hot water, walls so soft that you can put your hands through, insect infestations and garbage compactors that don't work. The list goes on. NYCHA residents are frustrated and highly skeptical of agencies and officials with long track records of ignoring the issues, or in many times providing substandard response. At the same time, we know there are many NYCHA workers giving their best and making magic with little resources, and we thank you for their service. I know there is little trust from residents. I ask your patience and

your partnership to do the best by you. I know this committee is a place of spirited debate and many opinions and experiences, and we hope to continue that tradition. I will say, we know it is not just a lack of money, the problem that we are experiencing, but a multi-layer problem of a capitalist culture who puts profit over people, of structures built to fail, of mismanagement, and a cocktail of many, many other damaging ingredients. Most recently we had hoped the Federal Government would deliver through its infrastructure bill, but that has failed. Had NYCHA been the Pentagon, we'd be flush in cash, and the State unfortunately continues to anemically support the authority, while the City continues to bear larger and larger burden of the cost, and costs that are increasing daily. Despite these profound challenges, we are here collectively to protect and preserve public housing and to improve the conditions of residents. We are expecting to hear the plans of how the authority will effectively and expeditiously expand these resources to bring the aging and damaged buildings, system, and grounds into a state of good repair. We anticipate hearing about the Authority's response to the COVID pandemic and update on NYCHA

receipt of federal COVID funds from the CARES Act.

We also will expect to hear from NYCHA on its increase in rent hardship applications from tenants, the decrease in monthly rent collection rates, and the status of its RAD-PACT conversion program.

Before we hear from NYCHA, let me take a moment to recognize my colleagues who've joined this morning, and I hope I didn't-- I hope I haven't missed everyone. Council Member Julie Won, Council Member Kagan, Council Member Stevens, Council Member Barron, Council Member Sanchez, Council Member Brewer, and Council Member Ossé. Thank you so much for joining this important conversation today. As is the standing tradition of the committee, I will now ask NYCHA resident leaders to open with comments and questions before the agency dives into its budget presentation. Thank you so much again for your patience and your guidance, and I will pass it over to the facilitator.

COMMITTEE COUNSEL: Thank you so much, Chair. As Chair Avilés has stated, the committee would like to maintain its longstanding tradition of hearing from residents first. So, before we hear from NYCHA we will call Karen Blondel, followed by

Aixa Cruz, and then afterwards I will go over a few housekeeping matters for the remainder of the hearing.

SERGEANT AT ARMS: Time starts now.

COMMITTEE COUNSEL: Ms. Blondel, you should have received a prompt to unmute yourself. If you've received that, please go ahead and unmute so that we can hear your testimony.

KAREN BLONDEL: I just got the prompt. Thank you so much. Good afternoon New York City Council and New York City Housing Authority. I'd like to thank my New York City Council Member Alexa Avilés, the Chair of the Public Housing Committee, for joining us not only here but on the ground in Red Hook and for allowing me to speak today regarding the New York City Housing Authority budget. My name is Karen Blondel, and I am the President of the Red Hook West Resident Association. I'm also a Harvard [inaudible] Fellow at the Graduate School of Design in Cambridge. So I do know about the infrastructure issues in public housing, and I am able to convey that to other residents in my community. I'm also the Principle Founder of the Public Housing Civic Association, which is another venue that we want to

1 use to make sure that the residents understand the
2 difference between RAD-PACT and the Blueprint, just
3 for an example. When we talk about the budget for
4 public housing, we're talking about a figure that's
5 in flux. This figure changes, and I know back in
6 2017 there was a 40 billion dollar deficit. So one
7 question I do have is now that we've converted over
8 150,000 units to RAD and gotten income from PACT, I'd
9 like to know how that budget has been adjusted. Has
10 it gone down? Do we have more? Do we have the same
11 or less? Also, while I'm here to advocate for more
12 money for the stabilization of over 130,000 units of
13 public housing, I'm also here to advocate for long-
14 term solutions like the preservation--

15
16 SERGEANT AT ARMS: [interposing] Time
17 expired.

18 KAREN BLONDEL: Well, how much time did I
19 get, one minute? Also known as the Blueprint. It's
20 not just the budget we're asking for, but we're
21 asking for it to be spent. Last year, I think NYCHA
22 only spent six percent which may account for pandemic
23 conditions and things like that, but we really want
24 to know where the money is being spent and where it
25 could be spent effectively. And since my time is up,

I'll just send this in by-- electronically. Thank you.

CHAIRPERSON AVILÉS: Thank you so much, Ms. Blondel.

COMMITTEE COUNSEL: Thank you. We will now hear from Aixa Cruz.

SERGEANT AT ARMS: Time starts now.

CHAIRPERSON AVILÉS: Ms. Torres, you should have been sent a prompt to unmute yourself.

AIXA TORRES: Hi, good afternoon. My name is-- good afternoon Council Speaker Andrea Adams, Councilwoman Alexa Avilés, Chairperson of the Housing Committee, and the City Council Members on Public Housing, and all Council Members who have joined this meeting. My name is Aixa Torres and I am a public housing resident and I'm here today to fight for my home and the future of public housing. I am urging the City Council to adequately fund and provide stronger oversight over the New York City Housing Authority. Mayor Adams released his budget for the City. The Mayor's budget is identical to former Mayor de Blasio's budget for NYCHA. Mayor Adams has also reneged on his promises to spend four billion dollars a year on housing. However, the

1 Mayor's fiscal budget adopted capital plan which
2 includes 300 million to support NYCHA's rental
3 assistance, RAD, right? However, and I stand with
4 the NYCHA citywide Council President and the
5 residents to reserve public housing in calling on all
6 levels of government to actively [sic] fund public
7 housing. The residents of public housing are urging
8 New York City to include the following in the Fiscal
9 Year and that 3.4 billion in capital funds for the
10 NYCHA Fiscal Year 2023 baseline annually 2.8 billion
11 in the operating funds for NYCHA in the Fiscal Year
12 2023 baseline annual thereafter. This funding is
13 necessary to address NYCHA--

14
15 SERGEANT AT ARMS: [interposing] Time
16 expired.

17 AIXA TORRES: [inaudible] I will submit
18 my-- I will submit my request in writing to all the
19 Council Members, but I just wanted to say thank you
20 to have this opportunity to open as a resident of
21 public housing. Thank you.

22 CHAIRPERSON AVILÉS: Thank you so much,
23 Ms. Torres. So, normally, in a general oversight
24 meeting we would have more residents testifying at
25 the top of the meeting, but given this is the budget

presentation, now we will pass it along to our colleagues from the New York City Housing Authority. I'm sorry, Audrey, if I jumped the gun here.

COMMITTEE COUNSEL: No, no worries at all. We are all anxious to receive their testimony. I just need to go over some of the boring stuff, some of the housekeeping matters to help the Zoom meeting run as smoothly as possible. My name is Audrey Son, and I am the Counsel to the New York City Council's Committee on Housing-- Committee on Public Housing. I just want to remind everyone that you will be muted until you are recognized to speak. When it is your turn to speak we will call your name and you will receive a prompt to unmute. Please accept the prompt if you are prepared to speak, and the Sergeants will set the timer so that you can give your testimony. Please be aware that there may be a bit of a delay in muting and unmuting, so please be patient. During the hearing if Council Members would like to ask questions, please use the Zoom raise hand function, and we'll call on you to speak in turn. In the interest of time we will limit Council Member questions to five minutes each, and then we will circle back once all the members that have asked some

questions have had a turn to ask. At this time, we will now move to testimony from the Administration. I will begin by administering the affirmation to the members of the New York City Housing Authority which is represented today by Gregory Russ, Daniel Sherrod, Annika Lescott, Shaan Mavani, and Brian Honan. I will call each of your names in turn. Do you affirm that your testimony will be truthful to the best of your knowledge, information and belief? Gregory Russ?

NYCHA CHAIRPERSON RUSS: I do.

COMMITTEE COUNSEL: Daniel Sherrod?

CHIEF OPERATING OFFICER SHERROD: Yes.

COMMITTEE COUNSEL: Annika Lescott?

CHIEF FINANCIAL OFFICER LESCOTT: I do.

COMMITTEE COUNSEL: Shaan Mavani?

CHIEF MAVANI: I do.

COMMITTEE COUNSEL: And Brian Honan?

BRIAN HONAN: I do.

COMMITTEE COUNSEL: Thank you. You may begin when ready.

NYCHA CHAIRPERSON RUSS: Thank you so much, and welcome to the Chair, Members of the Committee on Public Housing, other distinguished

members of the City Council, and NYCHA residents, members of the public. My name is Greg Russ, I am the Chair and CEO of NYCHA. I am pleased to be joined by the Chief Operating Officer Daniel Sherrod, Executive Vice President of Finance and Chief Financial Officer Annika Lescott, Chief Asset and Capital Management Officer Shaan Mavani, and Vice President of Intergovernmental Relations Brian Honan, and other members of NYCHA's team. Thank you for the opportunity to present the adopted budget, which was approved by the Board in December 2021, and discuss our efforts to transform the 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, and I also want to thank Mayor Adams for his partnership and support. We met last week at our facility in Long Island City, and it's clear to me that we share a vision of quality housing and services for NYCHA families. This is a moment of significant change for the Authority. We have new leadership, the Chief Operating Officer and the Chief Asset and Capital Management Officer, and a Chief Compliance Officer, for example. And we are

1 instituting the organizational changes that we
2 outlined in the Transformation Plan, which was
3 required as part of the HUD Monitorship [sic]. At
4 the same time, we are reckoning with the greatest
5 threat that the Authority has faced in its 88 years,
6 the compounded effects of four decades of federal
7 government disinvestment from public housing. Often
8 I am asked, how can this be, and the fact of the
9 matter is, once the housing was built, there was
10 insufficient funds put back into the housing to keep
11 it in good repair. And if you look at the history of
12 public housing, and we go all the way back to 1937,
13 the first round of funding should have occurred in
14 1957, and it did not happen, and every 20 years after
15 we should have been putting money into these
16 buildings. What does that mean for us today? That
17 the days of piecemeal fixes of putting a band aid on
18 the aging or deteriorated buildings are over. The
19 residents know this reality painfully well, with the
20 near daily cascade of serious issues, that range from
21 rooftops to underground piping. We have experienced
22 this in sharp relief this heating season, and it's
23 not for lack of trying to work harder or working
24 smarter. We have increased our staff levels in
25

critical areas, and we are improving the way we do business. But what does disinvestment look like when it's 80 years old? It's 80-year-old piping that is giving out behind walls. The Chair mentioned how soft the walls can be. That's because the pipe behind the wall is no longer capable of holding the water or steam, or whatever it was supposed to carry. And then we have the boilers and elevators, the roofs, and issues around mold, lead, and asbestos. Across the portfolio right now, we need \$40 billion in urgent repair, capital repairs to counteract and end the degrading of the residents' quality of life. That need is growing at a rate of about a billion dollars a year. Residents should not have to put up with the conditions that they currently have. We have a responsibility to bring our buildings the investments they need, as quickly as we can. And that the only way that we can do this is to ensure our properties can serve residents for another century is put in comprehensive modernization into the buildings, like we're doing at St. Nicholas and Todt Hill and Staten Island. To bring top-to-bottom renovations and upgrades to every building, we must use every tool in the toolbox. That includes PACT

and the Public Housing Preservation Trust. These initiatives have two things at their heart. One, protect resident rights, and two, raise the money for the investment that's been missing. Our residents are relying on us to take action now. The very future, in our view, of the housing that we own and manage is at stake. Despite best advocate efforts at our federal level, 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 a creative, local strategy to bring residents the quality of life they deserve. Today, you're going to hear testimony that's going to center on two large themes. The first is the Operating Budget, and these numbers illustrate the need for a new approach. Operating funding from the Federal Government is separate from the Capital funding. It has its own separate formula. NYCHA does not apply to HUD for money. We get a formula distribution based on what Congress appropriates in that year. So that's very important to remember. Part of that formula includes rent revenue, and that is a place where we've been having a problem. Rent revenue,

which is about a third of our budget, is down significantly by 30 percent, largely due to the pandemic. The current rent shortfall has climbed to about 311 million dollars. That's a significant sum that we could use today if we had it to repair the buildings that we currently have. For 2022, with expected operating revenues of about 4.1 billion and an expected expenses of about 4.179, we anticipate the 35 million dollar deficit that was mentioned earlier. We believe over the course of the Fiscal Year that we can close this gap through a variety of techniques. However, with the increasing operating demands, and without additional revenue, anticipated annual deficits do begin to climb. 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. That's \$130 million dollars below what we should be collecting. The 2022 budget assumes federal funding based on what's called a proration, and I think Council Members should hear this part. Not only do we have a formula funding for the

operating subsidy, but often Congress does not appropriate 100 percent of the formula amount that's generated. So, it's important to recognize that we have to budget in what's called a proration, which we estimate this year at 96 percent, about \$43 million less than what we're eligible for under the operating fund formula that Congress established and HUD implements. We also expect to receive a welcomed \$276 million in City operating funds. One program we wanted to highlight too this year is we expect to receive about \$1.4 billion in Section 8 vouchers and associated administrative fees. The Section 8 program is deemed a high performer by HUD, despite the fact that it too is underfunded based on HUD's formula. NYCHA's receives Section 8 funding based on our previous years' expenses. This means that we're really funding about 84.7 percent of the vouchers we are actually authorized for. So that translates into funding about 88,880 vouchers. We're authorized for 106, but we're only funded for the 88. Full funding of the Section 8 program would be something that we should all be advocating for. Our projected expenses in 2022 include \$1.3 billion in Section 8 payments to landlords; \$1.5 billion in salaries and fringes; \$487

million in contracts; \$524 million in utilities; and \$339 million for supplies, vehicles, and equipment in the operating budgets. 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 use \$100 million of our operating reserve. That's going to leave us with about one month's worth of reserve for Fiscal Year 2023. We're also using about \$80 million in what's called restricted proceeds from the RAD and PACT deals. And we are shifting 35 percent of our federal capital grant for basic operating costs. This is because lack of investment in the buildings is driving up the costs to simply maintain them. That rate is accelerated. The capital deficiencies are causing more things to fail and make the repairs more complicated and more expensive and more difficult to do. So we cannot rely on federal funding alone to maintain our properties. Majority of the buildings are more than a half-century old, and the federal city and state funding that we receive is currently-- will not meet the needs. Think about this, our need in New York is 20 times the national appropriation from Congress. That's staggering number. And we

1 receive an average of about 469 dollars in tenant
2 rent, 573 dollars in HUD operating subsidy, about 119
3 dollars per unit in city subsidy per apartment. So,
4 that's about 1,161 dollars a month; however it costs
5 close to 1,500 dollars a month to operate that same
6 apartment. Despite the funding constraints, we are
7 invested in the areas that affect residents the most.
8 Even with the decline in rent revenues, we have
9 increased our investment in the HUD Agreement pillar
10 areas by \$162 million over the past three years. For
11 Fiscal Year 2022, we've received 300 million dollars
12 in new requests from our staff, largely to address
13 the pillar areas in the HUD Agreement. We were able
14 to craft a budget that will fund about 137 million of
15 that, but I wish we could have funded the full 300,
16 because almost everything on that list was connected
17 to something that we should be doing in the field.
18 That included money for our Transformation Plan
19 efforts. These are the efforts to retool,
20 restructure, and reshape the way NYCHA does business
21 as an institution. That funding also included an
22 additional 250 skilled trades to carry out the Work
23 Order Reform initiative that we're undertaking this
24 year. We also plan to hire about an additional 200
25

more janitorial staff and supervisors to maintain our grounds and buildings with a completely revamped janitorial schedule. We funded 100 percent of the requests from the property managers regarding their supplies and equipment, and we also budgeted for additional overtime considering the needs of the stock. We allocated \$38 million in additional funding for the HUD Agreement pillar areas, and we included in those funds, costs for planning and comprehensive resident engagement for the comprehensive mod that we're doing, heating investments; asbestos, lead, and mold abatement; elevators; pest and waste management. These investments pertain just to operations and would be additional to the capital that we'll talk about. We're expecting to spend substantially more over the next several years to continue to address all the major areas in the HUD Agreement. To present the budget in full, I'm going to ask Annika Lescott, our Chief Financial Officer, to do the next part of this presentation.

CHIEF FINANCIAL OFFICER LESCOTT: Thank you. Good afternoon. My name is Annika Lescott, and I'm the Chief Financial Officer of the New York City

Housing Authority, and we're going to share a little bit more about our Operating Budget. So, in 2021, we thankfully ended the year on balance. This is an improvement from the 25 million dollar deficit that we adopted for the Fiscal Year. As Greg mentioned, our Fiscal Year is on a January to December basis. We had some pretty key things that happened during 2021 that I will note here. In terms of our sources, as Greg mentioned, we get three main sources of revenue, our tenant rental revenue which accounts for about a billion dollars, operating subsidy from HUD for the public housing program which is another billion dollars, and our Section 8 revenue which comes out to be 1.4 billion dollars, and that includes the past due payments to tenants-- I'm sorry, to landlords housing tenants, as well as our administrative fees that we use to run the program. We did see a pretty dramatic decrease in our tenant rent revenue as Greg mentioned, and that accounts for most of the variance [sic] that you're seeing on the right hand side. Thankfully, to make up for that difference, we received more operating subsidy from HUD, additional Section 8 revenues from HUD, and additional city funds for staffing and for other

special initiatives. In terms of other revenues, we received some small payments from FEMA to support our COVID-related expenses, as well as some reimbursements for employee health programs. So, in all, we were able to take in 107 million dollars more than we expected in terms of revenue, and that was again, a decrease in tenant rent revenue, which is offset by funding from our federal city partners. On the uses side, we spent 82 million dollars more in total than we budgeted, and it comes in a couple places that you will see. So, in terms of our salaries and overtime, that is the bulk of our uses. Most of the funding goes into the salaries, as you see there, 1.4 billion dollars budgeted. We spent a total of about 1.6 billion. We had less individuals on staff and we're carrying vacancies of about a thousand at any given time, owing to the pandemic and the rate of hiring. And we had to supplement that by increasing in overtime spending. So the people that did have on staff had to work longer hours and more to be able to continue to provide services to our residents. In terms of our other than personnel spending, which accounts the remainder, over two billion dollars of our expenses we spent on supplies,

contracts, utility costs, Section 8 and other expenses. So, in all, we do expect that the 2021 budget we're closing right now will close on balance. And will go to the next slide. Greg mentioned our monthly rent collection, and we have been having difficulties since the start of the pandemic in terms of consistently collecting our rent. So the chart that you see below shows you from January 2020 all the way through December 2021, the total dollar amount that we collected in each month. So it is normal to see some ebbs and flows in rent collection. It does follow seasonal trends. We normally do collect more in March and April for example during the tax season, and also, in December when individuals try to catch up on their rent payments. The rent bar that goes across is what we needed to collect on average to be able to hit our budget target. So on average, we needed to collect 89 million dollars per month in 2020 and 87 million dollars per month in 2021, and as you see the gray bars, which is our total collection in the month, consistently did not meet the targets. So we only ended 2021 with a total of 898 million dollars of rent collecting. And our tenant receivables topped

311 million. We anticipate and estimate that the COVID pandemic cost about 218 million dollars more of tenant receivables than we have seen in the past. At the same time that one of our major sources of operating revenue our tenant rent was decreasing; our investments in the HUD Agreement pillar areas was increasing. So, the blue bars that you see below is the total dollar amount of operating funds that we spent in the HUD Agreement pillar areas, heating, elevators, pests and waste, mold, and our three compliance departments: compliance, quality assurance, and environmental health and safety. 2020- - sorry, 2018 through 2020 are actual expenditures, and at the time, 2021 that you see, that's our budget, but we do anticipate that our final numbers will be right on track. So, the orange line that you see going down, that's our rent collection. So you see that our rent collection rate is going down, but at the same time our spending in these areas is going up. And lastly, our 2022 sources and uses. So we wanted to end by showing you much of what Greg was saying in terms of the testimony, each of our sources and uses and where we expect to be towards the end of the year. So, as Greg mentioned, we passed the

baseline budget with 137 million in new investments in the transformation plan and pillar area. The key things that we funded were additional staff, both in the properties and in skilled trades to help with the work order backlog and additional investments in each of the compliance areas in the HUD Agreement. We did that through couple of new things. One, we took 100 million dollars of withdraw from our unrestricted operating reserves, and we are also applying 80 million dollars that was earned from our RAD PACT deal in restricted proceeds to this budget as well. We are anticipating and submitted to HUD a waiver for 53 million dollars for our rate reduction incentive. Essentially, what we are asking HUD is to be able to keep 100 percent of all the utility savings that we are seeing as we invest in more energy efficient measures. We don't think that it is likely that HUD will grant that waiver at this time. At the end of the year, we are anticipating a year in deficit of 35 million dollars, and without additional revenues from our federal partners and others, NYCHA will not be able to continue this trend of increased spending. And as Greg mentioned, the way that we mitigate our deficits, we look very closely at our spending. We

track the federal appropriations bill, and thus far, we do anticipate that we might receive more than was budgeted in the federal operating subsidy which will help to close that gap. So, Greg, I'm going to turn it back over to you for the capital portion of the budget.

NYCHA CHAIRPERSON RUSS: Great thank you. Let's talk about the capital now, as that is a complementary discussion, both the operating capital really have to be talked about together. We have about 2.9 billion in capital funds for 2022. That includes an anticipated 700 million in federal capital funding. However, I'd like to point out to the Council, we're guessing at that number. We do not have a budget in Washington, yet. Therefore, we're not exactly sure how much capital money we're going to get this year. Another reason to think about why it is that we need to create a solution for capital that is locally based and driven by the properties that we currently own and manage. So, we have the 700 million that we expect from federal, about 410 million in city funds and rollover funds from prior years. But that is barely a dent in the 40 billion that we do need. For 2022 we're

allocating about 773 million to heat, 245 million to façade, 264 million to repair roofs, 205 to elevators, and 53 million for security and fire alarms. Since January of 2021, we spend on average about 63 million dollars a month in capital projects from all sources, more than a billion dollars in construction is currently underway, and NYCHA consistently meets or exceeds HUD's deadlines. HUD has a deadline of two years to obligate, that is, put under contract, and four years to spend for federal capital money, and we exceed those deadlines by an average of seven and 16 months, respectively. In addition, we are committed to raising our spend on city capital, committing to try reaching 23 percent, or 231 million dollar expended, by the end of the fiscal year. And this is a significant increase over what we did last year. We're incredibly grateful for the City funding we've received. It's vital to the quality of life, and we're looking at ways to streamline the City funding approval processes and work with our partners more effectively on expanding these dollars. This includes enhancements related to vendor management, 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, we've heard over and over, I'd like to see what is going on with each of these particular projects. So to that end, we are going to provide greater transparency this year. We are going to set up a web-based site, and I'm going to have Shaan talk about that in a second, that present the details and status for each capital projects that we're currently managing. Shaan, if you should them what the tracker is proposed to look like? Thank you.

SHAAN MAVANI: Thank you, Chair Russ.

Good afternoon distinguished Council Members and other participants at today's hearing. What you see up on the screen now is a mock-up of a capital projects tracker that we're aiming to release on NYCHA's website within the next one to two months, as Chair Russ mentioned, to increase the transparency around capital projects and our accountability to schedules. On the left side is the main landing page of the tracker with an interactive map. This allows the user to filter and zoom on various criteria that you can see there as examples, like the borough, the development, the project status, and the funding

source. The green circles on the map represent NYCHA developments, and clicking on these will bring up a list of projects active or completed at each development. the user will be able to click on a specific project listed on the map or in a table that also shows up below, and you can kind of see an individual entry on the left on the bottom that's a little bit cut off by the Zoom screen, and that would take the user to a project-specific page and you can see an example of that on the right of this slide, right, giving an example for Astoria and a playgrounds project. The project-specific page includes a description of the scope of work of the project, but also shows the project phases along with the level of progress to-date, both visually in this green bar as shown here and through text description. The planned and actual start and end dates for each phase of the project, as well as the project funding amount and sources will be presented on the left side as you see here as an example. And additional information including the project manager and a link the user can utilize to contact NYCHA about the project will be on the right side of the page. So this is an initial mock-up and design that we're

1 working to and demonstrating and validating with
2 residents and others. We'll continue to add
3 additional project details and functionality to the
4 tracker in future releases in 2022, and eventually
5 we'd like to also integrate capital needs information
6 for each development into the same view. So that is
7 publicly available for residents to know the
8 stakeholders. Thank you.

10 NYCHA CHAIRPERSON RUSS: Thank you,
11 Shaan. Briefly, and update on Sandy. At the end of
12 2021, we have completed 2.47 billion dollars' worth
13 of Sandy recovery projects. These include roofs,
14 electrical systems, boilers, exterior lights,
15 cameras, security systems, backup power, and flood
16 protection. We expect to complete 90 percent of this
17 work by the end of this year, closing out all 3.2
18 billion of the Sandy recovery work by the end of
19 2023. But I must point out, remember Sandy and FEMA
20 only fund what they think was damaged. They don't
21 fund the complete building. They don't fund needs
22 above a certain level, if the water only went to a
23 certain level. So, Sandy is a partial fix to some
24 of the issues that we're dealing with. Over the next
25 several years, we plan to replace 356 elevators, 357

boilers at scores of developments. But what we're finding, just putting a new boiler in is not going to be enough. We have to go after the associated infrastructure, the underground distribution systems, the pipes in walls, the heating components, the apartment radiators, and these are the things that require such an extraordinary amount of money. Since 2014, we've invested over 200 million dollars in cameras and other security measures, and another 100 million in lighting. We've replaced 220 roofs, and that's benefitted about 52,000 residents with the roof replacement. While all this capital and this operating is being generated, we are investing in another thing, changing the institution. In tandem with our efforts to make these improvements to try and maintain what we have and to raise the capital, there's a Transformation Plan that requires us to make substantial operational and organizational changes. These are designed to improve customer service, improve responsiveness, and get more insight into how we do work, something that's been demanded and we think rightly so. The Transformation Plan was created with ideas and feedback we received directly from residents and staff. In fact, it's the first

plan that NYCHA made available for public comment. The Resident Roundtable continues to help us shape the plan and its implementation. A vital element of our Transformation Plan is the Neighborhood Model. This creates smaller property management portfolios and pushes the decisions down closer to the properties. To strengthen property-based budgeting, we have been training our property managers and some of our resident leaders on these budget concepts as well. Combined with the Neighborhood Model, we also have Work Order Reform initiatives. This has been such a pain point and rightly so. We need to change how we do business here. So, we're moving skilled trade staff such as painters and plasterers down into the neighborhood to help with these repairs. We're going to change and simplify the way you schedule the repairs, and we're going to allow all related work orders for the repair to be scheduled at once through one phone call rather than sequentially, the way it is now. We began rolling out Work Order Reform by borough. We started last November, and we hope to have this in place citywide by the end of the year. As I mentioned, the budget provides traditional skilled trades to help us support this initiative. We

recently also authorized changes to our janitorial schedule to allow site-based schedules and reform of the schedules that we were operating under. The intent here is to put more caretakers on the grounds and in specific buildings, allowing for increased accountability through additional supervision, and these changes we hope will be fully implemented by the end of summer. In line with the transformation efforts, we've strengthened our organizational leadership. Daniel Sherrod brings a vast experience as our Chief Operating Officer. This month we've also appointed a new Chief Compliance officer, Brad Greenburg, and I mentioned Shaan being appointed as Chief Asset and Capital Management Officer. That division will handle all the investment we make in any property whether it comes through real estate or comes through capital. That will be his purview. In addition, he's charged with reorganizing the capital division to create a more efficient project-based management approach. So, this division will be the one that will reposition the portfolio over time, incorporating innovative building materials, construction methods and technologies. I ask the Council Members to think about this. if we can

secure this capital, and if we can secure it to the level that the building needs, we can put heating systems in these properties that don't rely on a central boiler, that don't rely on underground distribution lines. They would be far more efficient and able to give residents far more control of the heat in their unit. This is actually possible, and that's the potential that the capital brings and why we're so insistent on trying to pursue ways to raise that money. Finally, we have the Permanent Affordability Commitment Together, PACT. With our PACT Preservation initiative, it's truly transforming these sites. We have targeted 62,000 apartments for the RAD and PACT program, and those programs are designed to generate capital and they have, about 3.4 billion in capital funding for comprehensive apartment renovation and building infrastructure. At the present time, that serves about 15,500 households. This includes much-needed improvements to everything from kitchen and baths, upgraded building systems, elevators, grounds, including playgrounds. About 579 million in reservations have been completed; 2.8 billion in upgrades are underway or will begin early this year. Another 19,700

households are part of active development projects, and the process of resident engagement or predevelopment. This will bring us some time this year to about 35,000 apartments completed in construction or in the stage of resident engagement and predevelopment planning. This coupled with the Public Housing Trust would bring top-to-bottom improvements to the entire portfolio. Bringing investment back to these buildings and restoring them is the most pressing issue we face. We cannot wait. Residents cannot wait for sufficient federal funding to suddenly materialize. We must address these challenges now with sustainable, realistic and comprehensive solutions. We will continue to work hard to do the best we can for residents with the resources at our disposal, and we will advocate tirelessly to raise the capital funding that our buildings need. Thank you for standing with us in this fight for our residents and the future of public housing, and we are happy to answer questions.

CHAIRPERSON AVILÉS: Thank you so much, Chair Russ. Before we move in to questions, I'd like to acknowledge several Council Members who have also joined us since we commenced, Council Member De La

1 Rosa, Council Member Restler, Council Member Ayala,
2 and Council Member Salamanca. So, thank you so much
3 colleagues for being here today. So I guess I will
4 start off again. Thank you to the NYCHA team for the
5 presentation and the information. I guess I'd like to
6 start off at the federal level regarding federal
7 funding to NYCHA. In the current 2022 adopted plan,
8 NYCHA anticipates receiving roughly 1.3 billion in
9 federal capital funding, more than double 108 million
10 received in calendar year 2021. Can you give us
11 additional details on the funding variants and what
12 additional federal funding in NYCHA-- what additional
13 federal funding NYCHA is receiving in 2022 compared
14 to 21?

16 NYCHA CHAIRPERSON RUSS: Sure. I'm going
17 to ask Annika to take that question, if you could,
18 please.

19 CHIEF FINANCIAL OFFICER LESCOTT: Great.
20 Thank you so much for the question, Chair. So, to
21 clarify, NYCHA anticipates receiving a new annual
22 federal capital grant of 700 million dollars. We're
23 rolling 608 million of unspent federal capital funds
24 across three of our open grants from 2019, 2020, and
25 2021. For each federal grant NYCHA has two years to

commit 90 percent of the grant, and four years to fully expend. So in any given Fiscal Year, we have at least three open grants at various stages of draw-down per the federal requirements.

CHAIRPERSON AVILÉS: Has NYCHA submitted any specific funding request to the Biden Administration?

CHIEF FINANCIAL OFFICER LESCOTT: So, as Greg mentioned at the top, most of our funding comes from formula, so our federal operating and capital funds are done in formula, and similar for the Section 8 program as well, but NYCHA did join in residents in calling for 40 billion in capital funding for NYCHA. These requests were outlined in the letter we signed and drafted with SECUP [sic] back in fall 2021. We also continue to ask for additional operating subsidy, and we ask for our utility savings, as we mentioned, the 53 million.

CHAIRPERSON AVILÉS: What's the impact of the American Rescue Plan on NYCHA's programs and budget? And is NYCHA tracking how much it has and could expect to receive?

CHIEF FINANCIAL OFFICER LESCOTT: We absolutely are, and that's, again, another great

question. SO through the American Rescue Plan we received funds for emergency housing vouchers. Our award was 81.3 million for 5,738 temporary vouchers. That's all that we've received from that bill at the time.

CHAIRPERSON AVILÉS: And have all those vouchers been granted?

CHIEF FINANCIAL OFFICER LESCOTT: Granted to NYCHA?

CHAIRPERSON AVILÉS: Yeah.

CHIEF FINANCIAL OFFICER LESCOTT: Yes. We have an award for all the vouchers, and we are currently working through allocating them to families.

CHAIRPERSON AVILÉS: Thank you. In terms of the CARE Act as well, can NYCHA provide details on-- actually, are there restrictions and guidelines for spending of any of the CARES Act funding?

CHIEF FINANCIAL OFFICER LESCOTT: Sure. So the CARES Act is the Coronavirus Aid Relief and Economic Security Act, which was signed into law back in March 2020, and it provided about 12 billion nationally for all HUD programs. Through that, back in 2020, NYCHA received 150 million dollars of CARES

Act public housing operating funding, and 37 million dollars in CARES Act Section 8 administrative fees. So this federal funding does have restrictions, but it can generally be used for your daily maintenance and operating related to the program. So, Section 8 separately and public housing separately, and then any specifics around your coronavirus response. So, for the Section 8 program they gave a list for what could be eligible and for the public housing program. It's a little bit more flexible, but in general, you can spend it on day-to-day maintenance and operating, PPE, sanitizing, and anything else that you need to run the public housing program.

CHAIRPERSON AVILÉS: Thank you. Does-- I commend the capital tracking project that is going to be released. Obviously, we were hungering for a great deal of transparency and understanding. Is there any possibility or thinking around how we track and record federal funding for the public's understanding?

CHIEF FINANCIAL OFFICER LESCOTT: That's a really great question, and NYCHA does participate in the Comptroller's Checkbook Initiative. We rolled that out in our participation back in 2021. So

currently, all of our details are spending, what we've received, what categories that is all available currently for public consumption through the Comptroller's website.

CHAIRPERSON AVILÉS: Great. We'll look forward to diving into more of that. In terms of going into the rent collection and the impact. You mentioned in the presentation that there have been, you know, declining collection over-- throughout the pandemic, and NYCHA reports a collection rate of only 71 percent as of December 2021, which is a significant reduction from the 88 percent of collection in December 2019. What is NYCHA's cumulative rent collection rate for January 2022?

CHIEF FINANCIAL OFFICER LESCOTT: Sure--

CHAIRPERSON AVILÉS: [interposing] What is the projection of the rates in the new 2022 calendar year.

CHIEF FINANCIAL OFFICER LESCOTT: Sure. So, our 2022 budget conservatively [sic] projects that we will collect around 867 million dollars in tenant rent revenue, and so that on average is a collection of around 72 million dollars per month. And as of January 2022, we did collect 72 million

dollars and our cumulative rate so far is around 71 percent. So, if we can keep that momentum that can at least help us to meet our targets. But as mentioned, you know, in years past we've collected upwards of a billion dollars. So, it's still a significant loss for us.

CHAIRPERSON AVILÉS: Do you-- have you noticed in terms of in the collections any particular trends or geographies of certain developments struggling more than others?

CHIEF FINANCIAL OFFICER LESCOTT: I think anecdotally we do know. We've noticed some trends, and we do track sort of tenants with outstanding receivables by dollar amount, by geography and alike, but we really do realize that a lot of this is just coming from the pandemic. It's certainly not an accident that our rent collection, you know, plummeted in April 2020 and since then has kind of, you know, ebbed and flowed. So I think we do have-- if anyone is interested of course, data by development for rent collection by month, by year, but it's really hard to figure out exactly what it is beyond the pandemic that might be causing the decrease.

CHAIRPERSON AVILÉS: Can NYCHA use federal stimulus funds to make up any lost revenue between 20 and 2022?

CHIEF FINANCIAL OFFICER LESCOTT: The CARES Act funding that we received did help us to offset some of the rent collection losses, but at the same time, we also had increasing expenses related to our actual coronavirus pandemic response. And there is no other stimulus funding that we have received since then.

CHAIRPERSON AVILÉS: And in terms of-- are NYCHA residents eligible for rental assistance under the New York State Rent Relief Program, and if so, how has NYCHA helped tenants to apply for that assistance?

CHIEF FINANCIAL OFFICER LESCOTT: So with regard to the emergency rental assistance program, NYCHA launched a simple consent-driven process so that our residents could apply. We launched a large-scale communications campaign, which included mailings, phone calls, door knocking, email communications to secure approval [sic] of enrollment from our residents. And we made enhancements to our IT system to ensure that the

process was simple and easy for residents to use. As of February 25th, we submitted landlord documents on behalf of 29,033 households, totaling more than 110 million dollars in arrears. We are currently-- in terms of the priority that you mentioned for NYCHA residents, so they are eligible, but they are on the lower end of the state's priority list, and from all indications so far, the state has indicated that they have committed all of the emergency rental assistance funds in New York State already.

CHAIRPERSON AVILÉS: I absolutely agree with you, Ms. Blondel, who is showing a big thumbs down in terms of de-prioritizing and again, defunding the needs of our residents. Thank you for the response. In terms of rent hardships-- and I'm eager also to get to my colleagues who I know have a ton of questions, and certainly the residents. So I won't continue to take up as much space. I would like to share space with them. Of the 59,811 interim recertification requests submitted over the period of 20 to 2022, how many of those re-certifications were approved? Were any denied? And if so, why were they denied?

CHIEF FINANCIAL OFFICER LESCOTT: Sure.

So, of the 59,811 requests, 32,888 were approved, 25,034 were denied. Interim re-certifications are denied because they could be created in error or there was an overdue annual re-certifications. Alternatively, households were directed to complete their overdue annual or contact their property management office if they believe that that interim request was cancelled incorrectly.

CHAIRPERSON AVILÉS: Were there any alternatives offered to households whose requests were denied?

CHIEF FINANCIAL OFFICER LESCOTT: Yes.

So, in those cases, we did tell the households to go back and perhaps complete the overdue annual re-certifications. If something was wrong, we encouraged them to contact the property management offices as well. And Greg, I don't know if you want to give any additional context on that process and some of the work that we've been doing?

NYCHA CHAIRPERSON RUSS: Sure. So, the way we've approached this because these arears are so large, we're willing to work with anybody in a way that makes sense, and in this case, if they had an

annual due and it resulted in a rent decrease, we would make that retroactive, whether or not the-- it occurred in the annual period or not. In addition, coming out of the pandemic, we had to think about all these accounts that are delinquent. How are we going to think about these? And the first thing we did is that we discontinued-- we had about 40,000 active cases, but you know, this is the New York City Housing Authority, so housing is the key word here. We discontinued approximately 40,000 cases. We also said let's think about those who owe us money in a particular way, and we said, let's not go after anyone who has a pending ERAP application, anyone with a pending interim re-examination or any senior. By the time we went through that process, kind of winnowing [sic] out some of these other accounts, we came down to about 3,200 accounts that we might consider active for future litigation. Now, what's interesting about these, these accounts reflect either high amounts or long-term delinquencies, like greater than 28 months. These 3,200 accounts when we factor out some of the other priority and go to priority cases, we have owed us about 50 million dollars. So, it's not systemic in the sense that

every single resident is-- there is this core group of folks that we are going to target. Now, at the same time, we're going to be offering enhanced payment plans. We're making referrals to family partnerships and others. We are open to HRA solutions, and other techniques that we can use to keep families in an apartment even if they owe us money. So there's not going to be a rush to the door with terminations, and we're open to sitting down with any family at any place in this process to figure out if there's an enhanced payment plan we could do or other options that might be open to them rather than go through termination process.

CHAIRPERSON AVILÉS: Thank you, Chair Russ. Were there any terminations of tenancy in 2021 during the pandemic?

NYCHA CHAIRPERSON RUSS: From March of 2020 to September 21, we did not initiate any new terminations.

CHAIRPERSON AVILÉS: In terms of arears, and for-- I forget the number-- of Section 8 tenants, clearly we have a huge number, a huge dollar figure that goes through the Section 8 landlords. Are we

able to keep track? Do we know how many Section 8 folks are in rental areas, and/or evicted?

NYCHA CHAIRPERSON RUSS: I think-- I don't have that number for you, but we could certainly find out. We keep tabs on their status in the program, and we could ask the Section 8 Department to do that and provide you with an update on whether there's anybody that's showing landlord terminations and get you that.

CHAIRPERSON AVILÉS: Thank you. A good deal of feedback we've received is not only how challenging Section 8 is in terms of re-certification, but if we're interested in protecting the residents, of which we are, to maintain their homes, this is a huge blind spot if we don't know only until they're evicted I think is a significant issue.

NYCHA CHAIRPERSON RUSS: I agree with you, and I'd like to talk to the Section 8 staff so I can present the data and give you the sense of what we know, and then if there's other things that we need to do to follow up, we'd be glad to work with you on that.

CHAIRPERSON AVILÉS: Great. So, before I open it up certainly to my colleagues, and there are so many more questions to ask and we don't have to have them all certainly today. In terms of the 500,000 ticket repairs, and certainly there's a-- the-- how is NYCHA actively recruiting workers to address these 500,000 open requests?

NYCHA CHAIRPERSON RUSS: Thank you. I'm going to start with a sort of introduction and ask Daniel Sherrod to pick up on the operating side. As indicated in our prior testimony, we have been trying to build sort of more folks on the ground to do the repair work as well as to do the caretaking work that is so desperately needed. It's-- it is a difficult recruitment process. We're in competition not only with other city agencies but also with other private companies looking for the same skillsets. So, for example, with the infrastructure bills that have passed Congress, there's going to be higher demand for trades all across the country, and we'll be competing with that mix. But I do want to give Sherrod a chance to give you a feel for what we're doing in terms of the repair tickets, what we're

1 thinking about, and how we're approaching sort of
2 managing the workforce at the properties overall.

3
4 CHIEF OPERATING OFFICER SHERROD: Well,
5 thank you, Chair. When you think about NYCHA's over
6 500,000 work orders that we have open, the bulk of
7 those work orders are for those highly coveted
8 skilled, trained positions such as carpenters,
9 plumbers, electricians, and the dying art of
10 plastering. So we are competing with everybody in
11 the tristate area really to get those significant
12 skillsets to NYCHA. So, what we've done is try to
13 realign the way we're operating to, as the Chair
14 mentioned, our neighborhood model. But one of the
15 best things that'll come out of that is when a
16 resident such as Ms. Blondel or Ms. Torres calls in
17 for a work order, the neighborhood planner will be
18 able to sequence our trades to Ms. Blondel's
19 schedule. So, if she says, hey, I'm only available
20 on Thursday between 8:00 a.m. and 4:00 p.m., she will
21 work with the neighborhood planner to schedule all of
22 those trades. So for example, go to the leaky-- the
23 soft wall. Well, we know immediately we need a
24 plumber. We need a plasterer. We need a painter,
25 and if it's in the kitchen, more than likely we're

going to need a carpenter. Ms. Blondel will be able to work with her neighborhood planner to schedule all of those trades sequentially to be able to get that work done faster than we have been in the past. So as we're attacking those 500,000 work orders with the limited skill set that we have, we remember that being more efficient with what we have we'll begin to turn that corner so our residents can actually benefit from the changes we are making as an agency. But we are competing with everybody else for those same dwindling skilled trades. This is a great opportunity to highlight our own NYCHA Academy, as well, because we're trying to produce our own residents to start doing these skilled labor positions so that under our Section 3 program, they can actually get the jobs that come out and be able to service the members of their community.

CHAIRPERSON AVILÉS: Thank you so much, Mr. Sherrod. So how much is being invested in those programs so that NYCHA residents can be a part of?

CHIEF OPERATING OFFICER SHERROD: I'll ask our CFO to answer that question, because the money is up to her.

CHIEF FINANCIAL OFFICER LESCOTT: So, I don't have the exact dollar amount for the NYCHA Academy, but we can get that for you.

CHAIRPERSON AVILÉS: Great. We look forward to seeing what the full plan is in terms of full outreach, the scope and scale of the outreach, and certainly the goals of the program over the next years. As we know, many of our residents are under-employed, and this would be a huge benefit across the City. I guess I would like to-- I have many more questions, but I would like to open it to my colleagues who are patiently waiting and eagerly awaiting. So, Marjorie-- I'm sorry. Audrey, I guess I will pass it over to you and you will manage the line of questioning. Thank you.

COMMITTEE COUNSEL: Absolutely. Thank you, Council Members, for your patience. At this time we'll call on you in the order that you've used the Zoom raise hand function, and any other members who would like to ask questions, please raise your hand and we'll call on you in turn. In the interest of time, we will set the clock to five minutes each. First we will take questions from Council Member Salamanca followed by Council Member Barron.

SERGEANT AT ARMS: Time starts now.

COUNCIL MEMBER SALAMANCA: Alright, thank you. Can you hear me?

COMMITTEE COUNSEL: Yes.

COUNCIL MEMBER SALAMANCA: Alright. Good afternoon, everyone. It's great being here. I want to welcome in all the incoming Council Members and Chair Russ, it's good seeing you there. Chair Russ, I want to express my frustration once again in this new term that I'm in with NYCHA and their finances. Fiscal Year 18's budget, I allocated three million dollars to NYCHA for layered [sic] access for Melrose Houses. We are now focusing and we're about to vote on Fiscal Year 23. You have the money. The supply has not been delivered. Can you once again explain why NYCHA has failed to deliver, even though you have the money on your desk?

NYCHA CHAIRPERSON RUSS: Well, I don't actually have it on my desk, Council Member, but I wish I did. Thank you, but a couple things to think about. One of the things that we have recognized, I've said this before, is the need to create a capital department with a project manager for the kind of money that we're receiving from Council. That

1 is going to happen this year. The other thing is, I
2 can ask Shaan to give you an update, we did send
3 updates on the status of all the funds I think
4 earlier in this year, but if Shaan has an update on
5 where we are with that particular project, we'd be
6 glad to give it, and if not, we can give it to you
7 and give you an idea of when that was going to be
8 spent. I don't know, Shaan, if you've got that
9 particular site?
10

11 CAPITAL MANAGEMENT OFFICER MAVANI: Yes,
12 thank you, Greg, and thank you Council Member
13 Salamanca for your question. I think we have started
14 to make progress on that project. The planning and
15 design for the work started last September in 2021.
16 There was a resident meeting earlier this month on
17 March 2nd, and there's a follow-up meeting coming up
18 next Monday, I believe. The project will be in
19 procurement phase through August at which point we
20 hope to start construction, and that construction for
21 that layered access control and CCTV is expected to
22 extend into 2024. But you know, we are now making
23 progress on the project. I understand your
24 frustration with the previous timelines, and we hope
25 that we can push that forward effectively together.

COUNCIL MEMBER SALAMANCA: It's

unacceptable. It's unacceptable how you guys operate. You're here talking to us that you need 40 billion dollars from the Federal Government to fix, you know, fix all these capital needs. Here you have a Council Member who has allocated funding, Fiscal Year 18, and the work still has not been completed. I strongly advise my colleagues, if you want a project completed, do not give money to NYCHA from your capital dollars, because you're going to go through this frustration that I've been going through for years. Every Fiscal Year I ask the same question and I get the same answer, and it's just extremely frustrating. At one point, I have nothing else to tell my constituents. My next question is, I know I've been working with your office with Brian Honan on Stebbins-Hewitt Consolidated and the issues with the heating, and we know that the issues with the heating is more the cold air slipping in through the windows, and they-- there's about I believe 114 or 140 units in which their windows needs to be replaced, and I know that I'm working with NYCHA on getting these windows replaced. For a temporary fix what NYCHA's doing is that you're providing a plastic

cover on the window seals to keep the cold air from coming in, and it's my understanding that you've done this in other NYCHA developments. Can you tell me how many NYCHA developments are suffering through these same issues, and the temporary fix is putting a plastic cover on their windows?

NYCHA CHAIRPERSON RUSS: I don't have an answer for that, but it does not surprise me at all, and let's think about what this means. To do the window replacement also means we have to treat the exterior wall. That means we have to take the existing windows out. We have to put a new window in, and while we're up there doing all that on the building, we have to take care of any issues with the façade at the same times. So we do have windows that are in poor condition. In fact, one of the most expensive things in the physical needs assessment is replacing windows, and it's not just the purchase, it's the labor necessary to do it. So, we can take a look and see if we have an identifier with respect to the plastic sheeting, but window replacement, in other properties that I've done, half of the cost of the exterior repairs is 100 million dollars--

SERGEANT AT ARMS: [interposing] Time expired.

NYCHA CHAIRPERSON RUSS: property. Fifty million went to windows. So, these are-- when you step out of that apartment and you step out to the façade work, you now reached a place where the numbers rapidly climb into the buildings. So, we'd be glad to talk about what we see in terms of what we have to do at some of these sites, especially those in your district, and we'd be glad to say and give you a sense of what that's going to cost, but I cannot represent to you that we have the money to do wholesale [sic] replacement. I just don't think it's there, inside the money that we get on a regular basis.

COUNCIL MEMBER SALAMANCA: Alright--

BRIAN HONAN: [interposing] And Chair, if I could add to, you know,--

NYCHA CHAIRPERSON RUSS: [interposing]
Thank you.

BRIAN HONAN: Council Member, you know, we do have a plan to address this, and we were at the development, you know, together a few weeks ago. Within a few days we were able to get residents'

information on how they can get short-term relief.
But this is not, as the Chair stated, this is not an uncommon issue, right? So, often times, we get complaints about no heat, and we find that the boilers are working okay, but the heat is going out the win-- literally going out the window because of this issue. So, it is-- it is just part of a larger infrastructure story that, you know, that we've talking about.

COUNCIL MEMBER SALAMANCA: Yeah, alright.
Madam Chair, I know that my time is up. I would love to have a conversation with you about having another hearing one day on NYCHA on funding, capital funding that the Council has allocated to NYCHA, and to really give the members and idea of how we give money, capital dollars to NYCHA. NYCHA has the funding and they still cannot get the job done.
Thank you, Madam Chair.

CHAIRPERSON AVILÉS: Thank you, Council Member Salamanca. We will absolutely be following up with a hearing on capital expenditures and why they take so long.

COMMITTEE COUNSEL: Thank you.

CHAIRPERSON AVILÉS: And I guess, I will just add before we move on to our next colleague, you know, this issues of windows and sequence of work, we have seen in Red Hook windows being pulled out when in fact the contractors didn't have the windows to replace them, and when residents have asked about the window replacement, they said, "Well, we don't have them." And they said well why would you pull out the window as we enter the winter months? And yet, no response and windows come out and residents freeze with a plastic covering. It is just wholly unacceptable. If we don't have the products that we need and the sequencing that's appropriate, it would be like me saying I was going to renno [sic] your house with only half of the materials, and good luck. So it's another area that we need some major work in. I'm sorry to-- Audrey, the next Council Member.

COMMITTEE COUNSEL: No worries at all. We will now take questions from Council Member Barron followed by Council Member Stevens.

SERGEANT AT ARMS: Time starts--

COUNCIL MEMBER BARRON: [interposing]
Council Member--

SERGEANT AT ARMS: now.

COUNCIL MEMBER BARRON: Council Member

Salamanca, I could not agree with you more. On the state level, I allocated four million to NYCHA, but then I don't know who's more incompetent, the state or NYCHA, because then they go back and forth saying that NYCHA didn't send us the paperwork. NYCHA says we've got it into the Ways and Means Committee, but they didn't send us the money. So we're being bounced back and forth. Who suffers? Our tenants, our tenants suffer when y'all start shuffling money. "We need to get money from the City. We don't get enough from the state. Oh, we don't get enough from the renters. We don't get enough money there. The Feds don't give us enough." But what you have, you have to maximize on that because our people are hurting. You try being in a cold house, and you try being in a home-- I grew up in public housing. I lived on the Lower East Side in the Lillian Wald Houses for 30 years. I know NYCHA. And then after I got in office, I know NYCHA and what goes on. We're in a bad situation. Barack Obama and Biden failed us. What they did is they cut the federal budget and gave us RAD and PACT. That came from your black president, and this President and Vice President now,

1 Biden. That's what we got from them. So while
2 they're cutting the federal money and our problems
3 increase, then they give us RAD and PACT. RAD and
4 PACT is failing in many places. They give them the
5 superficial fix-up, and I can't blame some of our
6 tenants. We fought against it, but they came with it
7 anyway, and they threatened the tenants. They're
8 removing money from Section 9, which is public money,
9 to Section 8, which is private money. So you have to
10 get a new lease. You no longer have a protected
11 public lease. I spoke to lawyers about that. You're
12 less protected with a Section 8 private lease. Why
13 the hell they gotta give you a new lease? Because
14 they're changing the money so they can have more
15 control. And watch this, you give them a few years,
16 you're going to be in trouble. They're setting you
17 up with all these new programs. I think it is
18 unconscionable what's happening to our residents in
19 NYCHA. And Chair, you said you and the Mayor have
20 the same vision? Well, y'all must have been
21 hallucinating, because you can't have a vision like
22 that and only put 200 and some odd million in and 410
23 million. This Mayor has a 100 billion dollar, 10-
24 year Capital Budget. Let me say that again, a 100
25

1 billion dollar, 10-year Capital Plan. You talking
2 about 410 million and you're happy? You take your
3 little happy somewhere else, because they need to put
4 at least 10 billion dollars into that, and then let's
5 make some changes in NYCHA so that it can be managed
6 properly. 200 and some-odd million dollars in city
7 funds, and the state is even worse. We have a black
8 head of the Assembly, a black head of the Senate, and
9 they allow Cuomo to cut 400 million dollars out of
10 the Capital Budget for NYCHA. We have to do better
11 by our people, and I'm looking at all of this stuff
12 that we want to say-- well, I have an idea. I have
13 an idea, and we should all get together around this.
14 We should develop a program called REMAP, REMAP.
15 REMAP stands for Residents Empowerment and Management
16 Action Plan. If RAD can manage us, if PACT can
17 manage us, then the residents should be able to
18 manage the place where they live. Let the residents
19 manage. Give the residents the Section 8 money. Give
20 the residents the capital money, and we have Blondel
21 and these other residents here, they're sharp. You
22 think NYCHA is a bunch of uneducated, unskilled
23 people that you can't even give Section 3 jobs for?
24 Get the hell out of here. We have all kinds of
25

talent in NYCHA. You're the problem, not the residents. And Section 3, by law you're supposed to do 30 percent of the residents. Don't tell me about no who have the skills and we're trying to get you to get skills. Well, you've been around for 50,000 years. You should have had a training program for them to get the skills so that they can get the job. I don't have no questions for you. I'm making a statement. City Council, we got to get down on this Mayor to put billions. We have a 100 billion dollars City Budget, a 100 capital money. Take care of NYCHA, 400,000. Take care of NYCHA. Thank you. And I'm so happy that you the Chair. We couldn't have a better Chairperson than you. I'd be honored to serve with you.

CHAIRPERSON AVILÉS: Thank you. Thank you, Council Member Barron. You'll see many of our residents giving you a hands up, and as we like to say, "word." I'd like to ask a couple of questions in terms of RAD. How many conversions are being planned for 2022? And where are those conversions located?

NYCHA CHAIRPERSON RUSS: Hang on, I'll have to. Does anyone on the team have that number?

I don't want to misspeak. We do have it. Great.
Okay.

UNIDENTIFIED: I think Shaan is trying to
talk.

NYCHA CHAIRPERSON RUSS: Hold on. So,
sorry, just took me a few minutes to find. We are
going to-- we currently have 19,700 households that
are part of Active Development Projects in the
process of resident engagement predevelopment. So,
those households will be coming on in the coming
year. That's in addition to the other households
that are already in process either completed or
underway. So the number we have most recently is
about 15,500 apartments where we've got either the
infrastructure complete or we have the process
underway. And I would like to point out something
about RAD, if I have the opportunity. The transfer
from Section 9 to Section 8 does not make this
private property, not in the sense that we just
heard. In fact, the ground lease that we use, it's a
ground lease. Nobody is selling anything off here.
The ground lease restricts the use of that property
and keeps it under the public control of NYCHA. The
subsidy, though, is so much more powerful, so much

richer, that it allows a combination of what the development team brings and the additional income that that property has to raise the kind of money we need to do that work. So, resident protections are part of the RAD notice that HUD has issued. We go even beyond that, and the resident engagement process, I'd be glad to share that with you separately, because we've really changed how we've done that. And how have we changed it? One, we're engaging a lot earlier with the residents in terms of explaining to them what this process is about, because we understand that the change in subsidy does create a fear or concern. Second, we are partnering with the residents in the selection of the development team. We had that work through Fulton and Chelsea, but the residents themselves get to do their own interviews. They get to do a chance to sort of have their questions answered of the different people who proposed how they would invest in their property. And the third thing we have changed is we are making funds available to any resident group that feels like they need outside technical assistance that's not NYCHA. So, if we have a tenant group that says, "Well, you know, your architects told us this and

1 that and the other thing, but we're not so sure. Can
2 we get our own architect to verify that?" The answer
3 is yes. "You told us that the financing is going to
4 raise this much money. Can we get a financial
5 advisor to take a look at your performance and au
6 pine on them?" Yes. So, this is a different kind of
7 model, and the other thing I'll say that we're open
8 to, and we've been open to this and expressed this in
9 the Preservation Trust Bill, is talking to groups
10 about resident management corporations. The only
11 restriction I would say that we're thinking, are
12 thinking about a resident management corporation, is
13 this: let's give the residents a fully rehabilitated
14 property to manage, if that's what they want to do.
15 If you're managing the same issue we are, it doesn't
16 help. It's like, you know, slipping on a bar of soap
17 in a way in the shower. So we have to give them a
18 property that they can manage, too, and while that
19 construction is going on, the resident management
20 corporation, however it chooses to formulate itself
21 can build up its strength, build up its capacity, and
22 as those buildings finish, we could come up with a
23 way to provide that transition. The other thing to
24 remember is, under the RMC rules that HUD has
25

1 established, that RMC does get operating subsidy if
2 that's what's in the property, and it gets other--
3 access to other funds as well. That is by law. So
4 we're very open to thinking about places where this--
5 we've had some residents when we did the outreach for
6 the trust, they raised the same issue that Council
7 Member Barron raised about resident management
8 corporations. We're very open to talking about plans
9 to do that. I don't want to give you the impression
10 that we're not, but we do want to give the unit-- a
11 completed unit and a completed building to the
12 residents.
13

14 CHAIRPERSON AVILÉS: Chair Russ, have
15 the-- has the tenants that underwent conversion or
16 that are in the process, in the pipeline undergoing
17 conversion, have they voted to affirm that this is
18 the path that they wanted to go on?

19 NYCHA CHAIRPERSON RUSS: There wasn't a
20 vote at the property, no.

21 CHAIRPERSON AVILÉS: So who unilaterally
22 made that decision and regarded it as the tenants?

23 NYCHA CHAIRPERSON RUSS: Well, that
24 decision is made in conjunction with the physical
25 needs assessment. We actually go in and talk to the

1 residents first. Now, we've had some folks say no we
2 don't want to do this right now. We haven't held a
3 formal vote, and we're trying to invest in those
4 properties where folks understand what the
5 transaction is going to look like, what the
6 transition is going to be. And the other thing I'll
7 say, this is why we presented the Trust as an option.
8 I think there's a lot a fear and suspicion around the
9 private development teams, even when they bring in
10 nonprofits, even when those teams reflect a different
11 kind of developer. So the Trust model is pure public
12 model, and that public model retains full resident
13 protections and other things as well that would
14 benefit us. So there isn't a vote like I think Chair
15 that you're thinking about, but we have had some
16 sites where they said hey, we're not ready for this,
17 and we said okay, we can come back around and talk
18 about it, and we've had some sites that have asked
19 us, "Can you come in and talk to our tenant
20 association and our residents about what this means?"
21 And you know, we try to work in the most
22 accommodating fashion that we can give the capital
23 need. I don't know, Brian, did you want to add
24 anything to what I'm saying?
25

BRIAN HONAN: Council Member, it's not a unilateral decision. There is a disposition process that exists. It's called a Federal Section 18 process that requires public meetings, requires the Housing Authority to submit significant documents around, you know, financials, environmental documents, and also around, you know, the plan in order to convert the building. That needs to be approved by HUD before any of these, you know, can move forward. So this is not just NYCHA doing it on its own.

CHAIRPERSON AVILÉS: Thank you for the clarification. I suspect the devil is in the details. It's what are the thresholds that are defined to meet actual engagement [inaudible] either part of the question. I guess I was curious about how much funding NYCHA allocates to outreach in terms of this process of conversion and engagement.

BRIAN HONAN: It is part of the larger community operations budget which Annika, could you talk about that.

CHIEF FINANCIAL OFFICER LESCOTT: Sure. So I think that the real estate group has a couple of-- I think they do work, as Brian said, with the

community engagement and partnerships groups. So there isn't a specific sort of budget for this particular component. It's a part of their larger budget of engagement.

NYCHA CHAIRPERSON RUSS: But I would add, if I could add, we know how much time we're spending at the site, and I would be glad to go back through the engagement processes that we have in progress, and even some of the ones that had been wrapped up and see if we can come back with an estimate of that. We've actually extended the time that's necessary for the engagement, extended the resident meetings and so forth. But we could give you a reasonable estimate, I think Chair, based on properties that have been completed and properties that are in progress, and any qualifiers to be clear so we're not trying to give you some inflated number or something like that.

CHAIRPERSON AVILÉS: I'd appreciate that.

NYCHA CHAIRPERSON RUSS: Yeah.

CHAIRPERSON AVILÉS: If it is-- if it is at all reflective of how TA elections, when-- that kind of engagement, that it is significantly low and not at all appropriate. So we should have a larger conversation about what specifically that--

NYCHA CHAIRPERSON RUSS: [interposing]

Yeah.

CHAIRPERSON AVILÉS: In terms of conversion for development, I would expect a very robust engagement process, because this is so significant--

NYCHA CHAIRPERSON RUSS: [interposing]

Sure.

CHAIRPERSON AVILÉS: for the development. So I'd look forward to that--

NYCHA CHAIRPERSON RUSS: [interposing]

Yeah.

CHAIRPERSON AVILÉS: part of the conversation.

NYCHA CHAIRPERSON RUSS: And we have several key staff people that we could bring to your meeting that talk about how they do engage and how that works and what the timing is. So, that's a-- that we could do in some form or separately however you choose because we have made a lot of changes in the past two years as we've learned from things that worked or didn't work. And it is not-- it's not at all similar to the resident elections, but I'd rather

have the staff and you be able to exchange and get the information firsthand.

CHAIRPERSON AVILÉS: Great, thank you.

And last question. I will pass it on to my colleagues. Does NYCHA monitor the satisfaction of residents for-- who have undergone RAD conversions in any systematic robust way?

NYCHA CHAIRPERSON RUSS: I'm thinking if we've ever done surveys in the manner you described. Do you know if we've done that, Brian?

BRIAN HONAN: No, we haven't. It's a good question.

NYCHA CHAIRPERSON RUSS: Yeah.

BRIAN HONAN: [inaudible] but I can tell you anecdotally I've never gone to a development that is converted where folks have said, "Can you please, you know, bring NYCHA back to manage this property."

NYCHA CHAIRPERSON RUSS: But--

CHAIRPERSON AVILÉS: [interposing] Brian, it doesn't come off quite like that. Anecdotally it's like, more [inaudible]

NYCHA CHAIRPERSON RUSS: [laughter]

CHAIRPERSON AVILÉS: It's more of the same [inaudible]

NYCHA CHAIRPERSON RUSS: [interposing]

Chair, he's making--

CHAIRPERSON AVILÉS: [interposing] NYCHA
or private company, we're not getting the repairs or--
-

NYCHA CHAIRPERSON RUSS: [interposing]
Yeah.

CHAIRPERSON AVILÉS: we get [inaudible].

NYCHA CHAIRPERSON RUSS: So, two things
I'd like to say. One is, now that you've asked the
question I'm thinking about how we could actually do
this, because I think it would be useful to have that
piece of information so you could see it. But the
second thing is, we do have an asset management
component. That's a group of us who are looking at
what's happening at that development, looking at
things like what is the work order situation. Are
they getting stuff done in a timely fashion or not?
Do we have any complaints from that development,
because residents do not lose their options to
process complaints in various ways? So, but I'm
going to ask Shaan and the real estate staff to do is
maybe come back with some ideas about how we could

1 take this sample, because it is an interesting
2 question.
3

4 CHAIRPERSON AVILÉS: Great. Audrey, I'll
5 pass it back to you for-- to get our colleagues in
6 the conversation.

7 COMMITTEE COUNSEL: Great, thank you. We
8 will continue with Council Member questions. First,
9 Council Member Stevens followed by Council Member
10 Kagan.

11 SERGEANT AT ARMS: Time starts now.

12 COUNCIL MEMBER STEVENS: Hello, good
13 afternoon everyone, and just wanted to say my thanks
14 to Chairman-- Chair Avilés. I think you're doing an
15 amazing job, and I want to second what Council Member
16 Barron said around no one-- I could think of no one
17 being a better Chair of Housing than you. Like I
18 said to you before, I think you lead with a sort of
19 love and compassion that NYCHA needs, and so thank
20 you for your leadership at this time. but I just
21 wanted to, like, second some of the frustrations from
22 my colleagues, and me being a new Council Member
23 coming in, often just having the same issues of like
24 money that has been allocated by my predecessor that
25 still has not been-- has not been allocated and don't

1 see the improvements. And so even when we talk about
2 the Blueprint, the Blueprint is one of those things
3 where I feel like NYCHA wants the residents to
4 believe and hope that it's going to do all the things
5 that it was supposed to do, where we have next
6 generation before we have all these other programs
7 that came in, and we're supposed to save NYCHA and
8 did not do anything of those things. So, I think
9 that we have to get to a place where we're building
10 trust and building a relationship, and I think that
11 some of that comes from the engagement with residents
12 and having true, honest conversations, which I know a
13 lot of residents don't feel that NYCHA does. They
14 don't feel like a lot of those conversations are done
15 with honesty and integrity. So, I-- my first
16 question is, how much money-- I know Chair asked
17 about RAD, but how much money was actually spent on
18 community engagement with the residents around the
19 Blueprint? And how many residents have you met with
20 to engage with them around that process?

22 NYCHA CHAIRPERSON RUSS: I don't have the
23 dollar number, but I think we do have engagement
24 numbers in terms of how we did the outreach. I don't

1 know who might have those on the team, but we could
2 share those if they don't have them at hand.

3 COUNCIL MEMBER STEVENS: Okay, and so
4 while I guess you get those numbers, I guess we can
5 move on to some of my other questions.

6 NYCHA CHAIRPERSON RUSS: Sure.

7 COUNCIL MEMBER STEVENS: In a lot of our
8 NYCHA developments we have community centers in total
9 disarray, just like a lot of the apartments, because
10 when NYCHA was being divested from, so were the
11 community centers. Have we thought about some other
12 systems that we can think about [inaudible]? It
13 becomes very difficult when you have community
14 centers and community-based organizations that are in
15 competition with residents who also have a lot of
16 issues around mold and leaks and things like that.
17 Maybe having a person designated to work and get the
18 community center complaints fixed in a more adequate
19 way, because the way it's working now, it often seems
20 like there's a huge backlog.

21 NYCHA CHAIRPERSON RUSS: I think your
22 assessment is correct. I think one of the problems
23 that we have, since we don't run the programs in the
24 community center. We have been trying to establish
25

reasonable lease arrangements with the providers who are there, and that would include both any repairs that they might want to take responsibility for. So, you know, you might have a provider that says, "Hey, I have my own handyman here. He or she could take care of whatever." But we don't have leases. I mean, it seems like such a fundamental thing to think about. You have a facility, but we've been able to negotiate a master agreement with the departments that are providing support for the providers, and secondarily, we wanted each provider to have a lease so we could define the repairs that we're responsible for, who to contact and do that in a way that's consistent across the portfolio. We're still open to doing that, and we'd like to do that because it's just not a comfortable thing having let's say a good provider who is interested in serving the community be unable to access repairs, timely for some reason. And secondly, I've had a lot of resident leaders say, "Look, I'm not particularly happy with the services that are in the center now. What do we do to change that?" And one of the things that we would like to do is incorporate the tenant association in the selection of the provider mix as well. And we'd

1 like-- again, that requires a little bit of
2 administrative structure with the agencies that are
3 providing the funding for the services, and then the
4 provider itself. But we'd be open to doing that to
5 try to get rid of that confusion or concern.
6

7 BRIAN HONAN: And Council Member, if I
8 can add, we do have a dedicated staff for-- that
9 oversees repairs on community centers. I can text you
10 his name and--

11 NYCHA CHAIRPERSON RUSS: [interposing]
12 Thanks, Brian.

13 BRIAN HONAN: contact information, and
14 you know, and he is charged with jumpstarting any
15 projects that are behind.

16 SERGEANT AT ARMS: Time expired.

17 COMMITTEE COUNSEL: Thank you. We'll now
18 take questions from Council Member Kagan followed by
19 Council Member Sanchez.

20 SERGEANT AT ARMS: Time starts now.

21 COUNCIL MEMBER KAGAN: First of all,
22 thank you for this opportunity. I would like to
23 praise Chair of the Public Housing Committee, my
24 colleague Councilwoman Alexa Avilés, and I completely
25 agree with my colleagues and share their frustration.

1 I represent Coney Island and Marlboro Houses. Every
2 time I go through several developments visiting some
3 apartments, it feels like war is not in the Ukraine,
4 but war is in Coney Island or war is like-- and this
5 is [inaudible] houses, like just [inaudible]. This
6 is for seven months we have development of seven
7 months. We have development called Surfside Gardens
8 without cooking [sic] gas [sic], and every time
9 explanation, like it's a very complicated building.
10 It's-- we need to provide safety. I understand, but
11 for seven months-- if you give to any private company
12 half of the amount of money, it will be done in one
13 week, I guarantee it. But for seven months, excuses.
14 And when I'm asking for a timeline, there is no
15 answer, no timeline. They cannot provide the
16 Councilman timeline because it could be two months,
17 could be three months, the end of the year.
18 Meanwhile, again, for seven months if you live in
19 apartment without [inaudible] gas in Surfside
20 Gardens, they're thinking about human beings. Some
21 apartments you cannot even come inside. I've been to
22 one apartment, it looked like again like someone
23 bombed this apartment, you know. I was shocked, you
24 know. And like after I complained-- that's another
25

1 thing I don't understand. You're thinking about
2 money. Well, we don't get money from Federal
3 Government. We don't get money from City. We don't
4 have money from State. Meanwhile, when we are
5 getting all the money in the world-- I can give
6 example, Haber Houses in Coney Island, for seven
7 years, all money received for boilers, there's still--
8 - like, still construction over there, still
9 connecting these boilers to Haber Houses in Coney
10 Island for seven years. [inaudible] numerous times.
11 Oh, look, they're going to finish by the end of 2021.
12 It's [inaudible]. So, I strongly believe the problem
13 is not money. The problem is not money. The problem
14 is complete lack of accountability. Just [inaudible]
15 the legislation. I know the City has almost no
16 oversight, besides these public hearings.
17 [inaudible] solution asking New York State and
18 Federal Government to make someone accountable in
19 NYCHA, including members of some of the buildings,
20 including members of some of the buildings.
21 Sometimes they're [inaudible] can get any kind of
22 reaction from anybody, only when Council Member,
23 Assembly person, State Senator, Congressman
24 [inaudible] and NYCHA. Is it okay? And your timeline
25

1 to respond to complaints to 718-707-7771. Today,
2 talked to the resident. He complained five times in
3 four days about lack of hot water. After I sent the
4 email, today someone visited his apartment and
5 started to do repairs. Is that okay? Is that
6 [inaudible] No, it's a lack of responsibility.
7 Nobody cares. Nobody even responds. Like, there is
8 no timeline. There is no any kind of like
9 [inaudible] timeline to respond to people's
10 complaints, like [inaudible]. You're talking about
11 money, I'll give you the money. [inaudible]
12 contractors [inaudible]. Anybody who is replacing
13 these broken locks on every door. They replaced locks
14 for three months. The next morning the lock is again
15 broken. So, if you [inaudible] you going to find
16 millions and millions of [inaudible]. I guarantee
17 you. So, I don't have questions. Like, my only
18 request is look at accountability. Look how you
19 treat tenants. Look how you respond to tenants'
20 complaints. It has nothing to do with money. Thank
21 you.
22

23 CHAIRPERSON AVILÉS: Thank you so much,
24 Council Member Kagan.
25

NYCHA CHAIRPERSON RUSS: Do we have an update on gas by any chance? If one of the team members wants to go. Do we have an update?

CAPITAL MANAGEMENT OFFICER MAVANI: Greg, this is Shaan. I can give a brief update on the gas. So I know most recently there has been a gas issue at Surfside due to pressure tests in the building. I think last week National Grid has restored the gas, and NYCHA plumbers are working on one of the remaining lines that wasn't corrected. We're now awaiting the ACT Five [sic] and the permit to get the gas fully moving. The broader project that's happening at Surfside around the boilers, we are doing a number of different design activities, a walk-through and other activities were completed, and there's an ongoing asbestos investigation, but we are kind of pushing forward with the capital projects work there. The asbestos abatement is supposed to start at the end of March, right, and then we'd move on to the broader activities.

NYCHA CHAIRPERSON RUSS: Council Member, if you'd like to come on site and walk through with the technical people, we'd be glad to show you what we're up against.

CHAIRPERSON AVILÉS: Please, Council Member Kagan.

COUNCIL MEMBER KAGAN: Yes, anytime. Anytime I'm ready to go there. I was there many, many times Surfside Gardens. The residents are suffering for seven months. That's besides unworking [sic] elevators, that's besides mice and roaches, that's besides like-- I said, like a bomb--

NYCHA CHAIRPERSON RUSS: [interposing] Sure.

COUNCIL MEMBER KAGAN: [inaudible] but cooking gas for seven months, people are suffering and nobody cares, nobody.

NYCHA CHAIRPERSON RUSS: Well, we can give you the timeline on the cooking gas replacement.

COUNCIL MEMBER KAGAN: Okay,--

NYCHA CHAIRPERSON RUSS: [interposing] so that you could see it. I'd love--

COUNCIL MEMBER KAGAN: [interposing] I'm ready. For seven months, how many-- how long? During the entire winter people did not have cooking gas and it continues, and no timeline. No timelines.

NYCHA CHAIRPERSON RUSS: Well, we have-- we have all the lines restored but one, and I will

just add only one other comment. The gas piping is failing because of the same reason that the water and the heat pipes are failing. They cannot pass the pressure test necessary for the utility to turn the gas back on. Now, you could have a leak in one apartment or behind one panel of wall, and when the utility shuts that down, and then wants you to restart with the pressure test, the pipes won't pass. We've had buildings were not just the riser where the leak was had to be replaced, but the entire building had to be re-piped. That takes a lot of time. The other unfortunate thing about gas is it's wrapped in it asbestos. Asbestos has very specific remediation requirements. That adds time. I'm not saying that's the only reason, because I don't want to dis-- I'm not trying to dismiss your concern or what you're seeing, but we'd be glad to go through this with you a little bit and see some of this and then, you know, you can judge for yourself. But we'll get you time to go through these.

COUNCIL MEMBER KAGAN: I'm ready to go now anytime. [inaudible] anytime.

NYCHA CHAIRPERSON RUSS: Okay, we'll Brian circle back and get some time with you.

CHAIRPERSON AVILÉS: Thank you so much, Council Member Kagan. Your anger is certainly well-placed as our residents are suffering over long periods of protracted time. Seven months is too damn long. I guess I want to highlight the fact that the recurring theme here is certainly NYCHA has a significant amount of capital sitting somewhere that is not being expended expeditiously. How can we get assurances that we will fix this issue and get the money moving to where it needs to go?

BRIAN HONAN: Audrey, I think Shaan is on mute. Yep.

NYCHA CHAIRPERSON RUSS: Yeah.

CAPITAL MANAGEMENT OFFICER MAVANI: Apologies, I just got unmuted. Council Member, thank you very much for the question. While I'm new to the role, that's not an excuse, and we're going to be making significant improvements this year to try to address these challenges, you know, more so than we've been able to in the past years. A number of areas were mentioned in the testimony by Chair Russ around how we can work with city partners to streamline approval processes, how we can make our vendor management more strategic so that we can get a

1 higher performance both in terms of timelines and
2 quality, and we're doing a lot of work internally on
3 our processes and systems and how we strengthen our
4 project controls and our project management approach.
5 So we're very much hoping through those efforts as
6 part of the transformation plan and as part of my
7 role in the Asset and Capital Management Division and
8 reorganizing the way we work here, that we'll be able
9 to make significant improvements, you know, during
10 the year and in the coming years to be able to
11 expedite how we can utilize the city funding that's
12 allocated to us.

14 NYCHA CHAIRPERSON RUSS: But I do want to
15 emphasize-- thanks, Shaan-- that we are-- all funds
16 considered, we're spending 60 to 70 million dollars a
17 month currently. What I would say is that the
18 dissatisfaction with the Council funding is real and
19 we hear it, and we are going to fix this. I'm not
20 going to go through a session next year with the same
21 question, and we're going to have a project
22 management system that doesn't exist now and really
23 never has in the fullness that we need to answer your
24 questions about specific funding. And I'll be
25 candid, this has really been difficult, and it's

unsatisfactory. I don't like having the relationship where you don't feel that you know or understand what's happening with this money. You have a right to that and so do the residents who are expecting us to do something. So, one of the reasons we brought Shaan in is we're actually are going to deconstruct that whole department. We're kind of going to take it apart and rebuild it, and when we're done with this, if you've got money into a particular property or community center, there's going to be a way to contact someone and say, "Hey, what the heck is going on?" And in addition, the tracker is going to help because I think that's incredibly important to be able to randomly take a look at something maybe without giving us a call, and I think over time we can actually corral this thing and come up with a set of reasonable solutions. So, I know this is not-- it's what I think we can do, and I think we can do the bulk of it this year.

CHAIRPERSON AVILÉS: Okay, thank you Chair Russ. We'll continue that conversation and monitoring closely. My last understanding in terms of capital expenditure was NYCHA was expending only six

percent of city capital dollars. That's just unacceptable. So I look forward--

NYCHA CHAIRPERSON RUSS: [interposing]

Yeah.

CHAIRPERSON AVILÉS: to more progress.

NYCHA CHAIRPERSON RUSS: Yeah, no, we do too and we have a bunch of ways I think we're going to be able to push that number up, but it's not right. So, I can't argue that at all, nor would attempt to.

COMMITTEE COUNSEL: Thank you. We'll now take questions from Council Member Sanchez followed by Council Member Riley.

SERGEANT AT ARMS: Time starts now.

COUNCIL MEMBER SANCHEZ: Great. Well, first of all, thank you Chair Avilés for chairing this hearing, and for your leadership on NYCHA and public housing. Chair Russ and the NYCHA team, it's good to see you again. I mean, I first want to start by just echoing the frustrations, right, that my colleagues have voiced already and that you just addressed, and they're sort of shared across the board, right? My first question is, with respect to the Transformation Plan, we see in the Mayor's

1 Management Report that there has been a 52 percent
2 increase in the amount of time that it's taking NYCHA
3 to resolve non-emergency repairs. And so when-- I
4 mean, first off to just acknowledge the tremendous
5 body of work that has happened over the past few
6 years, NYCHA 2.0, the Blueprint, the Transformation
7 Plan, working with HUD, all of this work that you're
8 doing to turn the Authority around. You're sort of
9 building, you know, rebuilding a broken plane while
10 you fly it, understanding that. But you know, to the
11 point that residents are living this in real time and
12 the frustrations run deep, you know, when can we
13 start to expect to see some of the changes that, you
14 know, will come from the Transformation Plan, the
15 work orders, streamlining, and etcetera?

17 CHIEF FINANCIAL OFFICER LESCOTT: I think
18 Greg is trying to unmute.

19 NYCHA CHAIRPERSON RUSS: Thanks. I may
20 not be the only person to answer this. That is
21 frustrating isn't it when you can't get that button
22 to do that thing. So, we have two big reforms. The
23 work order reform is in two parts. The first part is
24 bringing in additional skilled trade staff, but not
25 placing them up at the borough level, placing them

down in the neighborhood level, and this has been one of the sticking points, and having access to those trades in a way that sort of is more localized. So, that's one piece of it, but the other piece is this work order change where we're going to work orders and tasks and we're scheduling all the tasks at once. And that is going to change, I hope, the-- both the timeliness and the responsiveness that residents could actually see as part of that. Now we started late last year. Most of this is focused on the skilled trades, but the work order reforms itself could potentially benefit other work orders as well. And I think the other thing that's happening is the changes in the janitorial. Now, that's the trash pick-up. Some of that is making sure that the compactors are working. That's the cleanliness of the buildings, some of these things. When NYCHA rolled out the alternative work schedule, I couldn't find a single resident that thought it was a good idea. So we've jettisoned it, and we are going to be doing significant reforms there as well. And the last thing I would say is that we are rebuilding the institution. I can't say that in the time I've been doing this kind of work we've had an institution with

so many multiple problems. I've had some pretty tough ones, but I feel like every time we touch something we've got to rebalance how we work on the inside. That Transformation Plan covers every aspect, not-- it's the properties. It's the neighborhoods. It's even the governance structure that has to be retooled. So, in terms of seeing results, I'm hopeful that by the end of this year we'll see some results on the work order side. In terms of the reorganization and the recommitment of people, I mean, I think one of the things-- there's two groups of people that get incredibly discouraged and frustrated, the residents themselves, and the employees that are valued employees who can't seem to get their arms around the work that we have. And part of that is--

BRIAN HONAN: [interposing] Council Member--

NYCHA CHAIRPERSON RUSS: [interposing] part of that is us, and that's what we're committed to changing. Go ahead Brian.

BRIAN HONAN: Sure, and Council Member, can I also add, for the first five months of 2021, non-emergency work orders were suspended due to

COVID. So we weren't going into people's apartments unless it was an emergency. We were scheduling that work, but not--

SERGEANT AT ARMS: [interposing] Time expired.

BRIAN HONAN: There were a lot of people that did not want folks inside their apartments for understandable reasons.

COUNCIL MEMBER SANCHEZ: Thank you so much. I just-- I have one more question if the Chair would allow me, and it's about the Public Housing Trust-- Preservation Trust. So, understanding NYCHA's 2.0 plan says that you want to convert 62,000 units via PACT and RAD, you know, and then there's a number of units that would be addressed through built to preserve and transfer to preserve. That still leaves 110,000 units unaddressed to which you've subsequently, you know, been talking about the Public Housing Preservation Trust. So I would just love to have in this space in this hearing and on sort of the record, you know, for the public's benefit. How is it that the Public Housing Preservation Trust would bring in more money? Are we talking about more

Section 8 to Section 9 voucher conversions? Are we talking about--

NYCHA CHAIRPERSON RUSS: [interposing]

Yeah.

COUNCIL MEMBER SANCHEZ: you know, different funding streams, more access to capital and loans? What is the magic behind the Preservation Trust and why should we-- why should we--

NYCHA CHAIRPERSON RUSS: [interposing]

Right, right.

COUNCIL MEMBER SANCHEZ: [inaudible]

NYCHA CHAIRPERSON RUSS: Well, Council Member, that's an excellent question, and one of the answer is-- so, we designed the idea of the trust to fit into the current federal legislation. In other words, when you pull apart the 1937 Housing Act, there's certain things you can do inside the Act to try and raise the money at the property, and converting from 9 to 8 is one of them. Now, why does that even happen? That's because the Section 9 money is based on what I'll call an internal formula for what the HUD and others think it should cost to run public housing. Section 8 is based on the market, and out of the gate, it's-- yes, sir. It's worth 650

dollars a month more per unit for every unit that's moved over. That's 650 dollars a month can be used to say do bond financing, just based on the income alone that could be raised. Now, when you do that, there's a set of underlying requirements in that Trust bill. First, I mentioned the ground lease earlier in the conversation. The ground lease is actually a deed restriction. You know, that lease exists and functions as one, and what is in that ground lease besides, oh it's this parcel pounded by this parcel? It's the income you can serve. You cannot serve anybody higher than what we're currently serving with public housing. You cannot do certain things in that ground lease. There's resident protections written into the ground lease itself. So the land itself becomes part of the protection. Then the ground lease is between NYCHA and the Trust, both of whom are public entities. The Trust would be a public benefit corporation just like NYCHA and would contract back to NYCHA or the revamped NYCHA, or an RMC even for services. So this was designed to use the federal laws as written. There's no new legislation that has to be passed. We trigger what's called these tenant-- we trigger these vouchers, the

1 Section 8 simply by having a ground lease executed
2 with the Preservation Trust Board. So, we try to
3 say, okay, what does the law say now? How do we
4 access the most money we can? And then how do we
5 leverage that money to raise the most money we can
6 for property, and that's the path. That's the path
7 in the federal legislation that's open to us.

8 BRIAN HONAN: And if I could add, too,
9 Council Member, I don't think there's a magic here. I
10 think we're turning on a federal spigot that
11 currently exists to bring in additional funding.
12 We're doing that with the tenant protection vouchers
13 which are worth 650 dollars more per unit per month.
14 That also gives us the opportunity to find other
15 funding opportunities to invest in the buildings. We
16 are also doing that with a fully public agency, a
17 newly created public benefit corporation with a
18 publicly appointed board and a public workforce. In
19 addition, tenants retain all of their current rights.
20 The rights literally were copied and pasted into the
21 legislation. And the last thing that's really
22 important, something that we've talked a lot about at
23 this hearing is we're looking to address the capital
24 spending, right. By allowing us procurement relief
25

we will be able to hire better contractors, because often times I hear people say even when NYCHA has money, they hire vendors who are not of quality.

Well, this will address that as well, and we'll be able to use procurement methods that allow us to do the work faster. So if we achieve those three goals, it will be literally transformational and allow us to have a new day in public housing in New York.

CHAIRPERSON AVILÉS: We see you, Council Member Barron. I'd like to ask my colleagues for a moment of grace to allow Assembly Member Harvey Epstein into the conversation since he has to go back, but I want to thank Council Member, also, Riley, who joined us here. So,-- Assembly Member Epstein? He may need to be unmuted, yes.

ASSEMBLY MEMBER EPSTEIN: Yeah, thank you. Thank you, Chair Avilés, and thank you for holding this hearing. I really appreciate it. I don't want to interrupt. I do need to get over to the floor because your Speaker is now on the floor of the Assembly Chambers. I didn't know she was up here in Albany, but I just-- I'm coming to testify in support of really having better oversight over what we're doing. Just so you all know, the Assembly and

Senate has been pushing for additional capital and operating funds for NYCHA. We know this is-- requires all levels of the government, the City, the State, and the Federal Government to come together. we are pushing for a 3.4 billion dollar infusion of capital and a 2.8 billion dollar infusion of operating money, working with residents to preserve public housing, to move forward in that direction. And you know, there's-- I know you're talking a lot about the Trust. I know Council Member Sanchez just raised the issue of the Trust, and there's some real concerns, though, that I have around the Trust, especially around the role of resident leaders in that Trust, the opportunities that they have, the ability that they'll have to have real oversight and support. There's time after time again that, you know, I know Chair Russ and I have talked about this numerous times over the past few years, that I think where the Trust is hasn't-- they have not done sufficient community engagement. They have not engaged us in a really comprehensive approach, and if they want better authority to deal with their contracting, let's just do that. Let's let them move forward on better procurement rules. We want them to

1 hire better contractors. We want them to do that,
2 and we want them to get the resources, but I think
3 the city and the state really need to have a
4 comprehensive plan to deal with public housing, and I
5 don't think the Trust is that plan. And this is not
6 a plan that I think-- you know, while I support that
7 they're trying to work at this, I don't think it's a
8 well thought out enough plan. I don't-- this plan has
9 enough protections for existing residents. I don't
10 think it has enough protections for potential-- if
11 they're failing to meet their deadlines to the
12 lenders. I think with the-- you know, it's
13 potentially billions of dollars for people who are
14 doing these real estate transactions. That's-- you
15 know, that's really impacting, you know, that there
16 are these for-profit entities who are going to help
17 us do this [inaudible] authority. I think there's so
18 much that's deeply problematic that I would encourage
19 the Council to stand with us and not support going
20 forward with the trust and really requiring NYCHA to
21 do deeply meaningful community engagement with us and
22 the residents together to create a plan that we can
23 all work on. As people know, I'm opposed to the
24 Trust right now, and I hope that the Council, my City
25

1 Council, will stand with us in dealing with that
2 until we collectively find a plan that works for us,
3 our state and city legislature, and as well as the
4 residents who are the leaders of our NYCHA
5 developments. I have 13 NYCHA developments,
6 thousands and thousands of residents. I will stand
7 with them. They are [inaudible], you know, vocally
8 opposed to the Trust [inaudible] and I will continue
9 to do that. Until they and we come to terms with
10 something that we can stand with and believe in. I
11 don't think it's RAD. I don't think that that's
12 appropriate either, but fundamentally, the trust is
13 not going to fix the problems that we see. And
14 Charles, I see you. We miss you up here, but we're
15 glad you're down there fighting the good fight, and
16 thank you for letting me join you for your hearing,
17 and Chair Avilés, thank you for your leadership on
18 this issue.

19
20 BRIAN HONAN: Assembly Member, and thanks
21 so much, and thank you for your advocacy around-- you
22 know, always around public housing and always putting
23 public housing first. Let's also just remember that
24 one of the large reason that we're in the mess that
25 we are in at NYCHA is because the state walked away

1 from public housing in 1998, totally abandoned the 16
2 developments that they built and left NYCHA with a
3 tab to run it. Yes, we would love [inaudible] get
4 3.4 billion dollars in capital funding, that would be
5 welcome. It is not clearly enough. It is one year.
6 We need 40 billion dollars in funding. The one year
7 infusion would be great, but it's clearly not enough.
8 Also, just remember the source of that funding. The
9 funding source that you get on the state level on the
10 Senate level is bonded money. This is how government
11 raises money, right? Government doesn't save up
12 money and then give it out, you know, as a
13 discretionary fund, right? So we're looking to do
14 something here that is not unusual, that is no
15 different than any other large capital project is
16 funded. We're looking to raise money the same way
17 using tried and true government practices to do that,
18 with a fully public board, a fully public workforce,
19 and also tenant protections that are in place.
20 Lastly, the thing I want to say is procurement
21 without significant funding will allow us to do
22 projects faster, but we won't have the funding in
23 order to do them. So, yes, I want to make sure that
24 we do-- we have to do both in the same track. I
25

1 welcome continuing, you know, having conversations
2 with you, your colleagues in Albany. I think it
3 would be a tremendous waste of opportunity if we let
4 this session go by without addressing NYCHA's needs,
5 and I know together we can get there.

6
7 CHAIRPERSON AVILÉS: Thank you.

8 NYCHA CHAIRPERSON RUSS: Chair, I don't
9 want to-- I want to waste your time. I don't want to
10 go back-- Brian and I could do this for hours, but I
11 really want to thank you, and please, if there are
12 questions that members of the Council have, I'm happy
13 to talk to them offline. I'm really hopeful that we
14 continue our collaboration, you know, and work
15 together as we move these issues forward.

16 CHAIRPERSON AVILÉS: Can I ask one point
17 of clarification? When we say public board, do we
18 mean a democratically elected board or a board that
19 is appointed by an individual?

20 BRIAN HONAN: Council Member, it's a
21 great question. NYCHA right now currently has three
22 resident board members on the board, and one of the
23 complaints that we hear from residents is yes, they
24 are residents and they're on the board, but we don't
25 feel like they represent us. So, in the legislation,

1 at the request of residents, what we did is we put
2 resident members who are nominated by the C-CUP [sic]
3 the resident leadership, and those, the ones who are
4 nominated by the C-CUP, those are the ones who could
5 be selected to be on the board. So these are choices
6 from residents.

8 NYCHA CHAIRPERSON RUSS: But Brian, none
9 of those residents are required to be Blueprint
10 residents. So if you are in a Blueprint development,
11 the C-CUP--

12 BRIAN HONAN: [interposing] That would be--
13 - that would be up to the resident leadership. So,
14 if they wanted to, right, if they wanted to nominate
15 somebody who lived in a development that was slated
16 to be converted under the Trust, yes. And again, it
17 wouldn't be NYCHA's choice. That would be up to the
18 residents.

19 CHAIRPERSON AVILÉS: Well, we'll
20 certainly have more to talk about, about resident
21 engagement and what a democratic process really looks
22 like for our residents. So, thank you for answering
23 the question. I will turn it back over to Audrey to
24 continue with our colleagues. Thank you, Assembly
25 Member Harvey Epstein.

ASSEMBLY MEMBER EPSTEIN: Thank you.

COMMITTEE COUNSEL: Thank you. We'll now take questions from Council Member Riley followed by Council Member Restler.

SERGEANT AT ARMS: Time starts now.

COUNCIL MEMBER RILEY: Thank you Chair Avilés, and thank you to the panel for your discussion and presentation. I have four quick questions about four developments in my district, Boston Secor, Edenwald, Eastchester Gardens, and Gun Hill. With Boston Secor-- I mean, excuse me, not Boston Secor, excuse me, Eastchester Gardens. With Eastchester Gardens for the past few months-- and I want to just thank Brian Honan. He's been very, very, very responsive to me every single time I have messaged him. But there's a gas and hot water issue in Boston Se-- I mean, excuse, Eastchester. To my knowledge the TA President Keith Ramsay [sp?] has told me that there are four boilers on site, and one of the boilers aren't working. So they're running off of three boilers. I want to know if there's an update on fixing the boiler. That's one. Two, the PACT program is coming to Edenwald. Edenwald is the second-largest NYCHA development in New York City. I

1 know that there has been outreach to the community.
2 I believe about two weeks ago you guys had a meeting
3 over here. I want to know if there's going to be any
4 more outreach. Are you doing robocalls? Are you
5 going to partner with my office to kind of relay the
6 message to the residents, because I don't believe
7 that they're cognizant about this plan that's going
8 to be happening. Number three, back again to
9 Eastchester Gardens. Eastchester Gardens received
10 money a few years ago. I believe my predecessor and
11 our past Mayor gave money for the community center to
12 be upgraded. I just want to know when those
13 renovations will start, and when is the projected end
14 date. And last but not least, Brian, I don't know if
15 you remember a few weeks ago, probably a month ago, I
16 gave you a call about Gun Hill Susan Wagner [sp?]
17 Daycare. There was a shooting inside the daycare and
18 the students were at the daycare at the time. The
19 bullets went through the daycare in the room and
20 there were three to four-year-olds in that room. The
21 teachers, the parents, and many people in the
22 community are scared. I can't believe I'm asking
23 this, but I know I spoke about bullet-proof glass.
24 Is this still possible that NYCHA could think about
25

putting bullet-proof glass at that center? And those are the four questions I have. Thank you.

BRIAN HONAN: On-- thanks so much, Council Member. I really appreciate it and always appreciate the partnership. On-- we will have the heating team give us a full report on Edenwald and we can get you that by the end of the day--

COUNCIL MEMBER RILEY: [interposing]
Eastchester, Brian, Eastchester.

BRIAN HONAN: Eastchester, I'm sorry, Eastchester. I'm sorry. And I also know that Mr. Ramsay, you know, we actually put a new project director on the Eastchester project and Mr. Ramsay and the capital team are in regular contact. We do-- we are expected to start construction on that project this year. So, it is, you know, really-- it's really exciting to finally get some investment into that.

COUNCIL MEMBER RILEY: And for clarification, Brian, is that the boiler project or is that the--

BRIAN HONAN: [interposing] That's the community center project.

COUNCIL MEMBER RILEY: [inaudible]
Alright.

1 BRIAN HONAN: But I'll get you the
2 information on the heating. On Edenwald, Walter
3 McNeil [sp?], the TA President there has worked
4 really closely with us as well as the residents
5 across the street at Baychester, who are very happy
6 with the conversion at that development. We would be
7 happy to meet with you and his board to talk about,
8 you know, ways to engage. Now that the weather is
9 getting better, now that the City's opening up, we
10 can do more in-person engagement, and you know, love
11 to do that. I mean, Edenwald is the largest
12 development in the Bronx. In order to do proper
13 engagement we really need, you know, to do the in-
14 person and you know, happy to work with you on a plan
15 on that. Yeah.

17 COUNCIL MEMBER RILEY: And the Gun Hill
18 Daycare?

19 BRIAN HONAN: Yeah, Gun Hill Daycare, the
20 day after you called me, we were able to get the
21 glass fixed, but we need to now work on the bullet
22 point glass-- bullet-proof glass. Now that Daniel
23 Sherrod has joined us-- it was right around the time
24 of his transition, I will raise it to him, and then
25 we'll come back to you on that as well.

COUNCIL MEMBER RILEY: Thank you. And just one more thing, Brian. Back to Edenwald, I know you guys are [inaudible] with the PACT program, but this summer I know we talked about the back boards in Grenada [sp?]. So can we please revisit that, because the summer is approaching?

BRIAN HONAN: Yeah, and in fact, there is a group that has done work in Council Member Kagan's district in renovating courts. We put Edenwald on their list. It's called Peace Court, and Edenwald, we'll look to do two of the courts in-- at Edenwald. We have them on the list. So I'll come to you with a plan on that soon, too, as well.

COUNCIL MEMBER RILEY: Thanks, Brian.

BRIAN HONAN: I didn't forget that.

COUNCIL MEMBER RILEY: Thank you, Brian. Thank you, Chair Russ. Thank you, Chair Avilés.

NYCHA CHAIRPERSON RUSS: Thank you, Councilman.

COMMITTEE COUNSEL: Thank you. We'll now take questions from Council Member Restler.

SERGEANT AT ARMS: Time starts now.

COUNCIL MEMBER RESTLER: Great. Well, firstly, let me congratulate our Chair and my friend,

Alexa Avilés. I am thrilled that you are chairing this committee representing Red Hook and just being a champion for public housing residents across the City. I know that-- I don't think-- the New Yorkers who need leadership most, who need advocacy the most are our residents in public housing, and we are really fortunate to have you helm. So I really just want to thank you, and I want to thank the team from NYCHA for joining us. You know, as my friend from the Bronx just said, Brian Honan manages to respond to every single text message and phone call from every elected official and tenant leader. I don't know how he knows everybody and is on top of everything, but we appreciate you Brian for how hard you hustle and grind for us and for our communities. And I, you know, I had the chance to have the Chief Operating Officer out to Gowanus recently. So I wanted to thank Mr. Sherrod, and I want to thank Chairman Russ for their attention to the developments in my district. I'm proud to represent seven NYCHA developments, but I am angry about the conditions. And I'll tell you, in Gowanus just this year we've had multiple water outages, multiple heat outages, fires, I mean it's like-- it's just not okay. And I

1 appreciate the team being responsive and helpful, but
2 the conditions are totally unacceptable. So, you
3 know, from my vantage point as a Council Member and a
4 we have our budget hearing today, you can count on me
5 to advocate and push with everything I've got for
6 more city, state, and federal resources. We need all
7 the help we can possibly get, and we're going to hold
8 you all to account to actually make the improvements
9 that our tenants need and deserve. You know, the
10 first question I just wanted to ask is-- you know,
11 for me, the primary goal is to get as much money from
12 Washington as possible. The least preferable option
13 is the RAD and PACT program, and the Trust in my
14 opinion has issues, and we need to work on it and
15 improve it, and if it's going to make its way through
16 Albany, there's some modifications to be had. But
17 it's better than RAD and PACT. Why are we continuing
18 to close on RAD and PACT deals and privatize our
19 developments instead of putting your energy into the
20 trust?

22 NYCHA CHAIRPERSON RUSS: So, this is an
23 excellent question, and there's a couple of reasons
24 that I want to share. The first is that even with
25 the power that the Trust brings to funding-- we've

1 talked about the amount of money that we could
2 access. We still need additional sources of funding,
3 and when we rolled the Trust idea out, we kept RAD
4 and PACT so that between the two you could 174,000
5 units. You would eventually address the whole
6 portfolio. Now, the other thing is, even though--
7 you know, I understand folks look at the RAD thing
8 and think, well, I don't know if I like this private
9 element or not. Just looks shaky to me or whatever.
10 And those folks do bring money to this deal. They
11 bring an investment opportunity, and they also are
12 operating on top of the ground lease I mentioned. I
13 can't stress enough--

14 COUNCIL MEMBER RESTLER: [interposing] I
15 hear you.

16 NYCHA CHAIRPERSON RUSS: Yeah, to say
17 that yes, there is a private manager. Some of these
18 folks are working with nonprofits to do services, not
19 everybody, and I don't want to paint a picture that
20 it's all just completely rosy. It's tough to do this
21 work. So, between the two we have enough capital
22 raised to address every single apartment, and we
23 didn't want to sort of abandon this other path, the
24 62,000 because, you know, we-- that we have in-hand.
25

1 That's what we got out of, you know, as the Council
2 Member pointed out, from President Obama. That's a
3 path that's known. That's a path that already
4 includes, even though a lot of folks disagree when we
5 say this-- already includes a full set of residents'
6 protections. PA-- the Trust is even more so because
7 those are baked in to the State Law. So, between the
8 two, we figured we could raise enough money to do--
9 to really--

11 COUNCIL MEMBER RESTLER: [interposing]

12 With all due respect, I'm just tight on time, so I
13 just want to--

14 NYCHA CHAIRPERSON RUSS: [interposing] Oh,

15 I'm sorry. Okay, go ahead.

16 COUNCIL MEMBER RESTLER: I just want to

17 say I think you'll have a better opportunity to build
18 good will with open-minded leaders by slowing RAD and
19 PACT, ceasing new conversions, and putting your
20 energy and effort into the Trust. I think that is a
21 better approach. Our district includes Wyckoff and
22 Gowanus, so the resources there are of utmost
23 importance, and I'm going to be-- I am incredibly
24 eager to see the work begin immediately. The last
25 thing I just wanted to ask--

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2 SERGEANT AT ARMS: [interposing] Time
3 expired.

4 COUNCIL MEMBER RESTLER: [inaudible] very
5 briefly is with the resources allocated to Wyckoff
6 and the renovations that are happening there, is
7 NYCHA prepared to take your previous proposal for a
8 50/50 development there officially off the table?

9 NYCHA CHAIRPERSON RUSS: I have to think
10 about that.

11 COUNCIL MEMBER RESTLER: [inaudible]

12 NYCHA CHAIRPERSON RUSS: Yeah, yeah, no,
13 I know. I think--

14 COUNCIL MEMBER RESTLER: [interposing]
15 That wasn't [inaudible] obviously into the question.

16 NYCHA CHAIRPERSON RUSS: Yeah, no. You
17 know what, the repairs are I believe just kitchen and
18 bathroom work, but I would be open to discussing
19 other ways to raise money there other than the one
20 that we recently put forward.

21 COUNCIL MEMBER RESTLER: I look forward
22 to having that conversation. I know that--

23 NYCHA CHAIRPERSON RUSS: [interposing]
24 Yeah.

25 COUNCIL MEMBER RESTLER: [inaudible]

NYCHA CHAIRPERSON RUSS: I know, I wish I could just say yeah.

COUNCIL MEMBER RESTLER: [inaudible]

NYCHA CHAIRPERSON RUSS: No, no, I will, and because there's ways to think about what happens at a property, and I'd like to roll out what the various options might be so you could see for yourself and then we could decide maybe what makes sense for those sites, because we're so thankful for the money that is coming in for those key-- but it doesn't do the whole building. You know, we're going to have to raise that balance someday, and let's show you those options from a financial perspective and see what the appetite is. How's that?

COUNCIL MEMBER RESTLER: Look forward to it. I appreciate your openness. Thank you very much.

NYCHA CHAIRPERSON RUSS: Sure. Sure.

COUNCIL MEMBER RESTLER: Thank you, Chair Avilés.

COMMITTEE COUNSEL: Thanks so much. If any other Council Members have questions, please use the Zoom raise hand function now, otherwise we will turn back to the Chair. Chair Avilés?

CHAIRPERSON AVILÉS: I think we had Council Member Brewer had a question, but maybe she has stepped away. Actually, I would love to move into the public if we could have several of our colleagues, our public residents ask questions, that would be great. Oh, Council Member Brewer, would you like to ask a question? You had your hand raised. We have to unmute Council Member Brewer, and then we'll move into the residents. Thank you for your patience everyone.

COUNCIL MEMBER BREWER: Thank you very much, Madam Chair. I have a few questions. On a big look, the issue of community centers, you talked about the repairs. But the other question I have is, in so many community centers we're trying to make sure that young people have opportunities. They're closed in the evenings. They're closed on weekends, and there's no money to keep them open. So, again, this is the silo thing. DYCD on one side, NYCHA on the other side. And I want to know just-- I've got three or four quick questions. Is there any thought of something bigger? I'm always thinking a little bit on the bigger side, keeping these centers open. Mine are all closed on the weekends. I have a lot of

development. I know NYCHA, I don't know, 30-40 years. So what is the discussion, if any, about trying to open these centers up? It would have to be a citywide effort. Any suggestions?

BRIAN HONAN: Council Member, we do have some. It is development by development and center by center. There are some centers that are open on Saturdays.

COUNCIL MEMBER BREWER: I know.

BRIAN HONAN: There are-- it should be universal, and you know, [inaudible] and DYCD in trying to make that happen. To us, you know, centers that are open, you know, more than they're closed works better for residents, works better the community, and we're all in favor of it.

COUNCIL MEMBER BREWER: Alright, but you have to say something and not just, you know,-- I'm just saying, all over these different budget hearings saying we have to do business differently, and it's very hard to get anybody to think that way. So, community centers, we shouldn't have to think is it open. We should just know that it's open, and I really want to make that a big quest. Number two--

BRIAN HONAN: [interposing] Yeah, and also, Council Member, I just wanted you to know that it's 2.3 million dollars that's currently in place for extended hours in community centers.

COUNCIL MEMBER BREWER: Okay.

BRIAN HONAN: So, you know, so there is funding there.

COUNCIL MEMBER BREWER: I know, but it's not enough. I need to know what would it take-- what would it take to have them open in the evenings and on the weekends, those that are in the developments. And all the settlement houses really, really want this. Okay, number two, there are a lot of commercial spaces-- maybe you talked about this. I'm on another Zoom too-- that are empty and in bad repair. Now it doesn't change the bottom line of NYCHA, but it is depressing for the community and the residents. So what are we doing about whole sale [sic] attempt to open up and renovate the commercial spaces? Do you have a database? I mean, I know there's-- unfortunately, I know all of Manhattan. I can tell you every single commercial center and space that is not open at NYCHA, you know, 60 Madison,

etcetera, etcetera. So is there any hope of focus on commercial spaces?

BRIAN HONAN: So, I think two things, we do have a full inventory of all of our spaces and the needs, you know, in the spaces, and we can-- happy to work with you and share some of that information.

The other thing is we work with Assembly Member Joyner on legislation in Albany that would provide tax credits to local businesses or nonprofits who wish to invest in public housing to renovate these spaces. These would be-- this has already worked in upstate Housing Authorities where, you know, local--

COUNCIL MEMBER BREWER: [interposing]

Okay.

BRIAN HONAN: MWBE or nonprofit or able to come in using state tax credits to renovate the spaces and then start, you know, businesses especially businesses that are, you know, really important to the communities. This is an Assembly Member Joyner bill and I believe Senator Bailey has it in the Senate. We fully support that and helped to write that legislation, as well.

COUNCIL MEMBER BREWER: Okay, I will be glad to follow up because there are a lot of spaces.

1 Same thing with vacancies of apartments, 241 West
2 101st Street is an example. Two years ago there was
3 a fire. It's actually managed by Krauss [sp?].
4 Nothing's been fixed up. I just went to a fire in
5 Amsterdam Houses. I don't know how long it'll take
6 to get that apartment. How are we doing with this--
7 you have an empty apartment. I know it's money, but
8 isn't that make sense to have it renovated so that
9 families can move in. Is there like a timeframe on
10 fixing up apartments that had a fire?

12 NYCHA CHAIRPERSON RUSS: Yes, Council
13 Member. I'm going to answer, if I could. I couldn't
14 get off mute, but I think we need a master citywide
15 plan for your community centers. We need an MO--

16 COUNCIL MEMBER BREWER: [interposing] I
17 agree. I agree.

18 NYCHA CHAIRPERSON RUSS: You know, we
19 need an MOU- some kind, we need a relationship with
20 the two funding agencies.

21 COUNCIL MEMBER BREWER: Yep.

22 NYCHA CHAIRPERSON RUSS: We need leases
23 with the providers that would spell out the terms of
24 that lease including the hours of operation, things
25 like that.

COUNCIL MEMBER BREWER: Okay.

NYCHA CHAIRPERSON RUSS: So, that's one thing. Brian answered the question on the inventory. I'm going to ask Sherrod to speak to--

SERGEANT AT ARMS: [interposing] Time expired.

NYCHA CHAIRPERSON RUSS: vacancies, because yes, we do try to turn those with some diligence. We had a fire recently where we're starting the clean-up, but I'm going to ask him if he could speak to that.

CHIEF OPERATING OFFICER SHERROD: We're working on a comprehensive plan to work through all of our vacancies right now, but in particular, we actually are developing a fire response protocol for our units that actually have a fire. So, for example, our most recent fire in Baruchan [sic] the team-- the fire was on Friday. If you walk through Baruchan today, it looks like the fire never happened on the inside. So, we are--

COUNCIL MEMBER BREWER: [interposing] Okay.

CHIEF OPERATING OFFICER SHERROD: We are taking that experiences and that data that we have

now and creating the comprehensive-wide plan so that when a tragedy happens such as a fire, we can get in, make the repairs immediately, and then put that unit back on the rolls for rental. So we are simultaneously working through a comprehensive vacancy program and a more comprehensive fire management program.

COUNCIL MEMBER BREWER: Okay, because we had one on Amsterdam that I was there when it happened, and 241 West 101st Street--

CHIEF OPERATING OFFICER SHERROD:
[interposing] I just wrote the note to find out.

COUNCIL MEMBER BREWER: Thank you. Okay, fifth floor. I could give you the address.

CHIEF OPERATING OFFICER SHERROD: Fifth floor.

COUNCIL MEMBER BREWER: Fifth floor, I'll send you the address, okay. But again, it would be great to have because I can't stand to see vacant apartments with all the need. And then the commercial spaces, I'll look at the federal-- I mean, at the state legislation, but you know, it's just really depressing to see these spaces sitting there. Alright, then the other issue, just to praise. I

1 think it's great what you're doing, I heard as much
2 as you could, about the reordering and so on. But
3 the trouble is, trades don't want to apply to NYCHA.
4 So even if you have the best system, why do you think
5 that trades who have any quality in their blood are
6 going to go to NYCHA? Because they say they don't
7 get paid on time or blah, blah, blah. How are you
8 going to change that stuff that they-- only the bad
9 ones, I hate to say it, apply. That's my impression
10 anyway. How are you going to do that?

12 CHIEF OPERATING OFFICER SHERROD: So, our
13 trades are excellent gentlemen and women that do
14 tremendous work for our residents. One of the things
15 that I hear anecdotally is that people don't
16 understand the total NYCHA compensation package. So
17 their hourly rate may be lower than what they see at
18 another job, but their other job does not provide the
19 comprehensive benefits that NYCHA provides. So, they
20 make that based on an hourly rate instead of the in-
21 total NYCHA package. So, working with our union
22 partners and working with our current team members,
23 we're trying to get that message out, but NYCHA's
24 actually a wonderful employer to work for, but more
25 importantly, the trades that we have, they put out a

COUNCIL MEMBER BREWER: Okay, I don't-- I think you do a great job, sir, but you know, when you-- it's not as great as you think. I'm just saying. The skilled trades, there's lots of great skilled trade folks, but you know, the ones that are-- these are the ones-- these are not the NYCHA employees. I'm talking about the people who apply--

[interposing] Oh, you're talking about contractors, okay.

COUNCIL MEMBER BREWER: Yeah, I'm not talking about-- your guys are fine. I'm sorry, I wasn't clear. I'm talking about the people who apply, you know, who are outside contractors. When I say skilled trades, that's what I mean. I apologize. No, I'm talking about--

CHIEF OPERATING OFFICER SHERROD:

[interposing] Okay.

COUNCIL MEMBER BREWER: the people who are the contractors. They're the problem in my opinion. And it's--

CHIEF OPERATING OFFICER SHERROD: And our newly-- our newly established Quality Assurance Team that is a derivative of the 2019 HUD Agreement is starting to weed out all of those terrible contractors. By looking at the quality of their work, and when we find issues--

COUNCIL MEMBER BREWER: [interposing] Okay.

CHIEF OPERATING OFFICER SHERROD: if they're not up to snuff, we go through-- we're going through the process of removing their ability to contract with us so we can get those better contractors to work for our resident because that's what our residents want, and more importantly, that's what they deserve.

COUNCIL MEMBER BREWER: Okay, I agree. I just hope that there'll be somebody left by the time you weeded out everybody else.

NYCHA CHAIRPERSON RUSS: [interposing] No, it kind of-- Yeah, no, Council Member, we hear you on that because we're also changing-- we're also changing the vendor review that we do to look at past practices. And the other thing that we have that we've never had before to Sherrod's point, is we now have a Quality Assurance Team, and we have a Compliance Department, both of which are capable of validating whether is done correctly, whether it was done with-- you know, those kinds of things we didn't have 'til the agreement. So, I'm hopeful that we'll be able to get vendors who actually deliver more service and quality service as well, because we now have the ability to check in a way that--

COUNCIL MEMBER BREWER: [interposing] No, I hear you. I just hope you check with the residents, because they know better than anybody--

NYCHA CHAIRPERSON RUSS: [interposing] No, that's what-- well, that's what I what I mean. Yeah, that's part of the process, because believe me, I haven't met a resident yet that won't tell us about the quality or not--

COUNCIL MEMBER BREWER: [interposing]
Exactly.

NYCHA CHAIRPERSON RUSS: of the work.

COUNCIL MEMBER BREWER: And they have a lot to say. And then just finally, on the RAD versus the Blueprint versus whatever. Nobody-- I think I'm the only Council Member who sat through, along with you sir, the entire two years with the amazing folks on 26th Street, Chelsea and Fulton. So, and then just to give an example. We hope you do the same thing at Manhattan build [sic], and Diana Blackwell could take care of herself. She could kick ass better than anybody else at the tenant lead. You don't have to worry about her. But there's only one Diana Blackwell who can do that. So my question, you know, when you say-- and then Wise [sp?] Towers, if it wasn't for Rosado [sp?] Rodriguez in my office, they would not do anything [inaudible]. So, they should have had the initial meetings constantly. So, for those of us-- those who have not been through this process, you have got to have very intensive tenant, legal aid, NYCHA, city [inaudible]. It's got to be what was done by Corey Johnson and everybody else in that room, otherwise it's not going to work, and I don't know that that's what I'm hearing. So I'm not going to say that it's going to happen or not,

1 but Weiss Towers is not great because we didn't do
2 that. That kind of intensive discussion with outside
3 stakeholders is the only way to do it. It's too
4 complicated and there are too many mistakes that get
5 made. So, is that what you're planning, something
6 similar in these RAD conversions? We haven't gotten
7 into the preservation, but the-- I assume they're
8 going to happen whether we like them or not, so.

10 NYCHA CHAIRPERSON RUSS: Well, we have
11 modified the RAD process extensively as a result of
12 Fulton, and we'd be glad to share that with you.
13 It's not exactly--

14 COUNCIL MEMBER BREWER: [interposing]
15 Okay.

16 NYCHA CHAIRPERSON RUSS: anything like
17 sort of the working group model, but there are many
18 elements that we pulled out of that that we're now
19 going to do. So we'd be glad to go over those with
20 you.

21 COUNCIL MEMBER BREWER: Okay.

22 NYCHA CHAIRPERSON RUSS: Yeah.

23 COUNCIL MEMBER BREWER: I would love to go
24 over it. Thank you very much, Madam Chair, I could
25 go on and on, but I appreciate your leadership.

CHAIRPERSON AVILÉS: Thank you so much, Council Member Brewer. Your longstanding leadership in fighting for NYCHA residents, we appreciate that so much. So I guess--

COUNCIL MEMBER BREWER: [interposing]
Madam Chair, one more thing. People want the second quarterly report that NYCHA has filed with the monitor. I assume you're trying to get it, but I just want to bring that up to you and to NYCHA. Whatever this report is, we'd like to see a copy of it. Thank you.

CHAIRPERSON AVILÉS: Thanks you. Duly noted and requested on public record. So, thank you. I think with that, seeing no other Council Member questions, we will wrap up the administrative portion and move into public comments. So, I want to thank all the NYCHA staff that was here responding to questions and colleagues who were present. I'm sorry, Council Member Brewer, if you could put yourself on mute I think we're hearing background. Thank you.

COUNCIL MEMBER BREWER: Yep.

CHAIRPERSON AVILÉS: Audrey, I will pass it over to you.

COMMITTEE COUNSEL: Great. Thank you so much, Chair. With that, we will now move into the public testimony portion of the hearing. We thank you all so much for your patience to now. Please listen carefully for your name as I will call names on a rolling basis. Each member of the public in the interest of time, we'll have the clock set to two minutes. And also, just a quick reminder that the Council will continue to receive written testimony 72 hours after the close of this hearing, and that can be submitted to testimony@council.nyc.gov. So now we will take testimony from Betty, followed by Dana Elden, and then Viviana Gordon.

SERGEANT AT ARMS: Time starts now.

BETTY BERNHART: Good afternoon Chair Avilés and City Council Members, and thank you for allowing me to provide the testimony today. My name is Betty Bernhart. I am a community outreach worker for Red Hook Initiative, and also a resident of Red Hook for 20 years. I am here today to ask [inaudible] support in additional funding for NYCHA, this year's budget. As the budget proposed for the Mayors includes no additional funding for NYCHA. As an outreach worker at RHI, my job is to support the

1 residents and the needs they may have. I am an
2 advocate for them. During the pandemic, the needs of
3 Red Hook has overwhelmed in addition to financial and
4 health impacts. We have suffered. The condition of
5 Red Hook housing has deteriorated to the point of
6 emergency. Every day I am talking to residents and
7 witnessing apartments such as the photos which I have
8 here. There's with mold with-- how you call it--
9 ceilings crumbling, leaks, severe floods for months,
10 the hallways are in disarray, widespread garbage, and
11 issues. During the past year, my team and I also
12 helped Red Hook residents with the emergency ERAP
13 applications. You-- I mean, as you know, NYCHA is
14 being excluded from the ERAP benefits, and Red Hook
15 residents with [inaudible] from the pandemic are--
16 oh, my God, hold on-- overwhelming and scared for
17 months. Okay? With back rent. NYCHA is losing
18 having funding that needs to improve our homes and
19 our buildings. NYCHA is critical moment and we need
20 the funds now. Council Member Avilés, I know that you
21 are a strong advocate for public housing--

23 SERGEANT AT ARMS: [interposing] Time
24 expired.
25

BETTY BERNHART: I sent my testimony anyway in, so you'll find the rest of it in there. Thank you for your time.

CHAIRPERSON AVILÉS: Thank you, Betty, for your fearless advocacy that I've witnessed as you've worked with residents throughout Red Hook. Thank you.

COMMITTEE COUNSEL: Thank you. We will now hear from Dana Elden.

SERGEANT AT ARMS: Time starts now.

DANA ELDEN: Can you hear me?

SERGEANT AT ARMS: Yes.

DANA ELDEN: Okay. Thank you for this opportunity to speak before you and others today on the Council and to represent the voice of my residents as well as the many constituents that I have grown to know throughout NYCHA housing. As a disabled senior amongst many seniors here at Saint Mary's Park Houses, we have charged with the anxiety that NYCHA has presented in the way of the Blueprint for Change, a building that was not constructed with the resident leadership, one that takes the freedoms of our residents and rips the page from a repeated past of NYCHA. We have watched over the years how

NYCHA and its leadership have made decisions in the past that have affected us for decades, decades of mismanagement and neglect that have left many to live in squalor and in a state of misery. We have been the victim of abusive practices that have left us with disease and death, regretful to the actions of NYCHA due to COVID-19, mold, asbestos, leakages, rotting roofs, and antiquated operating systems, breaking down elevators and a lack of sufficient repairs to our homes. Our community center that we are not using and cannot be used by our leadership is now sitting, and we don't know exactly what is happening there. Now NYCHA leaves us that each day we are more despaired at the living conditions, and it isn't enough that the state of poverty bring suffrage, but now we live in a fear of homelessness and hopelessness. Our rights are in jeopardy while others skirt their responsibilities to nearly a million New Yorkers who depend on Section 9 housing. We depend on public housing. We need our homes. We need our officials to consider the drastic changes that were curbed with privatization, and God forbid if Section 18, which can be used, is used to demolish our homes.

SERGEANT AT ARMS: Time expired.

DANA ELDEN: [inaudible]

CHAIRPERSON AVILÉS: Please continue, Ms. Elden.

DANA ELDEN: We are left out in the cold and without any answers from those who promise to represent the people sworn to represent us. We the residents of NYCHA deserve better than this. NYCHA dropped the ball a long time ago, as well as some of our public officials, to protect the homes of many constituents. As I prepared my testimony today, I was reminded of something Doctor King said five days before he was murdered on March 31st, 1968, as he spoke at the National Cathedral in Washington, "This is America's opportunity to bridge the gulf between the haves and the have-nots. The question is whether America will do it. There's nothing new about poverty. What is new is that we now have the techniques and the resources to get rid of poverty." So I ask you to please fund Section 9, to please fund NYCHA with an oversight committee that is independent of NYCHA to see where the money goes and how it is budgeted in the future. Thank you for your time.

CHAIRPERSON AVILÉS: Thank you so much,
Ms. Elden.

COMMITTEE COUNSEL: Thank you. We will
now hear from Viviana Gordon.

SERGEANT AT ARMS: Time starts now.

VIVIANA GORDON: Good afternoon, Chair
Avilés and members of the Public Housing Committee
and everyone else, including my colleagues in Red
Hook. First, I want to congratulate Chair Avilés,
because it is so wonderful to have our District 38
Councilperson leading this critically important work.
My name is Viviana Gordon and I'm the Project
Director of the Red Hook Community Justice Center
where we work closely with both residents and staff
at NYCHA's Red Hook Houses. The Justice Enter is
part of the Center for Court Innovation, which works
to create a fair, effective, and humane justice
system. we have projects that work with NYCHA
communities citywide including NSI, also known as
Local Stat [sic], our sister projects, the Justice
Centers in Harlem and Brownsville, Brooklyn, and
Storefront Legal Hand [sic] sites in the South Bronx,
Jamaica, and Crown Heights. So, I'll get right to
it, that over the past two years we've seen COVID

1 greatly exacerbate NYCHA's capital repairs and
2 skilled trade shortage crisis. Every day in Housing
3 Resource Center we work with tenants experiencing
4 egregious and hazardous home repair conditions,
5 including chronic stack leaks, electrical fires,
6 rodent infestation, gas outages lasting for months,
7 black mold, and crumbling walls that expose lead
8 paint. Unlike residents of private housing who can
9 call 311 and receive a city inspection from HPD,
10 NYCHA residents cannot and must go through Housing
11 Courts and file an HP action. This has always been
12 an injustice, but with the closure of Housing Courts
13 during COVID, NYCHA residents were effectively unable
14 to access city inspections despite code violations.
15 This experience has reinforced our call to City
16 Council for NYCHA to be under HPD oversight so public
17 housing tenants have the same protections under the
18 City Housing Maintenance Code as private tenants.
19 We've also seen the economic impact of COVID in Red
20 Hook. This past year we've helped over 800 households
21 file rent adjustments--

22
23 SERGEANT AT ARMS: [interposing] Time
24 expired.
25

VIVIANA GORDON: and more than 100 file ERAP applications. Thank you very much. As has been mentioned, this past month NYCHA residents began receiving the letters of effectively their denials that their ERAP applications were being de-prioritized, but at the same time those very residents are still unable to apply for one-shot deals from HRA and have been put into a horrible position with no rent release as the eviction moratorium expires. Our ask today, as we are busier than ever, is calling on the Council to both support our work and expand the funds for NYCHA tenants and tenant advocacy citywide. We believe in working in coalition with many other amazing community-based organizations and resident leadership, and we urge City Council to increase Schedule C funding for this work in new pots of money or expand existing pots like the Community Housing Preservation Initiative. Our full ask is in the written proposals that we submitted, but I just want to highlight that one of our proposals to Council through that initiative is to develop and launch a citywide housing justice corps to expand the effective approach we've been developing in Red Hook for the past 20 years to NYCHA

1 communities citywide. Our proposal would place 10
2 full-time housing navigators at center projects
3 throughout the City. We believe housing stability
4 and eviction prevention work must be rooted in
5 community, must be credible, accessible, integrated
6 with legal services and city agency resources. And
7 the last thing I will say is as Housing Courts have
8 reopened, many have heard how incredibly overburdened
9 right to counsel is, and we believe that proposals
10 like this would support right to counsel by
11 facilitating legal referrals, but also providing a
12 lot of affirmative tenant rights education and pre-
13 legal preparation to help tenants organize good facts
14 and evidence to support their counter claims, as many
15 are withholding rent for repairs have had to come out
16 of pocket for repairs, and as has been mentioned are
17 caught in what my colleague calls "ERAP Purgatory"
18 with no rent relief available to them. Thank you
19 very much for the extra time.

21 CHAIRPERSON AVILÉS: Thank you. Thank
22 you, Ms. Gordon, for all the work you've done in Red
23 Hook, you and everyone at the Justice Center.

COMMITTEE COUNSEL: Thank you. We will now hear from Beverly MacFarlane followed by Leonel Barragan, followed by Aixa Torres.

SERGEANT AT ARMS: Time starts now.

BEVERLY MACFARLANE: Yes, good afternoon. Thank you Madam Chair so I can testify. My-- I echo-- Charles Barron said it the best and Dana Elden said it more. The only thing I see that we have been shot down by NYCHA. We are at war, and all the gunshots that come to us and we have to deal with, all they've been giving us is band aids for our gunshot wounds. And not having our apartments or our homes being taken care of. This new Transformation plan have only added more high-paying administrators to NYCHA, and NYCHA need to reduce-- they ex-- their executive staff headcount so they can increase more revenue for their operational budget, because how can you have 10 people, 10 administrators supervising 10 staff members. So it's not enough supervise-- I mean, staff in order to get any of this work done. So they're fooling themselves. Gregory Russ, you are the highest paying city worker in this city, and what have they brung [sic] you here to do. I believe it is

to abolish Section 9, and that's what I believe that you are here for. Thank you very much.

CHAIRPERSON AVILÉS: Thank you, Ms. MacFarlane. Thank you for your testimony and your work. [inaudible]

COMMITTEE COUNSEL: Thank you. We will now hear from Leonel Barragan followed by Aixa Torres.

SERGEANT AT ARMS: Time starts now.

LEONEL BARRAGAN: I have to unmute myself, I'm sorry. Good afternoon. My name is Leonel Barragan. I'm a NYCHA employee. I'm currently working for the [inaudible] Unit. I would like to read a statement because I know that there's limited time. Good day. NYCHA misappropriates, missuses and defrauds housing development, residents, stakeholders and staff. For decades NYCHA has been paying dubious contractors and consultants without checking their quality, quantity, safety, and health of their construction work. Payments that amount to hundreds of millions and/or billions of US dollars. [inaudible] working on those same projects, projects awarded instead to the same dubious contractors and consultants. NYCHA goes farther by hiring culprits

1 out of those entities at extravagant salaries while
2 they continue helping their former "bosses" [sic]
3 secure projects and payments. NYCHA staff is denied
4 proper treatment, overtime, that includes among
5 myself and my fellow co-workers, and [inaudible] that
6 they have no problem, but they have no problem hiring
7 thousands and thousands of [inaudible] and clueless
8 consultants and insiders. It is well known
9 internally that NYCHA works for the independent
10 contractors and not the other way around. Recently a
11 building that one of those dubious companies was
12 working on was on the verge of collapsing because the
13 general contractor did not shore up the foundations.
14 The Department of Buildings had to intervene and put
15 out a stop work order to prevent possible calamities.
16 Only if that happened [sic], no one at NYCHA would
17 have known what was going on because their
18 engineering auditors and field supervisors seldom
19 visit sites or check the quality and content of their
20 work. Engineering auditors and field supervisors are
21 supposed to be licensed registered professionals and
22 they are mandated by the New York City Comptroller's
23 Office, Director [sic] and Director [sic] seven to
24

perform periodic in-person inspections in addition to desk audits. No one ever visits sites--

SERGEANT AT ARMS: [interposing] Time expired.

LEONEL BARRAGAN: [inaudible] the work to lower paid unexperienced and unlicensed staff. Plenty of proof of NYCHA's poor intentions can be provided, and NYCHA should be held accountable for fully for their poor actions, which some say is because these paper weights [sic] management just want to show how many projects have been completed, justifying further funding and mismanagement. Thank you.

CHAIRPERSON AVILÉS: Thank you, Mr. Barragan.

COMMITTEE COUNSEL: Thanks so much. We will now hear from Aixa Torres, and afterwards we will hear from Assembly Member Yuh-Line Niou and Brooklyn Borough President Antonio Reynoso.

SERGEANT AT ARMS: Time starts now.

AIXA TORRES: Good afternoon, again. I want to follow up what we asking for which is resident management, and as everybody knows for the last year and a half-- no offense Mr. Russ-- I wanted

1 to be the Chairperson of NYCHA. I truly believe that
2 when NYCHA is run by residents for residents, it
3 works. And if anything, the pandemic has proven that
4 we, the residents of public housing, know how to run
5 our developments. We were the ones who got food, got
6 PPE, and did all the negotiating that needed to be
7 done. We advocated. We advocated for our-- for our--
8 - I apologize. I apologize. So, I ask [inaudible]
9 part of the funding that we're asking for is for
10 resident management to support us, to allow us to
11 grow, to get the expertise that we need like
12 accounting or whatever it is that we need to manage
13 our development so that we can [inaudible]
14 differently, so that we can get contractors that are
15 going to do the work and treat us with dignity, not
16 be treated like third class citizens. I was at a
17 meeting with a contractor and he felt that he could
18 tell me "F you" when he asked me a question. To me,
19 that was an insult to not only myself, but to every
20 resident that lives in Alfred E. Smith Houses. And
21 so I really want to also tell the Council people
22 please don't get frustrated when we ask you for money
23 and the money's not used in a timely manner. Stay
24 with us--
25

SERGEANT AT ARMS: [interposing] Time expired.

AIXA TORRES: because we're your constituents. We need that money to maintain, and we're the ones who know what needs to be fixed, what doesn't need to be fixed, and we have to be part of the solution. And so that we stand on-- we do not want the Blueprint, because clearly that was done without our conception-- was done from a conception without our input, and it is still being done without our input, really. And so I ask for the Council people to support us and to stand by us and gives us the funding that we're asking for. I will submit our plan and so will C-COP [sic], President of the Council requesting the money that we want for our developments and how we want the money spent. And I thank you for your time. Chairwoman Avilés, I am so proud that you are chairing and that you have done this meeting today on our behalf so that we can say what we needed to say and put forth our ideas and what our agenda is as residents in public housing. And so I thank all the council people, and I thank you for listening to us today. Thank you.

CHAIRPERSON AVILÉS: Thank you so much,
Ms. Torres. Thank you for your leadership over the
decades. Thank you.

COMMITTEE COUNSEL: Thank you. We will
now hear from Assembly Member Yuh-Line Niou followed
by Brooklyn Borough President Antonio Reynoso.

ASSEMBLY MEMBER NIOU: Thank you so much
for giving me the time today. I just wanted to say
hello, obviously, to everyone, including my old
colleague, Council Member Barron and also my-- one of
my tenant association resident Presidents, Aixa
Torres. I wanted to say, you know, I am the Assembly
Member who represents the 65th Assembly District
which covers the Lower Manhattan neighborhoods of the
Lower East Side, China Town, Battery Park City,
Southeast Seaport [sic], the Financial District.
One-third of my district is public housing. I
represent a total of 11 NYCHA developments, 45 Allen
Street, 175 Eldridge [sp?] Street, Hernandez Houses,
La Guardia Houses, Lower East Side One, Meltzer [sp?]
Towers, Rutgers Houses, Seward [sic] Park Extension,
Smith Houses, Two Bridges, and Vladeck Houses. The
current situation in NYCHA is both [inaudible] and
unsustainable. The issue is often described as a 40

1 billion dollar capital deficit. But residents in our
2 district do not know the issue they face as a deficit
3 in an account book. They know it as broken
4 elevators, as foul odors, as pest infestation, mold
5 outbreak, chronic hot water outages, heat outages,
6 and lead poisoning. While my office and those of
7 other elected officials work with the authority to
8 address these individual cases as they arrive, they
9 ultimately pile up faster than they resolve. But
10 when NYCHA fails, they do not suffer the
11 consequences. It is our residents that suffer. It
12 is sickening that in the wealthiest city in the
13 country our public housing residents feel underserved
14 and live in inhumane conditions. As a landlord,
15 NYCHA must do better for its residents. NYCHA
16 believes that the taskforce forward is through the
17 Blueprint for change which would transfer apartment
18 from Section 9 to Section 8 and alter NYCHA
19 operations. The response from NYCHA residents has
20 been clear, and I'm here to echo their call. We do
21 not want the Blueprint. We do not trust the Trust.
22 There are two main reasons for our opposition. The
23 first is the track record of Section 8 housing, and
24 the second is the risk of default. Regarding Section
25

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 eviction. I understand that efforts have been made to keep as many protections as possible for our tenants, but the reality is that the only true protection from the dangers and injustices of Section 8 housing is Section 9 housing. 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 the broadly way 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 protection. 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. It is our public housing system-- 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 have to pay for. While the Blueprint supporters assure us that the risk of default is small, remember that NYCHA is almost 100 years old. No one can protect what the risk situation will be 150, or 10 years from now. In fact, the pandemic taught us, we cannot even predict the risk we might face this time next year. Chairman Russ and the Blueprint supporters are pushing it for understandable reasons. They say public housing has been waiting on government funding for decades. Yes, 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. We need to change management to resident management. We need to change the procurement process, and we need to protect our tenants. This is why I am here today alongside my fellow state lawmakers from across the city to show you that there is political will. 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 dollars in state money for public housing. In recent years, state appropriations for NYCHA were measures in the low hundred millions and 10 years ago they were zero. I will 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 problem, it is the only way to address this crisis, and I hope that you will all join me fighting from City Hall to Albany to Washington and to make sure that we have a real path to funding our public housing system. Thank you.

CHAIRPERSON AVILÉS: Thank you so much,
Assembly Member, thank you.

COMMITTEE COUNSEL: Thank you. We will now hear from Brooklyn Borough President Antonio Reynoso.

BOROUGH PRESIDENT REYNOSO: Thank you so much and thank you Chair Avilés. You're doing a great job. I'm going to read a statement, but this is a-- it's been a very difficult hearing to sit through. Just yesterday I was in Coney Island at O'Dwyer Houses handing out hot meals and paying, you know, a significant amount of money to maintain it. I want to do it for three months, because that's how long they're going to be without gas, but I can't afford it. The budget that I have just doesn't allow me to do it, and what we're going to do is relegate NYCHA residents to [inaudible] spend more money out-of-pocket while they're already struggling making ends meet. Just knowing the deterioration that's happening and the lack of investment that's coming from the City, you know, I really feel like my words are not going to do justice to the amount of investment that we need to really address the crisis that we have. And it truly is a moral imperative. So, but I want to try my best here. So, thank you, again, Chair Avilés. I'm Antonio Reynoso, the

Brooklyn Borough President. On behalf of Brooklyn's over 118,000 public housing residents, I'm here to advocate for immediate attention to the deteriorating conditions that face them in their homes. The capital budget shortfall is estimating a 40 billion dollars. Last year, thanks to the advocacy of folks like Senator Chuck Schumer and champions like Congresswoman Nydia Velazquez it looked like our public housing residents might finally get a reprieve from our Federal Government with a 65 billion dollar allocation for public housing written into the Build Back Better proposal. However, the time being, politics has won out over the moral imperative of correcting decades of government disinvestment and neglect, as Senator Joe Manchin called the Build Back Better plan that local government representatives-- our responsibility now is not to wait for the Federal Government to save us. we continue to-- our advocacy to the Biden Administration to invest in public housing, we should be doing everything we can right now to make sure that we're giving at least two billion dollars a year from the City, two billion dollars a year from the State Government every single year until we finally close the gap for NYCHA. It's

about putting money into the system and nothing else.

It's not about privatization. It's not about new development or finding out great schemes as to how we're going to get out of this hole. Just take money from the 100 million dollar budget and pay down the debt so we can start repairing these NYCHA residents' homes. It's very simple. Just put your money in.

Don't wait for matching funds. Do what you're supposed to do. I want to stress that finding solutions to fixing the current state of our public housing is, again, a moral imperative, but NYCHA residents were nearly twice as likely to die from COVID than any other New Yorker. NYCHA must prioritize those repairs that affect health such as mold, lead, lead poisoning, heat and hot water, and assure the repairs address underlying conditions so that the same problems don't happen over and over again. Residents also deserve transparency in the repair process. They should be able to utilize the 311 system so that complaints and repairs are tracked and publicly accessible. We must also think beyond just meeting basic needs and start planning to provide services that would improve residents' lives. What would NYCHA campuses look like with green

1 infrastructure, such as urban farms that employ local
2 residents and improve health outcomes with accessible
3 health clinics and affordable child care on site,
4 with sustainable waste management practices, and
5 stores that sell healthy food? So many common areas
6 in and around NYCHA buildings are underutilized and
7 we as a city can do better. So again, I'm going to
8 call on the City and State Government to step up to
9 the plate as we continue to put pressure on our
10 federal partners to fund public housing. We need to
11 assure funding from all levels of government, and it
12 must be allocated regardless whether of what other
13 levels of government want to do. NYCHA residents are
14 working people and many of them are essential
15 workers. The City relies on them every single day,
16 and it's long past time to do our part and support
17 them. Thank you.

19 CHAIRPERSON AVILÉS: Thank you so much,
20 Brooklyn Borough President Antonio Reynoso. You
21 heard that right, 100 billion dollar city budget.
22 Our current allocation is 587 million. That's
23 unacceptable. We need more money for NYCHA
24 residents. Audrey? Thank you.

COMMITTEE COUNSEL: Thank you. We will now hear from Angel Sacarello followed by Brendan Cheney, and then Joshua Barnett.

SERGEANT AT ARMS: Time starts now.

ANGEL SACARELLO: Thank you for convening this hearing. My name is Angel Sacarello. I'm a NYCHA resident and I am the Community Center Operations and 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. We provide support ranging from Early Childhood Education to afterschool programs, tenant advocacy, and adult 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 and multiple NYCHA buildings across the City, including 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 to the entire family. Settlement

Houses and other community-based organizations are best situated to partner with the City to bring services to NYCHA residents. Having a trusted community-based organization offer mental health services can remove the stigma around mental health. It also makes it far more accessible for NYCHA residents to have services offered on-site or even in their homes. University Settlements Families Thriving program is a model that demonstrates our unique position as a bridge between community and institutions. This program offers mental health services to the entire family unit. 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 larger communities. Rather than viewing each institution as [inaudible], Families Thriving is designed to wrap-around culturally sensitive family and community support programs with sessions that can occur at home, school or at the community. We strive to build on our existing success and expand programs like Families Thriving, but without stable funding--

SERGEANT AT ARMS: [interposing] Time expired.

ANGEL SACARELLO: it's a challenge. Along with targeted mental health funding, the 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 Community Centers can only cover limiting staffing and hours over the weekend, but the weekend is when many of our NYCHA residents have more time and ability to access the necessary services that we provide. We believe that the investment in NYCHA collaborations with community-based organizations like University Settlement and programs like Families Thriving can revitalize the community centers, making them spaces where community members gather, dialogue, express concerns, and truly build for the future. Thank you for your time.

COMMITTEE COUNSEL: Thank you. We will now hear from Brendan Cheney followed by Joshua Barnett, and then Carmen Quinones.

SERGEANT AT ARMS: Time starts now.

BRENDAN CHENEY: Good afternoon. My name is Brendan Cheney. I'm the Director of Policy and Communications at the New York Housing Conference. I want to thank Chair Avilés and the members of the committee on public housing the opportunity to testify. So we were disappointed that Mayor Adams' Preliminary Budget maintained the status quo for affordable housing and NYCHA. Adams' NYCHA capital budget proposes one billion dollars in the current Fiscal Year in between 400 and 650 million per year in future years. This is insufficient. NYCHA is in crisis. As we all know, they need 40 billion dollars for capital repairs with tenants living in deplorable conditions that negatively impact their health and quality of life. And since federal funding through Build Back Better is stalled, it has become that federal help is not on the way. Therefore, we are calling on the City and State to step up, to coordinate with each other and to each provide 1.5 billion dollars per year for capital funding for normal at a minimum. This proposal has the support of the United for Housing Coalition, a coalition we're leading of more than 90 organizations. Even with that funding, 15 billion dollars over five

years, NYCHA will need to get creative to address the 40 billion dollars in repair needs. Absent significant and future capital, it will be important for NYCHA to continue to implementing their RAD PACT conversion plan, currently the only financial financing tool to raise capital to make repairs. And to advance the proposed Public Housing Preservation Trust, the Housing Authority should work to gain support from residents and resident organizations. For all plans, the City must include and empower tenants in their decision-making process and NYCHA's efforts to replicate resident-led RFPs and developer selection are a step in the right direction. Additionally, any new plans to address the issues of NYCHA must be part of the City's overall housing plan and 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, and I'm available to answer any questions.

COMMITTEE COUNSEL: Thank you. We will now hear from Joshua Barnett followed by Carmen Quinones and then Ramona Ferreyra.

SERGEANT AT ARMS: Time starts now.

JOSHUA BARNETT: [interposing] Council

Member Avilés, thanks very much for holding this very important hearing. My name is Josh Barnett. I'm the Union representative with Local 375 DC 37 [inaudible] and a NYCHA employee. I've been an architect in design department and capital projects since 1999. What I would hope would come out of this hearing are calls for a strong increase in funding at all levels and end to privatization, increased oversight, and plans for a full audit of NYCHA's books. NYCHA is currently caught between underfunding, mismanagement, and privatization. Forty years of disinvestment has led to a 45 billion dollar backlog on capital repairs, and also a loss of staff of almost 16,000 workers in the 90s to under 12,000 today. The number of architects, construction inspectors, etcetera has gone from 450 to 250, but we see hundreds of consultants on the payroll. And we deal every day with top-heavy inefficient mismanagement. The solution for everything seems to be just to add a new Vice President. Those of us involved in producing renovations are literally outnumbered by the managers who monitor our work. It takes weeks just to generate a single inspection for hazardous materials. And

1 privatization, as people have said, threatens the
2 existence of public housing in New York City. RAD is
3 removing one-third of NYCHA's housing stock as public
4 housing. The proposed switch from Section 9 to
5 Section 8 threatens the rest. Plus, we see union
6 busting out work with RAD, sacrificing wages,
7 benefits, and resident hiring. Projects and jobs are
8 outsourced to consultants, displacing union staff at
9 great cost to the residents and tax payers, but it's
10 a calculation NYCHA consistently leaves out of its
11 annual plan. In a city ravaged by gentrification,
12 NYCHA is more vital than ever. Housing is a right,
13 not a commodity. We need a Green New Deal for public
14 housing, and we know the money is there. The rich
15 developers in this city here rack up record profits
16 and yet remain untaxed. As people have said, the
17 money is there to allocate it if efficiency is
18 increased. We need more funding. We need more
19 funding, desperately--

20
21 SERGEANT AT ARMS: [interposing] Time
22 expired.

23 JOSHUA BARNETT: but it has to go to
24 residents and staff, not to managers and consultants
25 so the City will retain the diversity and

affordability we so desperately need, and we look forward to the union's input on weighing in on this vital issue. Thanks very much for the opportunity.

COMMITTEE COUNSEL: Thank you. We will now hear from Carmen Quinones followed by Ramona Ferreyra and then Erin Burns-Maine.

SERGEANT AT ARMS: Time starts now.

CARMEN QUINONES: You know, we keep going over and over this all over again, and until we find out where the money is going, nothing is going to change. That's why we are looking seriously at resident management, because RAD, PACT, and Blueprint is not the move. We need to take over our own developments and hope that everybody will back us up in doing that. The residents are already doing the work. There's nothing else really to be said other than we need to run our own developments. We need to create all the RNC's as leaders because this is not working. NYCHA is not working. We don't know where the money is going. We don't know nothin' from nothin' anymore, and as the speaker before said, you keep hiring management, management, management, consultant, consultant, consultant, that's where all the money's going to, and while we're living in

broken down apartments, pipes busting all over the place, leaks all over the place. Where is the money? We need to get an account of where this money has been going. We also want to make sure that those books are open so that we can-- transparency is one of the biggest things that we need, the transparency. Again, we need resident management corporations. That's what we need, and we're hoping that the elected officials and everybody comes on board to that. Thank you for the opportunity.

COMMITTEE COUNSEL: Thank you so much.

We will now hear from Ramona Ferreyra followed by Erin Burns-Maine, and then Jessie Fields.

SERGEANT AT ARMS: Time starts now.

RAMONA FERREYRA: Hi, everyone. Happy International Woman's Day. Just want to recognize how many of the speakers talking about this issue today and doing the heavy lifting in public housing are women. And I want to thank all of you for, you know, making time to talk about public housing and the conditions that we're in. what's really important to me today is actually making sure that we get on the record that I've requested a forensic audit from the Office of the Comptroller and also

1 from City Council and from this Committee. And
2 secondly, one thing I didn't include with that
3 request is that we want to better understand-- now
4 that we know that NYCHA's only spending 60 percent of
5 the funding that it actually receives from the city,
6 I think it's important for us to understand how much
7 money they have that has not been committed and that
8 we stop using the number of 40 billion, because it is
9 just not accurate and it's not current. That number
10 was created by NYCHA a couple years back, and since
11 then we've seen some critical capital malfunctions
12 that really are going to raise that number. So the
13 two questions I'm going to leave the NYCHA staff with
14 today is how much money do you actually have that is
15 not committed? And secondly, what is the estimated
16 need of NYCHA in 2022? Thank you.

18 COMMITTEE COUNSEL: Thank you. We will
19 now hear from Erin Burns-Maine followed by Jessie
20 Fields, and John Forster.

21 SERGEANT AT ARMS: Time starts now.

22 ERIN BURNS-MAINE: Hi, good afternoon,
23 and thank you Chair and Council Members for the
24 opportunity to speak today. My name is Erin Burns-
25 Maine. I'm Vice President of Policy and Advocacy and

Chief of Staff of the Community Preservation Corporation. This hearing has covered the depth of the crisis at NYCHA and the fact that the Federal Government is not offering NYCHA the funding it needs to preserve public housing long-term. It's time for us as New Yorkers to step up and provide the funding for capital repairs, as well as the legislative solutions to ensure NYCHA's long-term financial stability. First, we stand with United for Housing, calling on the City to provide 1.5 billion in capital annually and the state should match that commitment to begin to address these urgent repair needs. Second, we also need to work together to advance the trust for public housing to create the fully public conversion process, allowing NYCHA to leverage debt for repairs, use tenant protection vouchers for deeper level subsidy, and overhaul the bureaucratic procurement issues that are keeping them from delivering faster repairs. To address resident concerns, the City should support proof of concept pilot with a set number of units and require third party evaluator tracking implementation. Lastly, NYCHA should continue along with RAD PACT conversions for the buildings that are in desperate need of

1 repair in collaboration with tenants. We saw a
2 bright spot towards the end of last year which was
3 announced. Over the last few years, residents of
4 Fulton and Elliott Chelsea worked closely with the
5 City, NYCHA and other stakeholders to evaluate
6 different solutions for their developments. They
7 directed the decision-making and the planning process
8 and eventually selected the development team. This
9 meaningful engagement process can be successful in
10 other communities. It's time for us to work together
11 and use every tool at our disposal to finally deliver
12 better quality of life for NYCHA residents. Thank
13 you for your time and consideration. I'd be happy to
14 answer any questions you might have.

16 COMMITTEE COUNSEL: Thank you. We will
17 now hear from Jessie Fields followed by John Forster
18 and Joel Kupferman.

19 SERGEANT AT ARMS: Time starts now.

20 JESSIE FIELDS: Thank you very much and
21 thanks to the Chair, Councilwoman Avilés. I agree so
22 much with the sentiment of against privatization. My
23 name is Jessie Fields. I'm a medical doctor in the
24 Harlem Community. I'm affiliated with Mount Sinai,
25 Doctor's Family Practice at 147th and Frederick

Douglas, and I'm also a member of the Committee for Independent Community Action which was founded about 10 years ago by Doctor Philani [sp?]. I support everything that the Councilman Barron was saying earlier, and the residents are clearly against privatization. I'm part of building a movement around the city of people, the residents, people who live in public housing, activists, tenant association presidents as well as people who don't live in public housing. We're bringing people together to make the statement that we want this city to be a place where everybody can live, not only the rich. And it seems to me that tenant-- the residents of public housing are leading that fight against privatization, against further gentrification, and displacement. We've been petitioning for years. Since we now have a new Mayor, we've started a new petition drive. We collected 20,000 signatures against privatization, against Next-Gen, etcetera. The previous Mayor, under the previous Mayor-- our petition now since we have a new Mayor, we've collected over 2,000 signatures opposing all forms of privatization of public housing, opposing RAD, PACT, Blueprint, keeping public housing public, keeping Section 9 and

supporting as Carmen Quinones was saying, supporting resident management. The residents being able to run their buildings, their developments. They live there. We need to support the people who live in public housing. You know, across this country public housing has been demolished. New York City has the largest public housing and pretty much the only really public housing authority--

SERGEANT AT ARMS: [interposing] Time expired.

JESSIE FIELDS: here. So we have to set an example for the country. We have to fight to keep public housing public and just-- to protect the residents. That's what it's all about. The privatization plans RAD, PACT, Blueprint, they're all investment opportunities for investors, but they don't invest in public housing in the residents, and that's what we need to do. And I want to work with everybody to keep building that movement and taking that spirit out across the City. Thank you. Thank you for this really important hearing.

COMMITTEE COUNSEL: Thank you. We will now take testimony from Jon Forster followed by John Kupferman and Crystal Gooding.

SERGEANT AT ARMS: Time starts now.

JON FORSTER: well, good afternoon.

Thank you, and especially thank you Chair Avilés for holding the hearing. My name is Jon Forster. I'm a representative with Local 375 which is part of District Council 37 here in New York City, and also a member of the NYCHA Coalition. I represent over 400 architects, engineers, and project managers who work at NYCHA, and they are there for the long haul. They have an ongoing commitment to the residents in NYCHA. Many of them work in the field throughout the period of COVID. Others were able to work quite effectively remotely as they reviewed plans and contracts and continue to do so. It is interesting that at this point they're not allowed to do that even though NYCHA managers are being allowed to work remotely three days a week. The hypocrisy there is stunning. I also represent architects and engineers in many other agencies, and I have to say, NYCHA is probably the least responsive in terms of labor relation issues. NYCHA clearly needs additional money, but at the same time NYCHA is also wasting. The constant contracting out costs the city more every single time that they do that. It is also often less effective

1 hiring of better contractors. I'm not convinced
2 that's going to happen, and I'm really concerned
3 about the quality of contractors at this point.
4 Thank you. Thank you for the opportunity to share
5 this with all of you.

6
7 COMMITTEE COUNSEL: Thank you. We will
8 now hear from Joel Kupferman followed by Crystal
9 Gooding and Sean Campion.

10 SERGEANT AT ARMS: Time starts now.

11 JOEL KUPFERMAN: There we go. Thank you
12 very much. I'm Joel Kupferman. I'm the Executive
13 Director and Senior Attorney at the Environmental
14 Justice Initiative, Counsel to Alfred E. Smith and
15 Saint Nick's Tenant Associations, and Labor and
16 Community Advocate that's been at this game for many,
17 many years. My experience with Smith goes back to
18 9/11 and the damage that 9/11 caused still continues
19 to do so. In the age of COVID, we-- NYCHA requires
20 more control, not less, as indicated by their
21 improper NYCHA practices, contractors. Unfettered
22 but highly paid contractors continue to endanger the
23 health of not only tenants but workers. Smith alone
24 had 85 million dollars from a FEMA contract. That
25 money was paid to a contractor that repeatedly caused

major tree destruction, but also with ongoing soil destruction. That destruction of the soil went into the air and was dragged into apartments, which greatly increased COVID mortality. A slight increase in exposure to dust leads to a major increase in COVID mortality. Bad design and compliance was also rewarded. ADA non-compliant locking wheelchair-bound residents are forced to be trapped at Smith when storm wall barriers were replaced. NYCHA should also look at all [inaudible] the ADA compliance. One of the ways that they should institute better vendor management is instituting the Bad Actor Policy. The City and the State has used this to control and disallow bad contractors from being hired and also being paid. The tree destruction at Smith could definitely be prevented. And also--

SERGEANT AT ARMS: [interposing] Time expired.

JOEL KUPFERMAN: I want to just finish up with two sentences. Whistle-blowers [inaudible] and they've told me that there's definitely illegal work that's going on in terms of asbestos removal and alike, and not only that, NYCHA can't even provide safe work places for where their inspection staff

comes out of. The City-- NYCHA could seek federal and state resources. OSHA has offered a partnership program in which they can come in and come up with a whole worker safety program. NYCHA has refused to institute that. There's state resources. City resources should be used including HPD and Health Department. I think it's important to point out to City Council Members that 311 system has failed NYCHA residents. Many times residents have called up to make complaints to the Health Department and alike, and they were told that they should go to NYCHA and not city agencies. The Buildings Department Tenant Protection Bureau and Plans that were instituted by City Council is not being used. There's not enough monitoring, not enough compliance at these places. And some of the solutions is, according to what's mandated by the federal Baez [sp?] case, is that the tenants and the NYCHA staff work together like programs including HEPA vacuums and steamers which would lead to total reduction of exposure to lead dust that's in many, many apartments.

COMMITTEE COUNSEL: Thank you. We will now hear from Crystal Gooding followed by Sean Campion and Gregory Morris.

SERGEANT AT ARMS: Time starts now.

CRYSTAL GOODING: Hi, good afternoon, everyone. I'm a resident of a Section 8 building in the Lower East Side and I'm also a member of Freedom Agenda. So I'm here today to discuss firsthand how much the community needs funding and how beneficial it would be in the long-run. To start, throughout the pandemic myself and many of my neighbors have had to come out of pocket to take care of the community to keep ourselves afloat while we live a block away from a luxury building. During this pandemic, my partner has also been suffering through the hell that is Rikers Island. There's no reason that my neighbors and I should have to deal with vibration in the building, holes and cracks in the wall, mice that run over people while they sleep, and we actually had a few people jump off of our roof and commit suicide during the pandemic. While money goes into things that are super unnecessary, like the ridiculously high DOC budget, New York City is now spending over 556,000 dollars per year per incarcerated person, but so many officers stay home abusing their sick leave. I visit Rikers basically weekly, and I hear the Correction Officers being paid about bragging so much

all the things that they buy while having to do so little. As a resident of public housing and a person impacted by Rikers Island, I'm shocked, but I do want to say I'm amazed that us people within housing, we have so little but we do so much for each other. So imagine if we had the funding what could bloom from all of this trapped talent that we have. They're now planning to build literally on top of my building, 265 Cherry Street, and that means they're taking away our park, our community center, our garage, our emergency exit, and most importantly our windows. So they're going to board-in our windows with no sunlight and have a luxury building in front and on top of our home. So we have up until the 26th floor and they want to build until the 60th floor. So we worry about dust. We worry about cancer and mental health issues literally due to greed. Last summer--

SERGEANT AT ARMS: [interposing] Time expired.

CRYSTAL GOODING: [inaudible] with my two children and a man literally landed in front of me, because he jumped off the 26th floor, and life went on like nothing. There are many young men within the community that need a place to go. They ask me

1 constantly if I know anywhere that's hiring or if
2 there's a way that I could help them enroll in
3 programs. These are services that should be provided
4 to people for free throughout NYCHA developments.
5 These youth-- I don't know if anyone has spoken to
6 them-- but they're a trapped talent. Many of them
7 suffering from generational trauma with no way out.
8 There needs to be programs for our youth. There
9 needs to be open jobs and funds going right into
10 building a better future for those who desperately
11 need it and just don't know where to start. These
12 are outcasts of the community and the people
13 mislabeled because of where they live, a lot of this
14 already out of their control and dated back many
15 years before them. not to mention how those held on
16 Rikers Island have no opportunities for housing, no
17 services for their mental health/substance abuse
18 issues, no classes to help them now return to
19 society, and their children and families are left
20 trying to pick up the pieces. I know that if the
21 funds are not provided for what the community needs,
22 it is not because there isn't enough money, but
23 because elected officials put law enforcement unions
24 ahead of people in need. So to sum it up, we really
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do need our allies in the City Council to make sure that this does not happen again this year, and really to just support us because we are out here trying.

CHAIRPERSON AVILÉS: Thank you so much, Ms. Gooding, and I have to tell you, real public safety is investing in our people, investing in our housing, investing in our healthcare, investing in our education, our young people. It is not correctional and incarceration institutions, correctional institutions. So, thank you so much.

COMMITTEE COUNSEL: Thank you so much. We will now hear from Sean Campion followed by Gregory Morris.

SERGEANT AT ARMS: Time starts now.

SEAN CAMPION: Thank you. Good afternoon Chair Avilés and members of the Committee. Thank you for the opportunity to testify. I'm Sean Campion, Senior Research Associate at the Citizens Budget Commission. It's a non-partisan think tank dedicated to constructive change in New York City and State governments. I'll focus [inaudible] NYCHA's operations and finances. Just giving highlights of our full testimony that we've submitted to the Council and it is on our website at CBCNY.org along

with our previous research on NYCHA. Attention has already been paid to NYCHA's deteriorated buildings and the need for more capital funding. NYCHA's operations and financial element [sic] are also heavily stressed, and that threatens its ability not only to serve its residents, but also the ability to preserve public housing. NYCHA's turnaround also depend on its ability to stabilize its finances and transform itself into a modern, efficient, property management organization. Our analysis on today's budget shows it faces at least seven fiscal and operational risks in 2022 and beyond, many which have been [inaudible] already, including ballooning operating costs which are more than 1,300 dollars per unit now and are growing three times as fast as revenue over the last decade, a plummeting rent collection rate which could increase the next budget gap if it continues, continued reliance on city subsidies up to 257 million dollars last year. Dwindling operating reserves, the diversion of capital subsidies, the operating budget for critical repair needs, the growing cost of unfunded mandates from its settlement [sic] agreement with HUD, which was upwards of 10 percent of the operating budget

last year, though our government hasn't provided any funding for those obligations, and the failure to [inaudible] savings [inaudible] operating forms or in collective bargaining. And two things that we like to highlight to help stabilizing the operating budget and improve operations are approval [sic] of the Trust which not only brings capital, but also can improve management and reduce operating costs, and also labor productivity agreements, by working with the federal monitor and HUD and labor to redouble efforts to boost productivity and bring operating costs more in line with other housing authorities--

SERGEANT AT ARMS: [interposing] Time expired.

SEAN CAMPION: [inaudible] and to ensure that NYCHA can self-manage [inaudible] going forward with the Preservation Trust. Thank you, and I'm happy to take any questions you have.

COMMITTEE COUNSEL: Thank you. Next we will hear from Gregory Morris.

SERGEANT AT ARMS: Time starts now.

GREGORY MORRIS: Thank you for this opportunity to testify, Council Member Avilés, for your leadership. I am the Chief Program Officer at

1 Goddard Riverside Community Center. Goddard serves
2 as many as 30,000 New Yorkers who are physically
3 embedded within a number of public housing
4 developments, Isaacs Houses, Holmes [sic] Towers. We
5 have a location at Taft, [inaudible] Beverly. We're
6 at Amsterdam Houses, Wise Towers as well, and in each
7 of those locations we do some of what's been
8 discussed here already, which is we provide a wealth
9 of services from early childhood to older adult
10 services and everything in between. Listen, I'm not
11 going to get into my testimony here. I'm just going
12 to say the following thing. As a community-based
13 not-for-profit, the reality is we're in the same
14 position that many of the folks who live in the
15 developments are, and that is we operate within
16 facilities, within NYCHA locations that are
17 challenged, whether it's heat, hot water, whether
18 it's the rats, whether it's holes in our ceiling or
19 basements we can't get into to fix things. We're
20 challenged in a way that prevents us from being able
21 to do work that we are committed to doing which is
22 meeting the needs of the residents of the
23 development, and when we do it right, when we do it
24 well, and we do it in collaboration, it can make a
25

1 tremendous difference in people's lives. Without a
2 commitment, without the resources to be able to fix
3 things-- it could take us years to get NYCHA to fix
4 our community centers. Every Council Member has a
5 community center in its district and a NYCHA
6 development that's suffering tremendously, and we
7 call on the Council, this new Council to be able to
8 make a financial commitment. Five million dollars we
9 think would make a huge difference in being able to
10 make our buildings work better so we create the
11 environments that residents need to thrive and be
12 successful over time. I guess I also want to say, I
13 think it will be really beneficial, there's lots of
14 capital projects in the pipeline that have been
15 specific to NYCHA developments that you've heard
16 about have not been worked on. NYCHA didn't have a
17 very good answer for those either. We need to cut
18 through the bureaucratic red tape and try to solve
19 those problems. Last but not least, as Council Member
20 Brewer mentioned--

22 SERGEANT AT ARMS: [interposing] Time
23 expired.

24 GREGORY MORRIS: this is an opportunity
25 to come together to try to figure out how it is that

1 this new council works in partnership with residents,
2 works in partnership with community-based providers,
3 works in partnership with residents and the community
4 to be able to really think about how to keep our
5 centers open to keep meeting needs, to try to figure
6 out how residents have pathways to economic mobility
7 and stability, to take ownership of their
8 developments, because the reality of this is-- I've
9 been on a lot of these hearings over the years, and a
10 lot of stuff we're hearing, it's the same over and
11 over and over, and Council Member Avilés, I welcome
12 the opportunity to speak with you and your team and
13 the new Council to figure out pathways to fix things,
14 to make them better and to do it in a way that's
15 sustainable and respectful of our residents and our
16 communities, our community centers. Thank you.

18 CHAIRPERSON AVILÉS: Thank you. I look
19 forward to doing that work with you.

20 COMMITTEE COUNSEL: Thank you. I believe
21 this concludes the public testimony portion of the
22 hearing. If there are any other members of the
23 public who have not yet had a chance to speak and
24 we've inadvertently missed you, please use the Zoom
25 raise hand function now, and we will hear from you

now. So, again, we are asking for those members of the public who haven't yet testified. Seeing none, Chair Avilés, I will turn it back to you to close the hearing.

CHAIRPERSON AVILÉS: So, I just want to thank you all for attending, especially our NYCHA residents and members of the public who've offered, you know, their critical perspective today, their experience, their passion and commitment, and yes, it is a frustrating, persistent conversation that we have been having over the years. And I can tell you, you know, our commitment to try to push through. I believe in keeping public housing public, and we will work with the residents. We will work with our nonprofit providers. We will work with everyone who wants to work with us to make sure we do right by our public housing residents who deserve to live in dignified housing. So I thank you for your patience. I thank you for just putting forward all your good work. Again, to the staff who has been here for hours on end today, I appreciate your work very much. And I look forward to the conversations ahead. We will be organizing our oversight hearings based on what residents want to do and where we want to dive

1 in, and we've gotten a lot of good work that has come
2 out of this hearing that will definitely set the tone
3 for how we will be moving forward for sure. So we
4 will be in touch. Please contact our office,
5 District 38@councilnyc.gov, and we look forward to
6 working with you. And again, thank you to my
7 courageous colleague, Council Member Barron, who
8 stood here through the entire time. I appreciate
9 you. And I guess that concludes our first hearing.
10 Yay.
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COMMITTEE ON PUBLIC HOUSING

C E R T I F I C A T E

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



Date April 23, 2022