

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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Monday, March 6, 2023

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HELD AT: COUNCIL CHAMBERS, CITY HALL

B E F O R E: Justin L. Brannan, Chairperson

COUNCILMEMBERS:

- Diana Ayala
- Charles Barron
- Gale A. Brewer
- David M. Carr
- Amanda Farias
- Kamillah Hanks
- Crystal Hudson
- Farah N. Louis
- Francisco P. Moya
- Chi A. Ossé
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- Lincoln Restler
- Pierina Ana Sanchez
- Althea V. Stevens
- Marjorie Velázquez
- Nantasha M. Williams
- Julie Won

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

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Kenneth Godiner
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Ravi Reddi
Assoc. Director of Advocacy and Policy
Asian American Federation

Alex Stein
Resident of New York City

Juan Calcutta
Resident of New York City

2 SERGEANT AT ARMS: Good morning at this time can
3 the host Please start the webinar?

4 Good morning and welcome to the New York City
5 Council hearing of the Committee on Finance. If you
6 wish to testify, please go up to the sergeant's desk
7 to fill out a testimony slip, even if you have
8 already registered online. Written testimony can be
9 emailed to testimony@council.nyc.gov. Again, that is
10 testimony@counsel.nyc.gov. Thank you for your
11 cooperation. Chair, we are ready to begin.

12 CHAIRPERSON BRANNAN: Thank you. Good morning
13 and welcome to today's hearing of the Committee on
14 Finance on the FY 24 preliminary budget. I'm
15 councilmember Justin Brannan. I have the privilege
16 of chairing the Committee on Finance. We have a very
17 full day today we'll hear from the Office of
18 Management and Budget, the Comptroller, the
19 Independent Budget Office, the Department of Finance,
20 the Department of Design and Construction, and then
21 finally, if not most importantly, the public.

22 Before we get started, I want to introduce my
23 colleagues that have joined us this far.
24 Councilmembers Louis, Velázquez, Hudson, Williams,
25 and Barron.

2 Before we get started, I want to take a quick
3 moment to thank the entire Council Finance Division
4 for their efforts in preparing for today's hearing,
5 including our CFO, our Deputy Chief of Staff to the
6 Speaker Tanisha Edwards, the senior finance staff,
7 the Finance Director Richard Lee; Managing Director
8 Jonathan Rosenberg; Deputy Director and Chief
9 Economist Ray Majewski; Deputy Directors Paul
10 Scimone, Eisha Wright, and Chima Obichere; Assistant
11 Directors Emre Edev, Crilhien Francisco, and
12 Elizabeth Hoffman; Supervising Economist Paul Sturm;
13 Unit Heads Aliya Ali and Jack Story; Finance Counsel
14 Kathleen on; our Committee Counsel to my right Mike
15 Twomey, and my Senior Adviser John Yedden, and all of
16 our finance analysts and support staff who make the
17 magic happen behind the scenes and pulled everything
18 together for today.

19 We're here today to examine the Mayor's \$102.7
20 billion preliminary budget for FY 24, which would be
21 an increase of \$1.7 billion from our budget this
22 year.

23 But before I go any further, I want to invite our
24 leader, Speaker Adams to give her opening remarks.

2 SPEAKER ADAMS: Thank you so much, Chair Brannan,
3 and welcome. It's good to see you all.

4 We welcome you to the very first budget hearing
5 of the fiscal year 2024 budget cycle. We are here to
6 examine the Mayor's \$102.7 billion fiscal 2024
7 preliminary budget. The preliminary budget for
8 fiscal 2024 is \$1.7 billion dollars less than what
9 was presented in the November financial plan. The
10 preliminary budget is balanced by closing a projected
11 \$2.89 billion gap in fiscal year 2024 with \$1.46
12 billion in additional resources from FY 2023, along
13 with increased revenues in FY 2024 of \$738,000,000,
14 and \$690 million in expense savings.

15 While the increased revenues are promising, a key
16 component of the administration's approach gives
17 reason for concern. As part of the preliminary
18 budget, the administration directed certain agencies
19 to eliminate half of their vacant positions. This
20 has yielded a 4300-person reduction in the city's
21 budgeted workforce beginning in the current fiscal
22 year. These reductions call into question the city's
23 ability to provide essential services that support
24 New Yorkers, to say nothing of the goals laid out by

2 the administration in housing, economic opportunity,
3 and public safety.

4 The fact that these cuts are not distributed
5 evenly, only magnifies this concern. Prior to the
6 November financial plan, the Council held hearings
7 that found acute vacancies in agencies such as the
8 Department of Housing Preservation and Development,
9 the Department of Health and Mental Hygiene, and
10 other city agencies most aligned with the needs of
11 New Yorkers. This is especially concerning as we
12 work to address crises in affordable housing and
13 mental health. Considering that other agencies with
14 significantly more resources were permitted not to
15 meet their required PEG targets. The Administration
16 must take a sharper look at where public resources
17 can be reallocated. What a larger agency may dismiss
18 as a minor amount could fund the continuation of
19 essential services at a smaller agency elsewhere.
20 This harms New Yorkers who depend on these services
21 to feed their families and remain in their homes.
22 The COVID 19 pandemic spotlighted the wide and
23 persisting inequities in our city.

24 As we move forward, we cannot underfund and under
25 staff the various agencies that have connected New

2 Yorkers with the essential services and organizations
3 that have helped them withstand this crisis. The
4 health, safety and well being of our city, our
5 communities, and our economy are all bound to how
6 well we support essential human services.

7 Whether it is our 3K and early childhood
8 education programs, CUNY, or our public libraries,
9 these fundamental services must be prioritized as
10 bedrocks of achieving healthier and safer
11 communities. We may face economic challenges as
12 uncertainty, but we want our city to come out
13 stronger and not be undermined by withholding
14 investment in what is proven to help our City and New
15 Yorkers. Director Jiha, and team, we hope to hear
16 from you today about this budget, and how you believe
17 it helps us plan for a brighter future for our city.

18 Thank you once again, and I turn it back over to
19 Chair Brannan for the remainder of his remarks.

20 CHAIRPERSON BRANNAN: Thank you, Speaker. We've
21 also been joined by members Hanks and Ayala.

22 the Speaker has identified some of the dissonance
23 between the Administration's stated goals for the
24 city, and its approach to the budget that would
25 support the work and the months and years ahead.

2 When we began the budget process last year, we
3 all attended this hearing remotely. That we are now
4 one year later able to gather and chambers is another
5 example of the city progressing out of the COVID-19
6 pandemic.

7 However, after reviewing the administration's
8 preliminary budget, concerns that the council raised
9 last year about veering into unnecessary austerity
10 have returned. While most economic monitors agree
11 that the feds actions to combat inflation will slow
12 economic growth, in many ways the present economy
13 continues to defy expectations and see strength. Yet
14 OMB seems to unfortunately operate out of an
15 abundance of pessimism. Based on the stronger
16 economy, the Council's forecast sees more in revenues
17 this year and next than OMB does to the tune of \$2.4
18 billion in FY 24 and \$2.8 billion in FY-- Sorry,
19 \$2.4 billion in FY 23 and \$2.8 billion in FY 24.

20 Other monitors including the IBO also see more
21 revenues coming to the city. For instance in the
22 preliminary plan, the Administration assumes a sharp
23 deceleration in sales tax revenue and no revisions
24 from the November financial plan to the two largest
25

2 sources of city tax revenue: real property and
3 personal income.

4 With the sales tax monthly collections continue
5 to show strong growth and durability pushing year-to-
6 date revenues 15% over last year, and real-time
7 credit card purchases in the city have shown no
8 decline over the year. With the real property tax,
9 OMB assume setting aside collections and reserve for
10 delinquencies, refunds, and related expenditures at a
11 rate almost a full percentage point higher than
12 historically justified: 7.6% in FY 23 and 7.3% in FY
13 24, when 6.5% has been the average necessary over the
14 past five years.

15 Least understandable as OMB's assumption of no
16 change in the personal income tax revenue. Despite
17 reduced Wall Street bonuses following the stock
18 market decline in 2022, the Council still sees
19 stronger wage growth at OMB plus less dramatic
20 contraction in estimated payments following the
21 Congressional Budget Office's upward revision in
22 realized capital gains.

23 While present numbers are strong enough to
24 balance FY 23 And FY 24, the outyears do present the
25 challenge. The council's tax forecast sees revenues

2 growing less than 3% in the next four years, a level
3 that the city has only seen in eight other years over
4 the past 42.

5 This challenge is amplified by ongoing labor
6 settlement conversations and other unsettled costs.
7 Our expenses for the asylum seekers remains entirely
8 on our shoulders, with support from our partners in
9 Washington and Albany still undetermined.

10 Further potential costs imposed by the state
11 budget, such as ending state contributions to the MTA
12 paratransit and student MetroCard programs, as well
13 as federal Medicaid supplements, remain on the table
14 at this time.

15 the Speaker testified before the State
16 Legislature to show how these proposals would harm
17 New York City, and I join the Speaker and calling on
18 our partners in Albany to recognize New York City's
19 success to the benefit of the state and that they
20 must change course on these proposals.

21 These pending challenges strengthen the need to
22 commit city resources at this time in a way that
23 actively and meaningfully supports New Yorkers as
24 they build their lives, in turn generating the
25 economic activity necessary to meet those future

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2 challenges on stronger footing, and to continue
3 rebuilding our city.

4 I urge the Administration to a realistic
5 assessment of the city's economy, so the Council can
6 partner with you in enacting a constructive budget.

7 I'll now turn it over to the committee counsel to
8 swear in OMB Budget Director Jacque Jiha and first
9 deputy director Ken Godiner for their testimony.

10 COUNSEL TWOMEY: Good morning. Please raise your
11 right hands. Do you affirm that your testimony will
12 be truthful to the best of your knowledge,
13 information, and belief and that you will honestly
14 and faithfully answer Councilmember questions?

15 Director Jiha?

16 DIRECTOR JIHA: Yes.

17 COUNSEL TWOMEY: First Deputy Director Godiner?

18 FIRST DEPUTY DIRECTOR GODINER: I do.

19 COUNSEL TWOMEY: Senior Deputy Director McKinney

20 SENIOR DEPUTY DIRECTOR MCKINNEY: I do.

21 COUNSEL TWOMEY: Thank you. You may begin.

22 DIRECTOR JIHA: Good morning, Speaker Adams,
23 Chair Brannan, and members of the Finance Committee
24 and City Council. My name is Jacques Jiha, and I'm
25 the Director of the New York City Mayor's Office of

2 Management and Budget. I'm joined at the table today
3 by First Deputy Director Ken Gardner, and Senior
4 Deputy Director for Intergovernmental Relations and
5 Education, Latonia McKinney.

6 I will be testifying this morning about the
7 fiscal year 24 preliminary budget, but also we will
8 discuss the challenges we face as we approach the
9 executive budget, which must be released in less than
10 two months.

11 The preliminary budget was crafted in response to
12 economic headwinds and fiscal uncertainty. While the
13 city tourism industry and labor markets rebounded,
14 record high commercial office vacancies and weakness
15 on Wall Street were a drag on tax revenue growth.

16 At the same time, the asylum seeker population
17 was increasing, surpassing the 40,000 mark by mid-
18 January, and has grown significantly since then. The
19 City had to fund this massive undertaking without
20 real help from the state and the federal governments.

21 Additionally, labor settlements with the city
22 workforce valued at billions of dollars were on the
23 horizon. Hence, in the preliminary budget, we
24 followed a cautious path with a focus on achieving
25 recurring savings and limiting new agency spending.

2 As a result, fiscal year 23 remained balanced, and
3 for the first time fiscal year 24, was balanced at
4 \$102.7 billion, without gaps of \$3.2 billion, \$5
5 billion, and \$6.5 billion dollars in fiscal years 25
6 through 27 respectively.

7 We were able to balance the budget, in part,
8 because of an updated revenue forecast that added
9 \$1.7 billion in fiscal year 23, and \$738 million in
10 fiscal year 24. We also achieved nearly \$550 million
11 in savings over fiscal years 23 and 24, which brings
12 total savings in those years to more than \$3 billion
13 since June.

14 Nearly all of the savings in this plan were
15 generated by the vacancy reduction initiative. In
16 response to Council concerns. We have restored
17 almost 400 vacant positions, including 340 for the
18 Department of Social Services. As a result, we
19 removed and nearly 4000 vacancies in fiscal year 23,
20 and around 4300 in the outyears. The initiative
21 produced savings of \$176 million in fiscal year 23,
22 and \$250 million in fiscal year 24.

23 It is important to note that agencies still have
24 the resources and budget authority to fill more than
25 23,000 vacant positions citywide, including more than

2 2100 at Social Services, over 670 at the Department
3 of Health, and more than 400 at HPD. Their challenge
4 is that hiring has not caught up with attrition.

5 For context, in fiscal year 22, agencies hired
6 22,400 employees, but loss 24,500 to attrition for a
7 net reduction of more than 2000. Fortunately, more
8 recent data suggest that we are turning the corner.
9 Over the first seven months of fiscal year 23,
10 agencies onboarded 17,000 employees and loss 16,000
11 to attrition for a net gain of 1000.

12 To simplify and accelerate the onboarding
13 process, the city lifted the 2-for-1 restriction in
14 December, leaving agencies free to hire up to the
15 budgeted headcount without any restriction for the
16 first time in three years. At OMB, we have taken
17 steps to shorten our review timeline. OMB will now
18 respond within 10 days to all personnel actions that
19 follow the hiring and promotion guidelines, and in
20 less than 21 days if an agency requests a guideline
21 exception.

22 The Administration is implementing additional
23 initiatives to boost recruitment and retention. As
24 part of the recent collective bargaining agreement,
25 we created an equity fund with DC 37 To adjust

2 salaries for hard-to-recruit titles, and we are
3 exploring flexible schedules including remote work.
4 DCAS is also working with DC 37 to conduct job fairs
5 throughout the city.

6 The bottom line is that this administration is
7 prioritizing and deepening its efforts to help agency
8 fill more than 23,000 vacancies that still exist
9 despite agencies having budget authority to hire. We
10 are asking the Council to join us in our recruitment
11 outreach efforts.

12 Our strong and cautious fiscal management also
13 include building and maintaining reserves. The
14 preliminary budget has \$8.3 billion in reserves,
15 which includes \$1.6 billion in the general reserve,
16 \$250 million in the capital stabilization reserve,
17 \$4.5 billion dollars in the retiree health benefits
18 trust fund, and \$1.9 billion in the rainy day fund.
19 And unlike in previous preliminary budgets, we did
20 not reduce the general reserve to fund new needs or
21 close the budget gap.

22 I would like to thank the Council for your
23 ongoing support of prioritizing and building
24 reserves.

2 Spending within our means, while making the best
3 use of limited resources was another critical piece
4 of our strategy. Hence, agencies were asked to self-
5 fund their new needs. This held new agency spending
6 to find and \$441 million in fiscal year 23, and \$39
7 million in fiscal year 24. By staying focused on
8 savings and keeping agency spending low, we achieved
9 several important goals: We prepaid an additional
10 \$1.5 billion dollars in fiscal year 24 expenses and
11 lowered gaps in fiscal years 25 and 26 by \$2.3
12 billion. Fitch Ratings recently validated our
13 strategy by upgrading the city's credit rating to
14 double A from double A minus. They praised the
15 Administration's fiscal management, in particular
16 actions to increase reserves and achieve savings.

17 In the preliminary budget, we overcame great
18 obstacles to balance fiscal years 23 and 24, to
19 maintain critical services for New Yorkers, and set
20 aside resources for the future. Since that plan was
21 released, we have new needs, like the DC 37 labor
22 deal that must be funded as well as new challenges,
23 like the proposed cuts and cost shifts in the
24 Governor's budget, and the rapidly growing asylum
25 seeker costs that threaten our financial stability.

2 For perspective, the executive budget will be
3 released in just a 51 days, giving us limited time to
4 marshal the substantial resources we will need to pay
5 to stay balance in fiscal years 23 and 24.

6 When this Administration took office, labor
7 agreements with nearly every union had expired.
8 Anticipating settlements, we increase the labor
9 reserve to support 1.25% wages across the workforce.
10 In mid-February of this year, we reached tentative
11 contract settlement with DC 37. For the 2021 through
12 2026 round of collective bargaining that provides 3%
13 annual raises beginning in May 2021, and then 2.25%
14 in May 2025. The total cost of the contract is \$4.4
15 billion, which is offset by funding already in the
16 city labor reserve for a net budget impact of \$2.9
17 billion through fiscal year 27. The cost to the city
18 of applying the DC 37 framework across the workforce
19 is about \$16 billion, and it will be reflected in the
20 upcoming financial plan.

21 While the Administration anticipated and planned
22 for a labor settlement, we did not foresee the over-
23 \$1-billion in annual cuts and cost shifts that are
24 proposed in the governor's fiscal year 2024 executive
25 budget which will significantly impact the city

2 mitigating investment in our annual MTA contribution.
3 The city contributes a substantial \$2.4 billion
4 annually to the MTA. The Governor's proposal will
5 boost this by about \$530 million each year. Further,
6 the anticipated withholding enhanced federal Medicaid
7 matching funds that are meant to partially reimburse
8 localities for the cost of providing healthcare to
9 eligible low income adults, children, pregnant women,
10 elderly adults, and people with disabilities. We
11 conservatively estimate that this will cause the city
12 about \$125 million this fiscal year, and more than
13 \$340 million annually thereafter. Shifting
14 responsibility for the state costs, encoding our
15 investment levels always threaten our ability to
16 deliver services. However, today, we face
17 substantial and unprecedented new needs, and the
18 impact would be dire.

19 In addition, we have welcomed almost 50,000
20 asylum seekers and are caring for over 30,000. To be
21 blunt, meeting these obligations is rapidly consuming
22 a massive level of resources. For example, when this
23 administration came into office last January, the
24 shelter population was 45,213. Today, the number of
25 people in our care between the DSS shelters and the

2 humanitarian relief centers is nearly 80,000. This
3 is a 77% increase in a little over a year. This
4 dramatic increase has expanded our costs
5 substantially over a short period of time.

6 The growing costs of caring for migrants is \$654
7 million through the end of February and is expected
8 to total \$4.2 billion over fiscal years 23 and 24.
9 And we have yet to receive adequate assistance from
10 the federal government and the state governments.
11 The governor has proposed reimbursing 29% of costs
12 incurred by the city over two years, capped at \$1
13 billion dollars and Congress as appropriated \$800
14 million which must be shared with other localities
15 across the country.

16 This is woefully insufficient and inadequate to
17 cover the needs. We face these unplanned, new and
18 ongoing needs at a time when the city tax revenue
19 growth is slowing. And many economies fear that the
20 economy is on the verge of a downturn.

21 Let me be clear, get into the finish line in just
22 51 days will require great effort from the
23 administration and the City Council. We are in a
24 very difficult situation. In an era of limited and
25 diminishing resources, we will have to make difficult

2 decisions to balance the budget as required by law
3 and simultaneously prevent fiscal strain that will
4 jeopardize our ability to deliver quality services to
5 New Yorkers. The Council plays a critical role in
6 the process. I welcome your assistance in pushing
7 for more resources from the state and the federal
8 government's to care for the migrants and advocating
9 against the cuts and cost shifts proposed in the
10 governor's budget.

11 Finally, I would like to discuss the preliminary
12 10-year capital strategy, which is \$159.3 billion
13 over fiscal year 24 through 33.

14 Over the next 10 years, we will prioritize
15 modernizing infrastructure, improving public health
16 and safety, supporting economic growth and housing
17 affordability, and promoting access to education, all
18 while advancing a more equitable and inclusive city.
19 And we are building and maintaining capital assets
20 responsibly by keeping debt service payments below
21 15% of tax revenue in each year of the financial
22 plan, which is the benchmark for prudent and
23 affordable debt financing.

2 To conclude, I have no doubt that we will meet
3 the challenges ahead of us and get through this
4 together as partners.

5 As always, I appreciate all that you do for New
6 Yorkers. Thank you and I look forward to taking your
7 questions.

8 CHAIRPERSON BRANNAN: Okay, we've also been
9 joined by Councilmember Carr. I'm now going to hand
10 it over to the Speaker for some questions.

11 SPEAKER ADAMS: Thank you, Mr. Chair. And thank
12 you once again, Director Jiha, for your testimony.

13 Director, the Mayor has made a commitment to
14 provide city services to our most vulnerable New
15 Yorkers. Meanwhile, the preliminary budget plans for
16 the elimination of approximately 4300 vacant
17 positions across multiple agencies. Several MMR
18 indicators demonstrate how certain agencies have been
19 having issues with providing critical services,
20 issues that may be a product of their staffing
21 issues. For example, HRA's timeliness rate for the
22 processing of applications for SNAP declined in the
23 first four months of the year to 42.3%, well below
24 the target rate of 90.6%.

2 In your opening testimony that you gave us, you
3 acknowledge that we are in dire need of hiring. We
4 also note that-- you cited for us that there is now a
5 simplification and acceleration on the onboarding
6 process, and we've now lifted the two-for-one
7 restriction back in December, that-- and we're now
8 leaving agencies-- agencies are free now to hire up
9 to their budgeted headcount with no restriction for
10 the first time in three years, which is a good thing.

11 My first question is that: Over the past couple
12 of months, what are the results that OMB has seen,
13 due to this new change in practice, per agency?

14 DIRECTOR JIHA: I don't have the exact
15 information per agency, but I could give you a more-
16 or-less-overall picture that we've seen.

17 As I indicated in my testimony, we've seen some
18 good signs. This is the first time we've seen that
19 attrition has been less than the hiring. So, so far,
20 we have hired through the first several months of
21 this year 17,000 employees. And attrition has been
22 once again at 16 for an additional 1000. But I would
23 provide you all the detail that you would need by
24 agency, if that's what you need to see.

2 But overall, it's a good sign. And as I
3 indicated, we-- the City has been historically a
4 very passive employer. We just wait for people to
5 take exam, okay? Now we are aggressively pursuing
6 with career fairs throughout the country. And as I
7 indicated in my testimony, we welcome your
8 participation-- the Council's participation to work
9 with us, okay?, to have job fairs throughout your
10 districts because we're trying as best as we can to
11 attract employees, because we're losing a lot of-- we
12 lost a lot of apologies, particularly during 2022,
13 for a number of reasons, including-- including the
14 vaccine mandates, including, you know, all the
15 mandates that we imposed. So those things had a
16 significant impact on the attrition level that we
17 had. But again, as I said, we're seeing some
18 promise-- some promises in terms of where we are
19 heading.

20 SPEAKER ADAMS: Okay. Does OMB have to approve
21 hiring at every agency, or is there autonomy for
22 hiring when it comes to agencies? Do agencies have
23 the decision-making authority to make those hires on
24 their own?

2 DIRECTOR JIHA: We approve all the personnel
3 actions throughout the city. But as I said in my
4 testimony, the agencies have the budget authority to
5 hire. In other words, the challenge that they have,
6 is not vacancies, okay? They have the vacancies.
7 It's just they're not hiring as fast, okay?, to
8 basically offset the attrition. So the challenge is
9 not vacancies. They have vacancies. We have 23,000
10 vacancies, okay? As you said, Social Services, for
11 instance, they have 2100 vacancies. So it's not like
12 they don't have vacancies. And we just added for
13 them 340 as part of a negotiation with the Council.
14 So it's not that they don't have. It's a question of
15 how quickly they are hiring, okay?, compared with the
16 attrition.

17 SPEAKER ADAMS: So, you mentioned also the-- the
18 plan agreement with DC 37. With the planned
19 agreement of the DC 37 collective bargaining
20 agreement, we anticipate now that some of the hurdles
21 that agencies faced when hiring would be lessened,
22 especially if it's coupled with better outreach and
23 marketing efforts. So I think the Administration and
24 the City Council may be perhaps viewing this a little
25 bit differently. The Administration may be trying to

2 set a lower ceiling, whereas the Council is trying to
3 raise the floor.

4 So as we go through the budget hearings, I hope
5 that we could identify positions that can be restored
6 to ensure an acceptable level of delivery of city
7 services. I know in particular, we have been, you
8 know, particularly disturbed by the losses at HRA.
9 We have seen family suffer at the losses of HRA.
10 Just with that in mind, can you say for certain that
11 the elimination of certain positions in the
12 preliminary budget will not further impede city
13 agencies from providing services to New Yorkers?

14 DIRECTOR JIHA: As I indicated to you, we are
15 more than happy to work with agencies. Agencies have
16 enough heads, but if there are certain areas of their
17 operation, that-- that needs resources, and if the
18 resources are available, we will work with them, and
19 we will work with you, okay?, to provide the needed
20 resources so that they could maintain their
21 operations, like we did with you working with HRA, by
22 providing 340 more heads to basically process faster
23 the application for SNAP and cash assistance.

24 SPEAKER ADAMS: Director, are-- is OMB taking a
25 look at prioritization of agencies? Do you-- Do you

2 all maybe have a list of, let's say, one to five
3 agencies that you're prioritizing, when it comes to
4 vacancy, that you're watching? That OMB particularly
5 has eyes on, hands on, watching the hiring process
6 because of the deficit in service-- in the provision
7 of services?

8 DIRECTOR JIHA: We do not provide a target when
9 we work with the agencies in terms of-- We give them
10 a target overall. We don't tell them which
11 particular operation, but what we do, we work with
12 agencies if they come to us and tell us basically
13 that certain aspects of their operations, okay?, are
14 suffering because they lack the resources needed. We
15 work with them to provide them resources for those
16 particular areas.

17 SPEAKER ADAMS: So the stories that have come out
18 regarding families that are now being put out of
19 certain spaces, and other-- other issues that have
20 come out and brought light to not, just the Council,
21 but to New Yorkers, you're saying that OMB is not
22 necessarily prioritizing those things that have
23 specifically been made or-- or...

24 DIRECTOR JIHA: No. What I said is the agencies
25 have those resources, okay? In other words, they

2 have a lot of vacant positions. So it's up to the
3 Commissioner to basically, based on what the needs
4 are, to reallocate those resources into those areas.

5 And if there is a shortfall, if they hire up, and
6 they use all their resources, and there's a shortfall
7 they come to us and discuss with us. And if we have
8 those resources, we'll make them available to them.

9 SPEAKER ADAMS: So OMB plays no interactive role,
10 is-- I guess that's my question. OMB plays no
11 interactive role in making sure that the numbers for
12 restoration of resources, for families that are
13 hurting, for families that can't get the resources.
14 OMB plays no interactive role for those agencies in
15 saying, "Look, we've got to bump this up, or not."

16 DIRECTOR JIHA: If the agency heads come to us,
17 okay?, with a request that they have needs, okay?, we
18 provide them the resources. But for now, what I'm
19 saying to you is they have those resources. So what
20 we tell them is hire up, okay? And if you-- after
21 you hire, if you need more resources, we will provide
22 you the resources if we have them available to us.

23 SPEAKER ADAMS: Are there any agencies that you
24 can name that have specifically come to OMB saying
25 that we need resources now?

2 DIRECTOR JIHA: As far as I'm concerned, when
3 they come to us, we discuss it with them, okay? We
4 discuss the-- you know, what they need.

5 SPEAKER ADAMS: So there are no specific agencies
6 that you can...

7 DIRECTOR JIHA: I cannot point specific agencies
8 to you, because every time they come to us, we always
9 work with them.

10 SPEAKER ADAMS: Okay, because we can. I just
11 want to make that perfectly clear.

12 DIRECTOR JIHA: We always work them work with
13 them, yes.

14 SPEAKER ADAMS: The Council can name specific
15 agencies that have come to us and made their-- their
16 deficits known to us that are particularly
17 concerning, so...

18 DIRECTOR JIHA: I would love to know them, to be
19 honest with you.

20 SPEAKER ADAMS: Okay. All right. Well, we can
21 put HRA at the top of that list for now. But we can
22 certainly provide you with Several others.

23 DIRECTOR JIHA: Okay.

24 SPEAKER ADAMS: I'm going to move on to asylum
25 seekers. The November 2022 plan included an

2 additional \$1 billion in federal funding in fiscal
3 2023 across multiple agencies for the city's response
4 efforts to the recent influx of asylum seekers that
5 began in April 2022. The Mayor subsequently
6 indicated publicly that the costs had ballooned to \$2
7 billion or more for this fiscal year. Recently, the
8 cost has been quoted at \$1.4 billion for fiscal 2023
9 and \$2.8 billion for fiscal 2024. You mentioned also
10 in your opening testimony that this is exponential.
11 i'm paraphrasing.

12 Why has the estimate grown so large in such a
13 short period of time? In addition, we know the
14 numbers and everything else, but can you give us
15 specifics?

16 DIRECTOR JIHA: Yeah. As I indicated in my
17 testimony, we now have welcomed almost 50,000 asylum
18 seekers in New York City, and we are carrying for
19 about 30,000, okay? At the beginning, it was very
20 little, okay?, and it grew exponentially. So now
21 we're looking at the trend going forward, okay?
22 That's our forecast-- the need in our forecast.
23 Currently, as I said to you, we are spending about
24 \$150 million a month, okay? \$150 million. This is
25 not forecast. That's what we are spending a month,

2 okay? That's how quickly, okay?, resources have been
3 spent. So that is what explains, okay?, the new
4 forecast, because we currently have in our care about
5 30,000 people, which we didn't have at the beginning.

6 SPEAKER ADAMS: What-- What is the city's current
7 estimate for the number of asylum seekers over the
8 next year and a half?

9 DIRECTOR JIHA: We-- Assuming that the trend will
10 remain more or less flat where it is, because of all
11 the policy changes, okay?, and our hope is to try to
12 exit as many folks as possible, okay?, so that we
13 could bring down. But for now, our forecast, we're
14 looking at more or less keeping the trend line flat.

15 SPEAKER ADAMS: Do you have-- do you have a
16 specific breakdown, Director Jiha, in the \$150
17 million that-- that OMB is spending a month? Which
18 agency? Which expenses?

19 DIRECTOR JIHA: Yeah, we do. To give an example,
20 as of the end of February, as I indicated, the total
21 cost is \$654 million. We have DSS that is about \$382
22 million, H+H \$200 million, NYCEM \$42 million, DCAS
23 \$15, OTI (which is Office of Technology) \$13 million,
24 DOHMH \$2 million, and DDC is about \$600,000.

2 SPEAKER ADAMS: When we take a look at those--
3 And thank you for having the specifics for us. So
4 when we take a look at those numbers then, are there
5 is there another specific breakdown as far as
6 programming?

7 DIRECTOR JIHA: I could give you, in terms of,
8 you know, housing, you know, supplies, including--
9 Yeah, I could give you that information as well.

10 SPEAKER ADAMS: Mm-hmm. We'll take it.

11 DIRECTOR JIHA: Services and supplies about \$239
12 million. Housing, rent, initial outfitting is like
13 \$237 million. Administrative costs \$78, food \$51,
14 medical \$47 million, and the navigation centers about
15 \$2 million. If you want me to provide you a
16 breakdown after, I would be happy to get those to
17 you.

18 SPEAKER ADAMS: That would be great. That would
19 be great. I'm sure that we all would appreciate that
20 very much.

21 When we take a look at-- When we take a look at
22 the-- the situation with asylum seekers and moving
23 forward, what do you consider to be the greatest need
24 right now? And let's just do a comparison, and I
25 know this is difficult sometimes to take a look at

2 this: The comparison between DSS sheltering and
3 HERRC sheltering. What are the most substantial
4 differences in OMB's opinion?

5 DIRECTOR JIHA: It costs a lot more to do the
6 HERRCs than the regular shelter, because, you know,
7 as I indicated to you, you know, we provide a lot of
8 medical care, because a lot of these people come in,
9 they are sick, okay? So we provide a lot of services
10 that we're currently not providing in the shelter
11 because of the condition that these people are in.
12 So the cost is much-- it's a lot more. And also
13 there is the cost of the emergency. Because it's an
14 emergency, you have to build up these things quickly.
15 And the hotel cost is also very expensive. And you
16 know, the marginal cost, because as you get more
17 hotel, they become more and more expensive, okay?,
18 because the supply is shrinking.

19 So these are the main factors driving the costs
20 of the HERRCs compared with everything-- everything
21 else.

22 SPEAKER ADAMS: I'm going to bring this up also,
23 because I'd like to get OMB's opinion.

24 In an oversight hearing last week, it was noted
25 by the Council, we spoke about matters of equity, it

2 was noted by the Council the distinct differences in
3 equity between HERRCs and shelters. It is also noted
4 by residents in current shelters.

5 How does OMB -- and you mentioned a little bit --
6 how does OMB explained the lack of equity in food
7 provision and other types of provision, comparatively
8 speaking, between HERRCs and shelters?

9 DIRECTOR JIHA: It is-- Let's put it this way--
10 It's-- I'm hesitant to answer that question in--
11 blood work--

12 SPEAKER ADAMS: It's difficult.

13 DIRECTOR JIHA: It is very difficult, because I
14 don't want to put like, you know, one group of poor
15 people against another one, and I'm trying to be
16 careful about this.

17 But as I indicated to you, I don't think it's
18 like we're treating them differently. It's just the
19 outcome is different because of the circumstances.
20 You have to build new capacity, which is very
21 expensive. Whereas a shelter, you have it in place
22 for a long time, and you're paying per diem, okay?
23 You negotiate the contract, and you're paying per
24 diem. Whereas these? These are emergency places you
25 have to build, and you have to do them right away.

2 You have to find the hotel right away. On top of
3 that, you have to provide all the medical-- a lot of
4 medical services that we pay for, whereas folks in
5 the shelter system, they could go to a hospital,
6 okay? So these costs are not reflected as part of
7 the shelter. Whereas for-- for this group of people,
8 they are reflected, because, you know, they are-- we
9 are-- they are new to the system, and we have to
10 provide them all the cares that they need.

11 So that's the reason why it's-- you know, I
12 could, you know, I could say to you, it is a lot more
13 expensive to do, okay?, than the shelter system.
14 But, again, as I said, hopefully our goal is to get
15 these folks their paperwork, so they could go out
16 there and work, and get out of the system, exit the
17 system as quickly as possible.

18 SPEAKER ADAMS: Yeah I think that's everybody's
19 goal as well, in witnessing some people get-- getting
20 off of buses and realizing all they want to do is
21 work--

22 DIRECTOR JIHA: Is work.

23 SPEAKER ADAMS: --and we are unable to provide
24 them, you know, right now, legal means to do that.
25 It's extremely disturbing.

2 I'm going to move on to housing. I know my
3 colleagues really want to get in here. It's going to
4 be a long day.

5 The Mayor has spoken a great deal about his plan
6 for dealing with our city's housing crisis. Six
7 months into his term, he released his Housing Our
8 Neighbors Plan, which encompasses the
9 administration's vision to improve NYCHA, build and
10 preserve new affordable housing, and reduce
11 homelessness.

12 However, the PMMR shows a decrease in anticipated
13 affordable housing starts from 25,000 per year to
14 18,000 per year. At the same time, the city staffing
15 crisis is making the affordable housing pipeline more
16 constricted. The capital plan, although large, is
17 largely backloaded with most housing funds planned to
18 be committed between fiscal years 2028 and 2033, and
19 it doesn't present immediate relief for New Yorkers.

20 Does the Administration believe the preliminary
21 plan puts the necessary resources in place to deal
22 with the city's housing crisis?

23 DIRECTOR JIHA: Yes, I do. Don't forget, we
24 currently have an unprecedented \$23 billion in the
25 capital plan for housing. I mean, this is

2 unprecedented today. This is-- This is the highest
3 level ever, okay? I understand the challenges. You
4 know, it takes time to, you know, to bring new
5 properties online. And we're dealing with a serious
6 crisis, housing crisis in New York City. But we're
7 trying our best to address it.

8 SPEAKER ADAMS: Okay. You just mentioned
9 challenges. Can you-- Can you name some of the
10 challenges or factors driving the decline in housing
11 starts, and what we can do to ensure increased
12 housing production?

13 DIRECTOR JIHA: I mean-- I don't even have to--
14 You know, it's-- Everybody knows the supply chain
15 problems we had. It takes a long time to get
16 materials, okay? And it's costing us a lot more,
17 okay?, for materials. These are things-- These are
18 real, okay? I mean, anyone doing any construction
19 work at their house has to wait-- knows we have to
20 wait like six, seven months to get anything, okay?
21 So it takes a long time to get material because of
22 all the supply issues that we have. So to the extent
23 that these things would work themselves out, it would
24 allow us to accelerate the process.

2 SPEAKER ADAMS: You sound very optimistic, which
3 is a good thing. We also are hoping that HPD can
4 ramp up its production and decrease that backlog.
5 I'll let my colleagues dig more into that.

6 I'm going to move on to 3K. The preliminary
7 budget includes a reduction of \$283 million in fiscal
8 year 2024 for the 3K program. This reduction would
9 eliminate the planned addition of 6000 slots. This
10 reduction was justified by the Administration because
11 of the current 33% vacancy rate in 3K. However, the
12 Council is concerned because anecdotally, we've heard
13 from our constituents that many of the extended-day,
14 year-round 3K programs are currently waitlisted. Of
15 the current 3K enrollment, could you tell us how many
16 of those slots are extended-day, year-round, center-
17 based programs, and how many are school-day, school-
18 year? And similarly, with the vacancies, how many of
19 the vacancies are extended-day, year-round, and how
20 many of the of the vacancies are school-day, school-
21 year?

22 DIRECTOR JIHA: Regarding the 3K capacity, it is
23 about 54,944. And the breakout is as follows: 44,81
24 are school-day seats, 7450 are extended-day seats,
25 and 2684 are Headstart seats. That's what we have.

2 And if you need additional breakdown, I will work
3 with your staff to provide you the additional
4 information that you need.

5 But the larger point that you raise is a question
6 of the vacant positions, the seats that we have. And
7 again, we'll work-- more than happy to work with the
8 Council because as we have-- DOE is conducting an
9 analysis with a consultant, basically to match seats
10 with kids. So we'd be more than happy to work with
11 the Council to know-- to basically place-- try to, as
12 best as we can, to place kids in those seats.
13 Because it doesn't make any sense for the city to be
14 spending 19-- money for 19,000 seats that are empty.
15 They're empty. 19,000 empty seats.

16 So to the extent that we could make a big effort
17 in terms of outreach, okay, to place kids in those
18 seats, we'd all be better off because we're already
19 spend that money. It's 19,000 open seats. Please
20 help us out because we need your help to work with
21 us, okay? If you have a wait list, please let us
22 know. We will share that with DOES, because we are
23 talking about 19,000 seats that we are paying for.
24 Empty.

2 SPEAKER ADAMS: Is there any information that OMB
3 can provide when it comes to the types of seats
4 families want (A), and (B) if there will be any
5 front-facing system to let the families know where
6 these vacancies are so that they can go in and see
7 where the 3K slots exist in their neighborhoods?

8 DIRECTOR JIHA: I think that's the reason why I
9 say we are doing a study with a consulting firm to
10 match-- to see what the needs are, and to match the
11 needs with the seats. And once that study is
12 completed, okay?, we will have more insight in terms
13 of how to allocate those seats, and in which area to
14 allocate them.

15 SPEAKER ADAMS: Okay. Are these-- Are these
16 studies ongoing? Right now? Have they begun?

17 DIRECTOR JIHA: It's ongoing. It's ongoing.

18 SPEAKER ADAMS: They have begun? When did they
19 start?

20 DIRECTOR JIHA: I believe a month ago?
21 [background voices] I think about I'm not sure
22 exactly. But it's about I believe it's about a
23 month, or month and a half ago.

24 SPEAKER ADAMS: All right. So-- so that's not
25 enough time to give us any results yet.

2 DIRECTOR JIHA: No. But we will have that
3 information very soon. We're pushing them really
4 hard.

5 SPEAKER ADAMS: Okay. Great. Okay, let's--
6 let's look at Terms and Conditions for a moment. The
7 Council negotiated for the inclusion of a record
8 number of Terms and Conditions to be included at
9 fiscal 2023 adoption. However, we've learned for the
10 most part, agencies have not been meeting the
11 deadlines for reporting as mandated by the Terms and
12 Conditions. As of today, Director, there are 49
13 Terms and Conditions that the Council should have
14 received. But to date, we have only received
15 reporting on 19 of those, with 30 still outstanding.

16 Can you explain why some agencies are
17 consistently late in their reporting back to the
18 Council?

19 DIRECTOR JIHA: I cannot. But if you are able to
20 send me a list of the outstanding Terms and
21 Conditions, we will work with the agencies so that
22 they could provide you the appropriate response right
23 away, okay? It is-- As I said, it's unacceptable,
24 because, you know, that we worked out an agreement
25 with you, and we expect the agencies, okay?, to

2 follow through. But if you give me-- give us a list,
3 we'll work with those agencies so that they could
4 provide you the T&C that you need.

5 SPEAKER ADAMS: What-- Is there no mechanism
6 already in place for OMB to follow up, other than the
7 Council's oversight, bringing back this information
8 to OMB?

9 DIRECTOR JIHA: Because I know they come and
10 provide you the information ongoing throughout the
11 year. So we can not-- we don't keep track. And we
12 should keep track of what is submitted, and what's
13 not submitted. But again, as I said, if-- we will
14 work with your team to get the lists of the agencies
15 that are not meeting the terms of the agreement, and
16 I will go back to them.

17 SPEAKER ADAMS: Okay. We're going to recommend
18 on the record that because these Terms and Conditions
19 are negotiated with OMB, that OMB put some type of
20 mechanism in place to follow through with the
21 negotiated items.

22 DIRECTOR JIHA: Agreed.

23 SPEAKER ADAMS: Thank you very much. I yield
24 back to Chair Brannan. Thank you.

2 CHAIRPERSON BRANNAN: Thank you, Speaker. We've
3 also been joined by Councilmembers Restler, Sanchez,
4 Moya, and Brewer. That's everybody. And Ossé on
5 Zoom.

6 I want to zoom in a bit more on some of the
7 points made by our Speaker with regard to the Vacancy
8 Reduction Plan.

9 There was a commitment made not to eliminate any
10 revenue-generating positions or positions that would
11 reduce delivery of services, which is obviously
12 critically important to us. The reason why it's so
13 important to us is because reduction in headcount
14 leads to a reduction in services for New Yorkers, and
15 in some instances, less tax revenue for the city.

16 Has OMB considered all other alternatives, such
17 as better collections on outstanding fees and taxes
18 before deciding on PEGs and vacancy reductions?

19 DIRECTOR JIHA: Yes, as part of any PEG that we
20 issue, we-- we look at revenue-generating-- revenue
21 generation, and we explore them to see if they are
22 sound. Agencies submit them, and we always look into
23 them.

24 But more concerning to me is the fact that you
25 mentioned that-- that revenue generating positions

2 were removed, because we exempted them from the
3 exercise. It's-- I'm very sensitive to that, because
4 I used to manage finance. I used to be the
5 Commissioner of Finance, and I know exactly, okay?,
6 what a revenue-generating position can yield in terms
7 of resources for the city. So therefore, I would
8 never, okay?, cut agencies that generate revenue.

9 CHAIRPERSON BRANNAN: No. I said-- I said in the
10 Vacancy Reduction Plan, the commitment was made /not/
11 to eliminate-- Yeah.

12 DIRECTOR JIHA: Yeah. So we know that. We are
13 very careful with that.

14 CHAIRPERSON BRANNAN: So this sort of-- There's--
15 - Speaking about the asylees: Are there any
16 contracts that are being executed for work that could
17 be done by the-- by city employees that are now being
18 done through contracts because of the current
19 vacancies, whether it's through the asylees, or
20 anything else?

21 DIRECTOR JIHA: Not that I believe. You know,
22 because of-- The nature of the work is so quick, we
23 have to set up those things so quickly. So it's not
24 like you could free up resources and say, "You know
25 what? Go and do X, Y, and Z while you're not doing

2 your work." So these things, you know, they have to
3 be built very fast. You have to provide the services
4 very fast. So we didn't have the infrastructure in
5 place for that, okay? So, therefore, the best route
6 for us, and first to get the result as quickly as we
7 needed was to contract out the services.

8 CHAIRPERSON BRANNAN: But if we had-- if we
9 didn't have the vacancy-- the vacancies that we have,
10 would that have been your-- would that have been--

11 DIRECTOR JIHA: They don't have the expertise to
12 you know, to set up a tent, okay?, to provide, you
13 know-- it's not like the you know they, you know--
14 these are services that we have to contract out
15 because-- currently, we contract out all of these
16 services to begin with, because we don't have the
17 infrastructure in place.

18 CHAIRPERSON BRANNAN: Are there-- I mean, are
19 there any other city services that, due to the
20 vacancies, we're relying on contracts for, that we
21 normally wouldn't be if we didn't have the vacancies?

22 DIRECTOR JIHA: No. The vacancies is, as I said
23 to you, the vacancies are there not because we don't
24 provide budget authority. The agencies have the
25 budget authority to hire. It's just a question, as I

2 said, they're losing faster-- they're losing folks as
3 quickly as they hire people. They're losing people,
4 okay? That's the attrition problem that you have.

5 And as I said-- And the attrition problem you
6 had, you had it for a specific year, for a number of
7 challenges we had, including vaccination mandate,
8 vaccine mandates, including maximum data, a lot of
9 these things had an impact on people leaving the
10 workforce.

11 CHAIRPERSON BRANNAN: So let's talk about the
12 hiring process a bit. I was encouraged to hear in
13 your testimony that you've taken steps to shorten the
14 review timeline. Your testimony said that OMB will
15 now respond within 10 days to all personnel actions
16 that follow the hiring promotion guidelines, less
17 than 21 days if an agency requests a guideline
18 exception. So I know included in the Mayor's Vacancy
19 Reduction Plan was the repeal of the policy for the
20 two-for-one or three-for-one, which we were happy to
21 hear. We're still hearing from agencies that the
22 practice is still in effect. I guess the larger
23 question is: What are we doing-- What's being done
24 differently to improve the hiring process since the
25 issuance of the vacancy letter?

2 DIRECTOR JIHA: I don't know which agency is
3 telling you that the two-for-one is still in place,
4 but it's not.

5 CHAIRPERSON BRANNAN: Okay.

6 DIRECTOR JIHA: Okay? And as indicated in my
7 testimony, we're taking a number of steps. We work
8 with-- We-- As part of the deal with DC 37, we
9 created an equity fund, okay?, for hard-to-recruit
10 titles, because there's certain titles where city
11 salaries are not competitive with the private sector.
12 So therefore we created that fund so we could pay a
13 higher salary to attract employees in those hard-to-
14 recruit titles. So that's one thing.

15 We're doing job fairs throughout the city. We
16 are also exploring, okay?, a pilot with DC 37, to
17 explore flexible work, in terms like things like
18 remote work. So we are exploring a number of things,
19 okay?, to see what's going to work, okay?, to make
20 sure we attract-- we are as attractive to city
21 workers-- to the workforce as we can be. And more
22 importantly, we are changing the mindset, okay? This
23 is-- This piece is critical. The City has always
24 been a passive employer, okay? We just sat around,
25 and wait for people to take tests, okay? We don't

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2 aggressively, okay?, go out there and try to recruit
3 people. We're trying-- We're changing that
4 paradigm, okay? Now you have the Mayor out there
5 making-- in job fairs. We're working with DC 37.
6 We're trying our best to be out there in the
7 communities to tell folks, "Listen, the city has
8 23,000 vacant positions, okay? You should apply for
9 those jobs. And that's the reason I'm asking the
10 Council to work with us, okay?, in the outreach
11 effort, okay?, to recruit as many people as we can.
12 You're talking about 20,000 good paying jobs, okay?
13 And then we have high unemployment in very many
14 districts around the city, okay?, please walk with
15 us.

16 CHAIRPERSON BRANNAN: Yeah, I know, I mean--

17 DIRECTOR JIHA: Like I said, we're changing the
18 paradigm. We're becoming a very-- more dynamic, more
19 aggressive, instead of being a passive employer.

20 CHAIRPERSON BRANNAN: Yeah. I know. I think the
21 Speaker has been clear. I mean, we want to be
22 partners there. Is there-- Is there a-- I mean,
23 what is-- what is normally baked into your budget for
24 attracting talent? And is that something that you're
25 going to look to increase in the next budget?

2 DIRECTOR JIHA: That's something, as I said, that
3 we were looking at. As I said, we just negotiated a
4 contract with the labor unions where we will put in
5 [TO FIRST DEPUTY DIRECTOR GODINER:] How much? \$70
6 million? [TO COUNCIL:] About \$70 million into an
7 equity fund to basically pay better salaries to
8 certain titles.

9 CHAIRPERSON BRANNAN: Okay.

10 DIRECTOR JIHA: Okay? We're looking into a
11 number of things. And these-- if they require
12 resources in upcoming financial plans, we will
13 address them.

14 CHAIRPERSON BRANNAN: So there'll be a new-- I
15 agree that normally it's been passive. We just wait
16 around for people to call and say, "I want to work
17 for the city." If we're going to be aggressive and
18 really roll out a campaign, I think for us to really
19 believe in that there needs to be some money behind
20 it.

21 DIRECTOR JIHA: As I said, we are reviewing all
22 our options and, you know, and if there is a need for
23 more resources to do so, we will address it.

24 CHAIRPERSON BRANNAN: Okay. Have-- The DC 37
25 hiring halls, have they been successful?

2 DIRECTOR JIHA: I think they have been, so far
3 based on what I'm hearing, okay? Based on what I'm
4 hearing, they've been successful. We've got a lot of
5 people coming to them. If I remember correctly, last
6 time they had, like, let me see, they had like, based
7 on what I'm hearing and seeing, yeah, they've been
8 very successful. DCAS had participated in 129
9 recruiting events so far, and they hosted their first
10 citywide hiring fair. And then there are like 21
11 agencies that participated in them, with over 856
12 vacancies, and there were about-- over 1000
13 attendees, okay? so, you know, it looks very
14 promising. So it is something that we should
15 continue to push.

16 CHAIRPERSON BRANNAN: Can you can you walk us
17 through sort of soup-to-nuts that the process and
18 agency has to go through to fill a position. Are
19 there layers of bureaucracy there that that could be
20 removed to expedite that process?

21 DIRECTOR JIHA: Let me talk to Ken. Go ahead
22 Ken. Let me ask Ken to answer that question.

23 FIRST DEPUTY DIRECTOR GODINER: When, process
24 wise, agencies first, generally seek OMB approval to
25 make an offer or put a posting out. At that point,

2 you know, OMB has new service levels. We turn those-
3 - those around in 10 or 21 days, depending on whether
4 they meet the salary guidelines.

5 At that juncture, it's over at the agency level.
6 And, you know, I think that the-- the experience is
7 that each agency handles this slightly differently.
8 But, you know, we've tried at OMB to reduce the
9 amount of time it takes. We've made some new rules
10 to allow people to be hired at the incumbent rate, if
11 they have four years of relevant experience outside
12 the city. We're taking a number of steps to try to
13 make it easier for agencies to get those-- those
14 offers that people want out there, to meet the
15 guidelines so that they can be processed quickly.
16 And I think, you know, one of the things that's very
17 fortunate, if this DC 37 labor agreement is in fact
18 ratified by May, the titles in DC 37, which is our
19 largest civilian union, we will see a 9.25 percent
20 increase in those salaries that we're offering
21 people. And we think that's going to help a lot,
22 too.

23 CHAIRPERSON BRANNAN: So now that the
24 restrictions have been removed, what are some of the

2 reasons that positions that agency requested to hire
3 would not receive OMB approval?

4 FIRST DEPUTY DIRECTOR GODINER: If-- If the
5 agency lacks a budget authority to make the hire,
6 right? If they're-- if they're spending above their
7 budget, that would obviously be a restriction why we
8 would not do it. Otherwise, things that come to OMB
9 would be approved unless the salaries were outside
10 the contractual rates. We do look on a case-by-case
11 basis at the exceptions (that's that 21 day process)
12 when salaries are not at the contractual rates, and
13 we review those. So if-- if the salary was vastly
14 different than let's say other people who are already
15 working for the city we're making, we might not
16 approve for those types of reasons.

17 CHAIRPERSON BRANNAN: And do you keep-- Does OMB
18 keep vacancy rates in mind when you're approving or
19 disproving a request to hire?

20 FIRST DEPUTY DIRECTOR GODINER: You know, it's
21 part of a holistic review. But clearly, you know,
22 the agency's need for employees, their ability to
23 recruit, right?, you know, goes into our calculus in
24 terms of whether we approve or not, for a salary
25 exception.

2 CHAIRPERSON BRANNAN: Yeah, I think we're just
3 looking to-- we're just looking to learn and be
4 supportive and helpful in what's being done
5 differently. I think we agree that-- that in the
6 past, we haven't had this the same challenges that
7 we're experiencing now. And we cannot afford,
8 literally and figuratively, to be passive. But I
9 think it's important for us to see, if you want the
10 Council to be partners, to understand what's being
11 done so we can support those efforts.

12 DIRECTOR JIHA: Sure, definitely.

13 CHAIRPERSON BRANNAN: Getting back to the
14 response efforts for the asylum seekers. So the
15 federal government, appropriated \$800 million for
16 costs. City Hall has not received this funding that
17 I'm aware of, as of this morning. What is the status
18 of the city's expected allocation, and is it any more
19 or less?

20 DIRECTOR JIHA: Well, right now, we are were
21 still waiting. We reached out to FEMA and asked them
22 to give us an update in terms of when we should
23 expect to get the-- those resources. They are still
24 working on developing the grants and coming up with

2 the guidelines. So we're still waiting. We do not
3 know how much we're going to get for sure.

4 But even in the best case scenario, that the city
5 were to get all \$800 million. This is so-- so little
6 compared with the needs that we have, that we have to
7 make a big push, okay?, at both the federal level and
8 the state level, to get additional resources.

9 CHAIRPERSON BRANNAN: What was requested?

10 DIRECTOR JIHA: Well, we will request when we
11 know exactly when we will get the resources, because
12 we're spending a lot of money. As I said to you, so
13 far we're--

14 CHAIRPERSON BRANNAN: So how did they come up
15 with \$800 million?

16 DIRECTOR JIHA: I don't know how they come up
17 with \$800 million. That is what they are allocating--

18 -

19 CHAIRPERSON BRANNAN: But there wasn't a dollar
20 figure for-- an exact figure put in for a request?

21 DIRECTOR JIHA: No, no, no. It was \$800 million
22 allocated by the Congress, the last Congress, but we
23 don't know how they come up with \$800 million.

24

25

2 CHAIRPERSON BRANNAN: So can we expect an
3 adjustment will be made in the executive plan to--
4 depending on what happens here to reflect?

5 DIRECTOR JIHA: Our goal is to-- right now to
6 reflect what the state has promised us, which is a
7 billion dollars, okay? Everything else will be a
8 guess, because we don't know how much we're going to
9 get from the federal government. So therefore, we
10 have not yet decided how we're going to treat that--
11 the federal government, because we don't know for
12 sure how much we're going to get from them.

13 CHAIRPERSON BRANNAN: What cost do we believe
14 would be reimbursable under the state program?

15 DIRECTOR JIHA: So far, I'm assuming all of them,
16 including hotel, food, shelter, shelter costs food,
17 and my expectation is all of the costs will be
18 reimbursed.

19 CHAIRPERSON BRANNAN: Okay, on Friday, it was
20 noted at a hearing on contracts related to the
21 asylees that the average cost per asylum seeker and
22 shelter per day was \$363. There was some confusion
23 as to whether this was the cost per person or the
24 cost per household. Can you clarify that?

25 DIRECTOR JIHA: Because it's \$364 per household.

2 CHAIRPERSON BRANNAN: \$364 per household?

3 DIRECTOR JIHA: Per household, and we have about
4 13,000 households. Well, exactly 12,700 households.

5 CHAIRPERSON BRANNAN: Okay. And what-- what goes
6 into that \$364?

7 DIRECTOR JIHA: It's Shelter. It's-- As I said,
8 it's care, for food, it's all of these things that I
9 just laid out.

10 CHAIRPERSON BRANNAN: Okay. And is-- is this the
11 blended costs for all asylum seekers and shelters,
12 or...?

13 DIRECTOR JIHA: It's a blended cause for both the
14 DSS and the HERRCs.

15 CHAIRPERSON BRANNAN: And the HERRCs. Okay.
16 Okay. So, as the Speaker mentioned, DHS and HRA,
17 like many other city agencies have had to deal with--
18 with high vacancy rates among its employees, which
19 we're seeing has led to challenges in their outcomes.
20 So how much of a priority is OMB placing on reducing
21 the vacancies at DHS?

22 DIRECTOR JIHA: High priority. It's a high
23 priority of the Administration. Actually, they've
24 made significant progress in terms of hiring at SNAP,
25 for the SNAP program. And again, as I said, as part

2 of the deal that we had with the Council, we just
3 added another 340 heads on top of the 2100 they
4 already have. So we're providing-- we're working
5 with them. And they're making progress. But as I
6 said, it's a very challenging environment, and we are
7 trying to be as aggressive as we can be, okay?, in
8 our own practice.

9 CHAIRPERSON BRANNAN: I guess-- Just zooming out
10 for a second, overall with job applicants: What's
11 the-- What is the biggest challenge? Is it the pay
12 rate? Is it the flexible schedule? Is it that they
13 could work remotely somewhere else? Is there one...?

14 DIRECTOR JIHA: It's all of the above. It's, you
15 know-- we have folks at OMB. After like, two or
16 three weeks they leave, because they need-- they want
17 to work remote. You know, it's all of these
18 challenges. And on top of that, we cannot compete
19 with the private sector. We have challenges because
20 you know, as salary is set by contract with the labor
21 union, so we cannot just change them.

22 So we have a lot of challenges. And it's a very
23 tough environment, because you're talking about an
24 environment where we have, you know, from-- I read a
25 report somewhere, where we have like-- they have

2 like, for every two vacancies, they only have one
3 employee available. So this is how difficult it is
4 throughout the country, okay? It's a very, very,
5 very tight labor market.

6 CHAIRPERSON BRANNAN: I know we spoke before
7 about contracting with the asylees. But if-- if DHS
8 and HRA hadn't been dealing with these staffing
9 challenges, would we have needed to create the
10 HERRCs?

11 DIRECTOR JIHA: Yes, because we don't have the
12 capacity. We don't have the capacity. And because
13 we don't-- I mean, this is not a joke. This is, I
14 mean, as I said, last year, we had about 43,000,
15 folks, okay?, in the shelter system, okay? We are up
16 to like 80,000, okay?, in a matter of a year. This
17 is not a joke. This is real. This is a 77% increase
18 in about a year. So you cannot handle this kind of
19 increase, you know, with the capacity we currently
20 have, you know, in the city. So we have to rely on
21 expert, an outside expert to provide us the resources
22 that we need, that we will need because we don't have
23 those-- we don't have the expertise. And also we
24 don't have the capacity to hire as quickly, okay?,
25 to-- basically to respond to this crisis.

2 CHAIRPERSON BRANNAN: But how do you think the
3 contractors that we're doing business with. How are
4 they hiring so quickly?

5 DIRECTOR JIHA: These are emergency contracts.

6 CHAIRPERSON BRANNAN: What's that?

7 DIRECTOR JIHA: Emergency contracts. You know,
8 that's the reason why they were-- you know, they
9 weren't as quickly as they could, because we couldn't
10 any other way.

11 CHAIRPERSON BRANNAN: And you think that's just
12 because there's less bureaucracy?

13 DIRECTOR JIHA: Yes. Because we you know--
14 That's exactly what it is. Yeah.

15 CHAIRPERSON BRANNAN: Moving to the labor
16 settlements, I think you mentioned a bit in your
17 opening testimony, but will it just be the DC 37
18 labor costs? Or will we see the cost of all unions
19 at that same pattern in the executive budget? What
20 do you anticipate?

21 DIRECTOR JIHA: In the executive budget is-- our
22 goal is once the-- this agreement is ratified by DC
23 37 members, our goal is basically to present the
24 pattern, okay?, in the executive budget. Because of
25 the pattern. And Ken, do you want to add more?

2 FIRST DEPUTY DIRECTOR GODINER: Yeah. I mean,
3 it's just. Right. If this hopefully will be
4 ratified, then if, you know, the next plan will
5 reflect the cost of the pattern applied to the entire
6 workforce.

7 CHAIRPERSON BRANNAN: So what-- would the
8 estimated costs of the bargaining pattern include the
9 cost of settlement with the uniformed unions?

10 FIRST DEPUTY DIRECTOR GODINER: Yes.

11 CHAIRPERSON BRANNAN: Yes. Okay. I think the
12 most-- the most important part, the most interesting
13 piece of the DC 37 settlement, for us, was the-- the
14 committee to explore the flexible work options,
15 including remote work. Is this option going to be
16 now be offered to other unions?

17 DIRECTOR JIHA: Ken?

18 FIRST DEPUTY DIRECTOR GODINER: We're-- We're
19 looking at, you know-- We're setting up a joint
20 committee to discuss options to provide greater
21 flexibility for work for our employees. As the Mayor
22 said, we need to create a program that works for an
23 300,000 employee workforce, a variety of whom are--
24 are performing roles that are not particularly well-
25 suited for remote or flexible schedules.

2 We also need to make sure that we roll out the
3 program that aligns with the flexibility of work. As
4 I said, with the ability for people to get the work
5 done, he mentioned that we need to view this program
6 through an equity lens to make sure that that that's
7 being taken into account as well.

8 So as we go, you know, as this committee starts,
9 you know, I think it's really important that the
10 Administration and our labor representatives, sit
11 down together and be very thoughtful and deliberate
12 as it relates to workforce flexibility.

13 CHAIRPERSON BRANNAN: I don't want the City to be
14 the last one holding on to the return of Monday-to-
15 Friday, nine-to-five. I think the flexible work
16 options will go a long way with-- with attacking the
17 high vacancy rates. I look forward to-- to seeing
18 how that shakes out.

19 There has been some mention of the settlement
20 pattern perhaps differing for different unions,
21 depending on their ability to work remotely. So has
22 this been a consideration in developing the
23 collective bargaining pattern?

24 FIRST DEPUTY DIRECTOR GODINER: Well, right now
25 we have-- we have one settlement, right?, with DC 37.

2 We expect that to be the framework for-- for the
3 settlements going forward. You know, we're again,
4 going to be taking a deliberative approach, working
5 closely with our union partners here, and making sure
6 that-- that places where the work flexibility or the
7 ability to work remote allows people to still do the
8 work that's required.

9 We'll-- we'll keep going on. We're going to have
10 a pilot program that should be rolled out by June
11 1st, and we're going to make sure that the
12 flexibility is done in an equitable and sustainable
13 way.

14 CHAIRPERSON BRANNAN: Because I think it was
15 stated that employees who are unable to work remotely
16 may receive larger wage increases from those with the
17 potential to work remotely. So has there been an
18 additional cost estimated?

19 FIRST DEPUTY DIRECTOR GODINER: The agreement we
20 reached with DC 37 doesn't anticipate (nor do we
21 anticipate) additional pay for those whose work
22 schedules remain the same, who you know, where they
23 must be to for them to do the work.

24 CHAIRPERSON BRANNAN: Okay, I want to move on to
25 3K. The Speaker mentioned, one of the pieces that

2 we're interested in the Council is how-- We agree
3 with you that we need to do more with-- with getting
4 those seats filled.

5 I think we all find it hard to believe that there
6 could be that many families who would not jump at the
7 opportunity to take a 3K seat. So what has the
8 administration done to encourage enrollment in 3K
9 programs? And again, not unlike the vacancies, is
10 there a budget that's going to be set aside to
11 increase or execute, you know, marketing and outreach
12 to increase signups?

13 DIRECTOR JIHA: Well, currently, DOE has a
14 dedicated team that does-- basically does outreach,
15 and they have a budget of about \$3 million. Again,
16 as I said, there is a study being conducted to
17 basically match needs and seats. And after the study
18 is completed, and we do the matching, if there is a
19 need for more outreach, more resources, as part of
20 the budget negotiation with the Council, we will
21 discuss opportunities to provide more resources.

22 CHAIRPERSON BRANNAN: Okay. I want to move to
23 revenue quickly. In terms of economic output and
24 employment growth, do you expect the city to
25 experience a different trend from the rest of the

2 nation in dealing with the current and looming
3 economic challenges?

4 DIRECTOR JIHA: This economy has a much higher
5 dependence on the finance sector than the nation
6 overall. So, you know, for instance employment--
7 while employment in that sector is only 4% of the
8 total jobs in New York City, that sector generates
9 20% of all the wages, okay? and whereas in the nation
10 it is only 1%. So the Fed's monetary policy already
11 is having an impact on Wall Street. As you know,
12 Wall Street profits have dropped significantly, okay,
13 from 58, I believe-- from-- almost more than half.
14 So therefore, the city's economy has already been
15 impacted a lot more, okay?, than the rest of the
16 country, because our over-reliance on finance.

17 CHAIRPERSON BRANNAN: You mentioned finance, but
18 not the rely-- but not the reliance on tourism.
19 Would that not be a factor as well?

20 DIRECTOR JIHA: Yeah. Tourism is a big factor in
21 tourism as it rebounded, which is very good for us.

22 I mean, we have two things working for us whether
23 we have a very strong labor market. At the same
24 time, you have tourism. Both of them have rebounded.
25 But at the same time, you have two major industries

2 that basically drive our tax revenues in New York
3 City that are facing some extreme challenges. One is
4 Wall Street, and the commercial real estate market.
5 The office market is-- is going to 20% vacancies,
6 okay?, about to reach 23% vacancies in New York City.
7 This is equivalent to the entire downtown of
8 Manhattan office market being empty, okay? This is a
9 huge challenge for us, okay? So without these two
10 sectors driving the growth of tax revenue, you could
11 get some gains in you know, in tourism and in other
12 sectors, but without these two major sectors, okay?,
13 it is hard to imagine tax revenues remain, you know,
14 staying very strong in the outyears of the financial
15 plan. So therefore, we have to make a big push,
16 okay?, to get not only the commercial real estate
17 market going, but also hoping that Wall Street will
18 come back.

19 CHAIRPERSON BRANNAN: I want to talk quickly
20 about the property tax. In calculating property tax
21 revenues, there's a certain percentage taken out for
22 reserves for uncollectable tax payments. During the
23 last five years, the actual required reserves came to
24 an average of 6.5% of total collections. However,
25 OMB projects that 7.6% should be set aside in FY 23

2 and 7.3 in FY 24. Can you explain why OMB prefers
3 this higher 7.5% in allocating reserves?

4 DIRECTOR JIHA: It's not that we prefer it. It's
5 a question of, from our perspective, based on our own
6 forecasts, the fact that you had property tax revenue
7 growth for next year, we are expecting some
8 challenges. We are expecting more challenges than
9 usual, okay? But if we happen to be wrong, okay?, we
10 would adjust the revenues going forward. But again,
11 from our perspective, we're expecting more
12 challenges, okay? That's what's driving our
13 forecasts of a 7% instead of-- 7.6% instead of the
14 6.5% historically.

15 CHAIRPERSON BRANNAN: Is that related to why OMB
16 has chosen to keep the personal income tax forecasts
17 unchanged over the past two plans, even though we've
18 seen stronger collections?

19 DIRECTOR JIHA: The-- Again, the forecast that
20 we have is-- personal income tax forecast is very
21 complicated. As you know, personal income tax
22 forecast is comprised of a number of factors. You
23 have wages. You have capital gains, okay? You have
24 a bunch of factors that impact.

2 While wages have remain strong because of the
3 tight labor market withholding remains strong, but
4 capital gains has dropped, okay? So, you know, so
5 estimated payment has dropped significantly, okay?,
6 because of, you know, we have less capital gains in
7 this year so far.

8 But more importantly, there is something that we
9 are not sure yet about, and every forecaster will
10 tell you, which is the pass-through entity tax, okay?
11 The PTET is the first time we're doing this.

12 So everybody's saying a big jump in person income
13 tax, but we expect to have-- we have to provide a
14 refund on the back end, okay? So until that
15 adjustment is done, I'm not sure I would take at face
16 value any forecast that tells me we have a very,
17 very, very strong personal income tax. So I have to
18 wait until that offset is materialized, and then we
19 could-- we could have a better sense of what's going
20 on. At this point in time, it's too early, way too
21 early for us to say, you know, the forecasts will be
22 much higher than what we anticipate.

23 CHAIRPERSON BRANNAN: Okay, I want to-- I want to
24 move along so that my colleagues have some time. I
25 want to talk about audits quickly. The prelim

2 forecasts the city will collect \$721 million in tax
3 audit revenue for each year in the financial plan,
4 including the current fiscal year. Historically
5 though, the city has allocated more than that figure
6 every year since FY 2005. So in the past 10 years,
7 audit revenues have averaged a billion dollars per
8 year. In fact, audit revenues for FY 23 are already
9 over \$950 million as of January. Do you think that
10 the estimates for audit collections in the plan are
11 realistic?

12 DIRECTOR JIHA: Audit collections are hard to
13 predict with accuracy, you know, because it depends
14 on the some large audit could skew things one way or
15 another, okay? And the timing of those audits is
16 also critical. So usually what we do we typically
17 relies on the baseline forecast that is provided to
18 us by DOF in the outyears, and adjust them as we go
19 forward, adjust them as the year...

20 CHAIRPERSON BRANNAN: Could you could you tell us
21 why the audit revenues for January or so high at \$611
22 million, which mostly came from the bank tax?

23 DIRECTOR JIHA: There was a very large audit
24 settlement, okay?, and that's the reason why it was
25 so big.

2 CHAIRPERSON BRANNAN: Okay, and DOF's PEGs
3 included a reduction of audit staff headcount. In
4 prior administrations, hiring auditors was a PEG, as
5 it was considered revenue generating. So how is
6 reducing auditor headcount not going to have a
7 negative impact on revenue generation?

8 DIRECTOR JIHA: Tax auditors and assessors were
9 exempted, okay? And again, as I said the DOF
10 currently has 275 vacant positions, 275 vacant
11 position. I used to run that organization, okay?
12 The vacancy was about 250 back then, okay? They have
13 275 vacant positions.

14 CHAIRPERSON BRANNAN: Okay. Just staying on the
15 PEGs for a second. So putting aside our differences
16 on the extent of the recent round of PEGs, I think we
17 do agree that the exercise of reviewing the city's
18 budget for efficiencies is obviously good practice.
19 However, it-- it doesn't appear that this practice is
20 extended to the city's tax expenditures system, which
21 in FY 22 amounted to \$13.7 billion in foregone
22 revenue. So do you believe that there are savings
23 that could be found in the city's tax expenditures?

24 DIRECTOR JIHA: Of course. And we should also
25 always review them for savings. The-- The challenge

2 you always have is that the savings from reducing the
3 tax incentive programs, they usually accrue very
4 slowly. They accrue over time, because the benefits
5 last several years, okay? So you're not going to get
6 the savings until way, way, way in the outyears,
7 while-- while when we have to balance our budget, we
8 have to do it in the immediate, okay? It's-- So
9 therefore we need those resources right away. So
10 it's not like we don't look at those. We look at
11 them. We review them. But it's just that the
12 challenge that we have, the savings accrue slowly
13 over time because the benefits, okay? They last
14 several years.

15 CHAIRPERSON BRANNAN: So I'm going to send it
16 back to the Speaker. But lastly, the-- there's some
17 tax expenditure programs that are due to sunset in
18 Albany. Does the Administration hold any position on
19 any of the programs that are due for sunset, any of
20 them should be ended or revised?

21 DIRECTOR JIHA: I would defer to DOF on this,
22 because I believe they do their own analysis and to
23 make a recommendation to the Mayor. So I will defer
24 to them.

2 CHAIRPERSON BRANNAN: Okay, Director. I'm going
3 to give it back to the Speaker.

4 SPEAKER ADAMS: Thank you, Chair Brannan. Just a
5 couple more, Director, and then I will definitely
6 defer over to my colleagues. The city's economic
7 development tax expenditures, which totaled \$3.1
8 billion in fiscal year 2022 are a good place to look
9 for efficiencies. Recently IBO, at the request of
10 this City Council, completed a thorough evaluation of
11 the Commercial Revitalization Program, or CRP, and
12 the Commercial Expansion Program, CEP, two programs
13 which are currently up for renewal in Albany and
14 currently have a cost of about \$27 million. IBO's
15 analysis didn't find that these programs had an
16 impact on employment growth or commercial vacancy
17 rates in the targeted areas. Do you agree with their
18 evaluation?

19 DIRECTOR JIHA: I have not seen the analysis.

20 SPEAKER ADAMS: You haven't seen it?

21 DIRECTOR JIHA: No. So therefore it's hard for
22 me to make any comment.

23 SPEAKER ADAMS: Okay. So in that analysis, would
24 OMB support renewal of the two tax expenditures?

2 DIRECTOR JIHA: I have to look at the analysis to
3 see whether or not the benefits are are worth more
4 than the costs to us. If the benefits are worth more
5 than the costs, it makes sense. If it does not, it
6 doesn't make any sense.

7 SPEAKER ADAMS: Okay. Thank you, Director. I--
8 I want to just return one more time to the question
9 on the HERRCs, and I promise I'm going to be done,
10 unless I'm just piqued by a second round.

11 DIRECTOR JIHA: That's okay.

12 SPEAKER ADAMS: In looking at-- You mentioned
13 earlier, the growth in in asylees. Do you have any--
14 any idea: How many more HERRCs is the City seeking
15 to place in existing hotels or elsewhere?

16 DIRECTOR JIHA: I know they're working on this
17 every day, depending on the needs, how many people
18 are coming. So I believe, right now-- let me see how
19 many we have. We have 92 emergency shelters for
20 asylum seekers, and we have 7 HERRCs today. But they
21 continuously-- as I said, it's-- this thing consumes
22 a lot of resources at City Hall, because every day
23 people are coming, and you have to find places to put
24 them. And so I can't tell you for sure. I mean, so
25 it depends on the trend, okay?, in the future. I

2 can't tell you exactly. I mean, we're looking into
3 it. But so right now, we have about 92 emergency
4 shelters and 7 HERRCs to date.

5 SPEAKER ADAMS: Okay. Thank you very much.

6 CHAIRPERSON BRANNAN: We've also been joined by
7 Councilmembers Farías, Stevens, Powers.

8 Before I hand it over to-- And before I hand it
9 over to my colleagues, I think it's just important
10 that-- To be partners in the process, we want to
11 make sure that everything is on the table, as far as--
12 - I understand, our economists are used to saying
13 one thing, and then two, three months later, everyone
14 agrees with them. We're used to that. We're proud
15 of that.

16 But I think it's important that we-- and our
17 forecasts might be different, but I think when it
18 comes to tax revenues and tax collections, you know,
19 I see the same numbers that you do, that we're having
20 a sober conversation, and no one is sort of hiding
21 the ball on what's what.

22 So we know what we've got to play with, and we
23 know how to allocate it to make sure that we're
24 delivering the core city services that New Yorkers
25 need and expect.

2 So I look forward to working with you as we as we
3 head into the next 51 days.

4 I'm now going to turn it over to Councilmember
5 Barron for questions.

6 COUNCILMEMBER BARRON: You know, thank you very
7 much. It's incredible that you come forth with this
8 kind of budget discussion, when in fact, money is
9 available. The Council projects in 2023 and 2024
10 \$5.2 billion dollars more in revenue than you. OMB
11 projects, more revenue than you. And then you
12 project your revenue-- and by the way, we also have
13 8.3 billion in the reserve budget, along with surplus
14 projections in even the outer years, while some say
15 deficits, but there are surplus projections and
16 revenue then.

17 So this is why your revenue-- you try to justify
18 PEG-- and you should stop calling them PEGs, they
19 should be called PES: Programs to Eliminate
20 Services. Because when you put PEGs in place for
21 over \$2 billion, or whatever the PEGs are, when we
22 actually have a surplus, you're doing a disservice to
23 the city.

24 When the Speaker asked you, "Did you know of the
25 agencies that were going to be hurt by these PEGs?"

2 "Oh, they haven't come to me yet. I'll check out the
3 other 30 or 40 agencies who haven't come in. I'll
4 see how we could work with them." You know, dag-gone
5 well that they are cuts. These are not PEGs. These
6 are cuts to services. And when you cut vacancies,
7 you cut services. No matter how you try to fix it up
8 in your report.

9 On homeless shelters, it's interesting that you
10 find shelter for asylum seekers and homeless in black
11 and brown communities that are oversaturated with
12 shelters already. Not predominantly in Brooklyn and
13 Bensonhurst, where the majority is Asian and white.
14 And in Bay Ridge, majority white and Asian. No
15 shelters. But in East New York, Brooklyn,
16 Brownsville, and the Bronx, we're oversaturated. And
17 when they get in these shelters, you're warehousing
18 them. They don't have real mental health services,
19 workforce development services, and there's no
20 services to provide them permanent housing, like some
21 of us in the City Council were able to do by putting
22 the clause in our development to have permanent
23 housing.

24 So when I'm looking at this budget of \$102.7
25 billion, a \$159 billion 10-year capital budget, and

2 we asked one year just for \$200 million, \$200 million
3 to build community centers in high crime areas -- it
4 will only cost \$10 or \$20 million -- you didn't do
5 it. But you have billions in capital money. The
6 State has \$220 billion for a \$20 billion budget. You
7 don't have a money problem. You have a
8 prioritization-of-spending problem. The rich are
9 getting richer. You know, Wall Street, you know,
10 during the pandemic, \$51 billion in 2020, and \$58
11 billion in 2022.

12 And you didn't know-- you said, "I don't know
13 what the 2022 and 23" number was. Yeah, it was cut
14 in half to \$24 billion. But prior to the pandemic,
15 Wall Street averaged \$22 billion dollars a year. So
16 even at \$24 billion, which is less than the \$58 that
17 was bloated during pandemic, you still you're still
18 \$2 billion over in Wall Street. The rich are getting
19 richer, and the poor are getting poorer, with your
20 Republican prosperity budget.

21 So I want to just speak truth to power. When we
22 have that kind of money, tell me what the
23 unemployment rate is in black and brown communities.
24 Not Brooklyn and Manhattan, but low-income, black and
25 brown communities. And what are you doing? How much

2 money goes to workforce development? No chump
3 change, I'm talking billions. And what about the
4 poverty rate, the poverty rate and black and brown
5 communities? In a state that has a \$224 billion
6 state budget, \$102.7 billion city budget, and we have
7 30% and 40% poverty and black and brown
8 neighborhoods? And you come here with some
9 justification like this and have these micro-
10 discussions on what can and can't be done.

11 This is a damn shame that we have that kind of
12 money in this state, and we still have that kind of
13 poverty.

14 Finally, affordable housing. Affordable to who?
15 Affordable for who? What is the Area Median Income
16 requirement in your housing, the AMI? Most of the
17 housing that's coming into the city by-- through the
18 Mayor often is market-rate housing, maybe 20%, 25%
19 affordability, but most of it is market rate.

20 I'll end with this to my city council colleagues.
21 We're beginning this budget process: Same dance.
22 I've been at it for 14 years, went through 14 budgets
23 heard the same dance at the beginning, and then the
24 Council negotiates their Council Initiatives, and the
25 poor get poorer, and the rich get richer.

2 The Council has the power to say no to this
3 budget, if they don't do right by money in education.
4 All the city agencies are being cut. The police are
5 doing well. \$5.1 billion you add on there, other
6 fringe benefits, and \$11 billion for the police
7 department, \$2.9 billion for their capital budget.
8 But when it comes to the other agencies, we are
9 suffering.

10 So I know this is going to be a long budget
11 process. But I'm encouraging my Councilmembers:
12 This time around, let's use our power, so no matter
13 what they present, let's use the power of the City
14 Council to be for the people, and say this budget is
15 not a priority of the moral position or the values of
16 this Council when it comes to human beings living in
17 the richest city in the world with abject poverty.
18 That is disgusting and shameful.

19 DIRECTOR JIHA: Okay. Okay, so many issues.
20 Yeah, let's start with the forecast, to begin with.
21 And I have a lot of respect for your economist. We
22 have a different view. From our perspective is the
23 economy, most economists are looking at slowdown in
24 the economy. So therefore-- Oh.

2 Most economists are looking for a slowdown in the
3 economy, and so therefore, our tax revenue forecast
4 is basically to reflect the fact that we think that
5 the economy will slow. And so therefore, our tax
6 revenue forecast is lower than your forecasters. But
7 there is a scenario in which if the economy remains
8 strong, that tax revenue could remain strong as well.
9 In which case, we will reflect incoming plan, okay?,
10 if it is the case--

11 COUNCILMEMBER BARRON: But how could you be \$2
12 billion off?

13 DIRECTOR JIHA: No, no--

14 COUNCILMEMBER BARRON: You know, you say "slow"--
15 pardon me for cutting you off, but you said "slow".
16 "Slow."

17 DIRECTOR JIHA: Yes, but let me-- can I finish?

18 COUNCILMEMBER BARRON: "Slow." You're \$2
19 billion-- your billions off. That's not slow.
20 That's wrong.

21 DIRECTOR JIHA: No, no. If we happen to be
22 wrong--

23 COUNCILMEMBER BARRON: You are wrong.

24 DIRECTOR JIHA: --we will adjust-- okay, we will
25 adjust in the coming months. However--

2 COUNCILMEMBER BARRON: Adjust today.

3 DIRECTOR JIHA: However, you're also looking at--
4 you're only looking at one side of the ledger. We're
5 looking at both sides of the ledger. We have labor
6 costs which is about \$4 billion that is not yet in
7 the plan. We have the migrant crisis about \$4.2
8 billion, not yet in the plan.

9 COUNCILMEMBER BARRON: But that's what I said in
10 my-- in my remarks, I said that we can take care of
11 the labor settlement, and we can take care of a lot
12 of other things with the proper forecasting, and with
13 using some of the reserve funds (not all of them, but
14 \$8.3 billion using some), you can take care of labor
15 costs, labor settlements, can happen. Stop telling
16 the public that it can't happen because it's a slow
17 economy, because the money is there for it to happen
18 and your forecast is off.

19 DIRECTOR JIHA: Okay.

20 CHAIRPERSON BRANNAN: Okay. I'm now going to
21 turn to Councilmember Lewis for questions.

22 COUNCILMEMBER LOUIS: I think-- Thank you, Chair
23 and Speaker. I think most of my questions were
24 answered. But just to piggyback off of the \$1
25 billion ask for the migrant and asylum seekers. The

2 \$800 million versus the \$1 billion, what's the
3 difference between the two that the admin would need
4 in order to reimburse back if there's particular
5 items that weren't able to be reimbursed?

6 DIRECTOR JIHA: Right now the needs that we have
7 is \$4.2 billion. And we are counting on the Governor
8 to provide us a billion dollars, because that's what
9 she promised at this point in time.

10 So-- And the rest of it, if we don't get as much
11 federal aid as possible, we're on the hook for about
12 \$2.2 billion, okay? Hopefully, we will get some
13 significant portion of that \$800 million from the
14 Federal to minimize or reduce it, but right now,
15 we're in over \$2.4.

16 COUNCILMEMBER LOUIS: Thank you for that. And
17 the Speaker--

18 DIRECTOR JIHA: \$2.2. I'm sorry. \$2.2. Go
19 ahead.

20 COUNCILMEMBER LOUIS: Okay. And the Speaker
21 spoke about this earlier regarding vacancies, and
22 seats, and identifying locations. But I wanted to
23 know regarding invoices that remain outstanding from
24 FY 22. We often hear from nonprofit organizations
25 that weren't able to get reimbursed. So I wanted to

2 know, what was the status and what-- what are we
3 looking at for FY 24?

4 DIRECTOR JIHA: Are we talking about the--?

5 COUNCILMEMBER LOUIS: 3K.

6 DIRECTOR JIHA: --3K providers? Yeah. This is a
7 challenge. And we are working, and I know the DOE is
8 working very hard to try to address these challenges.
9 But so far, we have paid about \$110 million in
10 outstanding invoices from last year, and over \$500
11 million of invoices this year.

12 But in an effort to provide support to providers,
13 we created an early childhood education subdivision
14 fund of \$70 million, so that we could pay for
15 providers that did not receive at least 75% of the
16 annual contract costs as a result of the processing
17 delay so they could get paid. So we are trying our
18 best to-- to accelerate the process as much as-- as
19 we can and trying to pay folks, because I'm getting a
20 lot of these calls myself from providers. And it's
21 very troubling that for them to be-- they don't have
22 a credit line. They don't have a line of credit so
23 they cannot continue their operations. So we working
24 with DOE and trying our best to see-- to accelerate
25 that process.

2 COUNCILMEMBER LOUIS: Thank you. That's all my
3 questions.

4 CHAIRPERSON BRANNAN: We have DEPUTY SPEAKER
5 AYALA followed by Velázquez.

6 DEPUTY SPEAKER AYALA: Thank you. I'm going to
7 sort, of kind, of piggyback off of that. So we know
8 that nonprofits serve as frontline and lifeline for
9 so many of our residents. These community-based
10 organizations provide a wide range of services from
11 housing homeless youth, helping needy access
12 benefits, providing our seniors with care, early
13 childhood education to our youth, among many other
14 services. These nonprofits are partners to us and
15 government, and operate on contracts and funds
16 provided by the city.

17 However, one persistent problem has now grown to
18 threaten the system of services that so many New
19 Yorkers now rely on: Nonprofits are receiving their
20 contracts on not receiving their contracts on time.
21 Sometimes these contracts are provided months after
22 being awarded these funds, and even then after
23 obtaining that contracts, organizations would wait
24 months, if not years, to be paid for the services
25 that they provided.

2 We have heard from several organizations that
3 have claimed that they are still awaiting payment
4 from two years ago, and the entire time the
5 organization's are operating on a razor thin fiscal
6 edge carefully balancing their financials so that
7 they don't go under many. Many are not successful,
8 taking Sheltering Arms as an organization that has
9 provided services for 200 years, through the Civil
10 War, the Great Depression, both World Wars, Vietnam
11 War, and the Great Recession. This storied
12 institution is quietly shutting its doors because the
13 city could not provide its promised payments in a
14 timely manner.

15 In order to better understand the situation,
16 could OMB walk us through step by step the entire
17 contract process, starting from the point when an
18 organization is notified of being awarded a contract,
19 to the point and organization receives payment? And
20 can you also let us know how long each part of this
21 process takes on average, and what role OMB plays in
22 each part of this process?

23 DIRECTOR JIHA: Yeah. What I could tell you is
24 we have made, since the beginning of this
25 Administration, significant progress in terms of

2 reforming the procurement process for not-for-
3 profits, okay? And I will defer to MOCS who could
4 probably provide you more detail in terms of all the
5 work that's been done, okay?, to improve the
6 procurement process.

7 But again, it remains a challenge for these folks
8 to get paid. And this is the most important aspect
9 of this, and-- and to the extent-- particularly when
10 we're dealing with discretionary contracts, with
11 small, not-for-profits, okay? And I know, as I said,
12 they are working very hard to put in place a process,
13 they are working-- they are working with staff from
14 the City Council, and also with the Comptroller,
15 okay?, to streamline the process, okay?, to make sure
16 that it doesn't take a long time, okay?, for a
17 contract to be registered, because contract cannot be
18 paid unless you have it registered. So they working
19 very hard with the Comptroller's office, and also
20 with the Council staff, particularly in the area of
21 discretionary funds, because this is an area where we
22 have a lot of challenges, in particular with the non-
23 - small not-for-profit organizations. They provide a
24 service, their contract has not yet been registered,
25 they cannot get paid. And in the meantime, they

2 provided the service, okay?, and they don't have the
3 cash flow. They can't meet their cash flow needs,
4 because we have not paid them, okay? So we are
5 making significant progress. And as I said, I will
6 defer to MOCS. MOCS will provide you more detail in
7 terms of all the process changes they are making from
8 beginning to the end, okay?, so that not-for-profit
9 could register the contract faster, okay? But I
10 guarantee you, it's-- it's a big task. It's a big
11 priority for this Administration. And we spending a
12 lot of resources to streamline that process.

13 DEPUTY SPEAKER AYALA: I mean, this is something
14 that we've-- we've heard about--

15 DIRECTOR JIHA: Oh, yes.

16 DEPUTY SPEAKER AYALA: --consistently. It seems
17 to-- it seems to have gotten worse. Is any of this--
18 are any of the delays as a result of understaffing at
19 the processing?

20 DIRECTOR JIHA: No, no, no. It is, as I said,
21 it's is an issue-- It's been a long, long, long, long
22 issue for the City. A long-term issue. This is
23 nothing-- this is nothing recent. I mean, not-for-
24 profits have been complaining for this for the
25 longest. This is the first time--

2 DEPUTY SPEAKER AYALA: Yeah.

3 DIRECTOR JIHA: This is the first time we're
4 tackling this issue, where we're putting resources
5 behind it to make sure we change our entire process,
6 okay to streamline the process. And as I said, the
7 council is very much involved. The staff of Council
8 is very much involved in the process. Okay, because
9 we tried to tap into every resources around the city
10 -- the comptroller's office, the City Council. As I
11 said, the discretionary funds is-- is a big part of
12 the problem, okay?

13 DEPUTY SPEAKER AYALA: But we're relying on a lot
14 of nonprofit groups to deliver these, these services.
15 Is there any-- is there any consideration to-- does
16 the City typically review what the-- what the budget
17 for operating costs, right?, for that agencies are
18 prior to contracting and then imposing a further
19 financial burden on the organization.

20 Because, you know, I don't want to see what's
21 happening with Sheltering Arms continue to happen,
22 but I have heard specifically around the HERRC and
23 the asylum conversation from multiple nonprofit
24 providers that are expected to, you know, continue to
25 buy food and, you know, other necessities for

2 families, and they simply do not have the cash flow
3 to do that. And while I appreciate, you know, the
4 attempt to try to, you know, to expedite these
5 contracts, so that the wait time is not as-- as long,
6 two years is not long. I mean, that's a really long
7 time--

8 DIRECTOR JIHA: Of course.

9 DEPUTY SPEAKER AYALA: --to have to absorb, you
10 know, these costs. And there's no reason why our
11 nonprofit organizations are having to apply for loans
12 to be able to pay the bills and ensure that their
13 staff are being paid and that the services are being
14 rendered. That is of huge concern to this body. And
15 I will ask the question of MOCS, but I wonder is-- is
16 that something that is considered prior to entering
17 into some sort of contractual arrangement with a
18 nonprofit group that may not be able to sustain?

19 DIRECTOR JIHA: As I said, this is a priority for
20 this Administration. And we're working really hard
21 with a lot of stakeholders to make sure we streamline
22 that process. But again, as I said, I hear-- I hear
23 you because I get the same calls, okay?, from folks
24 complaining about not getting paid. And so we know

2 it's important, and we're making-- it's a priority
3 for us.

4 DEPUTY SPEAKER AYALA: Okay.

5 DIRECTOR JIHA: Okay? This entire process, we're
6 changing it. We've made some significant progress.
7 And as I said, the MOCS could provide you all the
8 details in terms of the type of work they'll be
9 doing, in terms of the changes they're trying to make
10 to the loan program that they currently have, okay?,
11 to make sure small organization, even if they-- the
12 contract had not yet registered, so they could
13 provide-- provide them loans.

14 So they're looking into a number of things that--
15 to make sure that this small, not-for-profit, okay?,
16 has the resources to meet their cash flow-- cash flow
17 needs. So it's a challenge. We know it's a
18 challenge. But as I said, this is the first time
19 it's a priority. Real willpower is a priority, and
20 we are working with a lot of stakeholders to make
21 sure we get this right.

22 DEPUTY SPEAKER AYALA: I can appreciate that.

23 And just one more question, Mr. Chair. The-- In
24 regards to the attrition rates at the different
25 agencies, is the city tracking, you know, the reasons

2 for why individuals are leaving these positions? You
3 know, I feel like there's something in the universe
4 that happened post-pandemic. You know, my, my
5 understanding is that specifically at HRA, during the
6 pandemic, when applications were being completed from
7 home, remotely, that the-- the completion rate was in
8 the seven-- in the high 70s, and then when, you know,
9 staff came back to in person, that those, you know,
10 dropped significantly. And I wonder if that's
11 because, you know, those individuals left because
12 they wanted to continue to work remotely and found
13 other, you know, an alternative job that allowed them
14 to do that.

15 But I think it's-- you know, so I'm advocating
16 also-- I'm advocating for the continuation of remote
17 work if you're doing data processing, specifically
18 for HRA. I think that that makes, you know, all of
19 the sense in the world. But I also think it's really
20 important to kind of capture the data on what exactly
21 is happening in the universe of our workforce, to
22 better determine what our strategy moving forward is.

23 DIRECTOR JIHA: We totally agree with you. And
24 this is what we're doing, and trying to get a better
25 sense of what's going on, the challenges. And like,

2 everything you've just said is correct. You know,
3 it's just work from home is one of the things.
4 Vaccine mandates are other one of the challenges. A
5 lot of people left because they didn't want to take
6 the vaccine. So you have a number of things that
7 transpired in 2022. So-- And we have to address
8 every single one of them.

9 DEPUTY SPEAKER AYALA: I appreciate it. Thank
10 you.

11 CHAIRPERSON BRANNAN: Councilmember Velázquez
12 followed by Brewer.

13 COUNCILMEMBER VELÁZQUEZ: Thank you, Chair. So
14 Director, what makes the Governor's proposal
15 regarding MTA contributions so expensive for the
16 City? Can you break down the costs for us?

17 DIRECTOR JIHA: Yeah, it is-- The cost is--
18 we're talking about \$540 million for the MTA. We're
19 talking about Medicaid cuts of about \$385 million.
20 We have something called Pay and Pursue, which is, I
21 believe, what is it?, \$50 or \$80 million. We have a
22 minimum wage increase, which is about \$180 million
23 dollars. I could give you the list of all the items
24 that we have, and when you tally them, they-- You
25 know, they are like over a billion dollars when they

2 are fully phased in, okay? Don't forget, the \$500
3 million for the MTA, it's an annual contribution.
4 It's not just a one time, okay? It's-- it's a
5 recurring cost to the city.

6 COUNCILMEMBER VELÁZQUEZ: Thank you.

7 CHAIRPERSON BRANNAN: Councilmember Brewer?

8 COUNCILMEMBER BREWER: Thank you. On the hiring,
9 I just want to mention, I sent somebody on, I think
10 it was February 11th, at 45th Street, that was the
11 Hiring Hall. Great lines, in terms that you had to
12 wait. But when you wait, you got a good interview
13 with one of the 21 agencies.

14 So the person I sent has a record. He's a good
15 worker. I know him well for many years. He doesn't
16 have a job. So he did have interview, a Friday
17 afterwards, at 10:30 in the morning, but he hasn't
18 heard anything yet. So I'm just saying your analysis
19 of, what was it? 6 to 21 days or something? I don't
20 know if it's within that timeframe. But there needs
21 to be-- if we're going to be hiring, we need better
22 communication in my opinion. Now this is not a high-
23 level job. He's working on, hopefully some kind of a
24 maintenance job. But I would like to know, as a
25 result of that 45th Street DC 37 DCAS fair, how many

2 people got interviews? How many people got jobs?
3 How would I get all that information, specifically?

4 DIRECTOR JIHA: I'm willing to take all the blame
5 in the world for what OMB does. But if somebody
6 doesn't communicate to somebody for a job after an
7 interview, I can't hardly take the blame.

8 COUNCILMEMBER BREWER: No, no. I'm not saying
9 it's you. I'm saying that we have a vacancy issue.
10 You had a fair.

11 DIRECTOR JIHA: Yeah.

12 COUNCILMEMBER BREWER: And I'm saying: What is
13 the outcome of that, specifically.

14 DIRECTOR JIHA: I don't know. The person would
15 have to contact the agency--

16 COUNCILMEMBER BREWER: Okay.

17 DIRECTOR JIHA: --to get a sense of where they
18 are. I don't know who was interviewed, who was not
19 interviewed.

20 COUNCILMEMBER BREWER: I know you mentioned it
21 earlier, and we have a vacancy problem, so I wanted
22 to bring it up, that somebody needs to be paying
23 attention, and I'm not sure that the outcome was as
24 good as the line. And the line was long and people
25 waited. I was there. I saw it.

2 DIRECTOR JIHA: Okay.

3 COUNCILMEMBER BREWER: Okay. Number two:
4 Federal dollars. So at the hearing the other day,
5 Contracts Committee, the issue was, I think, as you
6 said, \$800 million. The city I think has sent in
7 reimbursements for about \$8, I think it's my
8 understanding. So have you sent in more
9 reimbursements to FEMA? Where are we specifically
10 with the reimbursements for, hopefully, something
11 close to what you need, within that small \$800
12 million? You need a lot more.

13 DIRECTOR JIHA: Yeah. We sent a letter to FEMA
14 for-- with needs worth about a billion dollars, okay?
15 So it's not like we-- we have not-- they have not
16 yet set up their evaluations. That's the challenge.

17 COUNCILMEMBER BREWER: Okay.

18 DIRECTOR JIHA: So we already sent, you know, a
19 communication to them with needs worth over, you
20 know, a billion dollars.

21 COUNCILMEMBER BREWER: But do you know how much
22 we've sent specifically, in terms of the
23 reimbursements?

24

25

2 DIRECTOR JIHA: Yes. We did. As I said to you,
3 they have not set up their own operation. So
4 therefore, they cannot accept anything from us.

5 COUNCILMEMBER BREWER: Okay. So nothing-- They
6 can't accept anything at all?

7 DIRECTOR JIHA: Because they have not set up the
8 operations. That's what they keep telling us.
9 [background voices] Yeah. The guidelines that--
10 You know, they have not submitted any guidelines, how
11 to proceed, nothing. And most likely, my hunch is,
12 it's unlikely we're going to get any resources this--
13 this particular fiscal year.

14 COUNCILMEMBER BREWER: Nothing this fiscal year,
15 is your guess.

16 DIRECTOR JIHA: Probably, by the time they set up
17 the operation and issue guidelines, probably the next
18 fiscal year.

19 COUNCILMEMBER BREWER: All right. And the
20 congressional delegation is helping with those
21 guidelines? Is the congressional delegation helping
22 you?

23 DIRECTOR JIHA: We have been in discussion with
24 them. They've been-- they've been very helpful.

2 COUNCILMEMBER BREWER: The other question I have
3 just in terms of sales tax: Obviously, there's a
4 sales tax when you go to the store, do we get online
5 sales tax, and how much did we get as a city?
6 Obviously, it goes through the state, I think, and
7 then comes to New York?

8 DIRECTOR JIHA: Yes.

9 COUNCILMEMBER BREWER: But how much do we get in
10 terms of online? Supposedly, everybody's buying
11 online? So I'm wondering--

12 DIRECTOR JIHA: Yes. I cannot give you the
13 specific number at this point in time, and I don't
14 know if we receive that information from the State,
15 but probably we do. But if we do have it--

16 COUNCILMEMBER BREWER: You'll get back to us?

17 DIRECTOR JIHA: --we'll get back to you.

18 COUNCILMEMBER BREWER: I was interested to see if
19 it goes up based on people's...

20 DIRECTOR JIHA: Yeah, I would think-- It's got to
21 be.

22 COUNCILMEMBER BREWER: I would think, but-- but
23 then what are we doing to making sure that it
24 happens, and is it up, and what are we doing about
25 it?

2 The other question I have is in terms of hybrid.
3 So obviously, I've been saying hybrid since January
4 of last year. Hybrid. Hybrid. Hybrid. How are you
5 going to make the determination? Is it through the
6 unions as to what is hybrid and what is not?
7 Lawyers. Tech. I understand we don't want to hurt
8 the inspector, the amazing building inspector who has
9 to work constantly. So I am constantly-- very aware
10 of the equity issue. But how are you going to make
11 that decision, because I don't think you're going to
12 be able to hire your auditors which you need, and
13 everybody else, unless you have a hybrid schedule.
14 They're just is not going to come to the city.

15 DIRECTOR JIHA: This is going to be part of the
16 pilot. The discussion we're going to have with DC
17 37, how to design the program. So-- But let me turn
18 it over to Ken, who could provide you a more detailed
19 answer.

20 FIRST DEPUTY DIRECTOR GODINER: No, that's
21 exactly right. We're setting up a pilot. But we're
22 working-- we're going to be having-- set up a
23 committee with representatives from the agencies, as
24 well as representatives from DC 37, and these are
25 issues-- exactly the issues that we're going to have

2 to sort of plumb, you know: Where-- where is hybrid
3 appropriate? Where are flexible schedules
4 appropriate? And where is it, you know, that the
5 schedules and the locations can't change? And we
6 have to-- we have to work our way through that.

7 COUNCILMEMBER BREWER: What's your timeline?
8 Because otherwise, you're not going to have 275
9 auditors unless you've figure this out quickly. So
10 what's your timeline?

11 FIRST DEPUTY DIRECTOR GODINER: Well, we expect
12 the contract calls for the pilot to begin June 1st.

13 COUNCILMEMBER BREWER: So you'll be ready on an
14 audit schedule by June 1st?

15 FIRST DEPUTY DIRECTOR GODINER: We hope to have
16 the pilot start to roll out on June 1, right? First
17 we have to get this contract ratified, or DC 37 has
18 to get it ratified, so that-- that process will play
19 out through this month.

20 COUNCILMEMBER BREWER: Okay. I have many more
21 questions, but second round. Thank you.

22 CHAIRPERSON BRANNAN: Speaker?

23 SPEAKER ADAMS: We will just take a brief
24 intermission to welcome students, fourth grade

2 students from PS 98 in Staten Island. Welcome to the
3 City Council.

4 [APPLAUSE]

5 Oh from Queens? It says Staten Island. PS 98 in
6 Queens.

7 STUDENTS: Yeah.

8 SPEAKER ADAMS: What part of Queens?

9 STUDENTS: Douglaston.

10 SPEAKER ADAMS: Where?

11 STUDENTS: Douglaston.

12 SPEAKER ADAMS: Douglaston, Queens, is in the
13 house. We shout you out Queens.

14 [APPLAUSE]

15 Welcome to the to the City Council. We want you
16 to stay awake, but we know that you don't have too
17 much time in the chamber. So we welcome all of our
18 wonderful students and-- and their teachers and
19 administrators here today. Enjoy your time on the
20 tour, and enjoy the rest of your day.

21 [APPLAUSE]

22 CHAIRPERSON BRANNAN: Okay, now we have
23 Councilmember Sanchez, followed by Hanks and Stevens.

24 COUNCILMEMBER SANCHEZ: Thank you, Speaker.
25 Thank you Chair. And good morning to the Director,

2 and to all the members of the Administration here.

3 So I am a broken record, and you can completely
4 anticipate what I am going to ask about, and I will.
5 The housing crisis: It is number one on New Yorkers
6 minds, and I wager that it should be and it should
7 remain number one in the Administration's mind.

8 And I just want to harken back to your testimony
9 and some of your answers where you state that \$23
10 billion dollars has been allocated in the capital
11 plan for housing, and that's the 10-year capital plan
12 for the city.

13 You say that this is the-- the highest effort
14 ever, and yet as also has been documented. The HPD
15 staffing challenges are widely known, right? Housing
16 starts are down by 45% per the Mayor's Management
17 Report. And the agencies are also-- have also been
18 sharing concerns about their ability to spend these
19 funds, the capital commitment rate.

20 At the same time advocates, and this New York
21 City Council, we're calling for the Mayor's campaign
22 commitment of \$4 billion dollars per year annually to
23 be spent on housing production, and in a way that
24 prioritizes deeply-affordable housing, supportive
25 housing, and homeownership.

2 So my-- my question with respect to this is how
3 does the administration plan to ramp up production
4 and preservation of affordable housing? And can you
5 speak directly to HPDs efforts in staffing, and what
6 changes is the agency making to ramp up?

7 DIRECTOR JIHA: I-- For sure, I can tell you
8 that, while hiring could be-- staffing could be an
9 issue. But you also have other critical issues with
10 respect to housing. And as I said earlier, you have
11 a supply chain problem, okay?, that caused a lot of
12 delays in construction, okay? This is a nationwide
13 supply everybody knows, okay, no one can ignore it,
14 it's a it's a real problem that you cannot find
15 materials to build. And it can find laborers, you
16 have labor shortage. So it's not just a staffing
17 issue at HPD. It's a problem that we have throughout
18 the country, you know, when it comes to the
19 construction industry. So until we begin to address
20 those concerns, okay?, you could have all the staff
21 that you need, all the sources that you need, if you
22 cannot get the materials, you can't get the workers
23 to produce, you're always going to fall short in
24 terms of the units that are coming online. So that
25 is a challenge. We are very conscious of the fact

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2 that HPD may have may have needs, but at the end of
3 the day, you have to remember HPD has currently 427
4 vacant positions, okay? Vacant positions, they have
5 the authority to hire, okay? They have the authority
6 to hire, okay? If they hire those 427 vacant
7 positions, okay, we will have a discussion, okay?
8 Giving you 100 more vacant positions is not going to
9 solve your hiring problem, okay? So have hire those
10 427 first and come to us, then we'll have a
11 discussion. But right now you have 427 vacant
12 positions.

13 COUNCILMEMBER SANCHEZ: And I'm sorry director
14 because I know I'm on the clock, but do we know-- can
15 you share with us the breakdown of how many of those
16 are on the programmatic side, the project management
17 side, versus--?

18 DIRECTOR JIHA: We could provide you. We will
19 provide you the breakdown. Absolutely.

20 COUNCILMEMBER SANCHEZ: So-- And understanding
21 that I know several of my colleagues have asked about
22 the hiring halls. I'm excited to host one in the
23 Bronx. We have double the unemployment rate in the
24 Bronx as the rest of the city, you know, continuing
25 historic trends, but I want to see the Administration

2 as a partner in filling these positions, and filling
3 them with Bronx residents. So-- On the same vein,
4 and I know a lot of conversation has happened around
5 the HERRCs as well, but moving-- thinking about the
6 HERRCs, thinking about the Department of Homeless
7 Services, what-- what changes is the administration
8 willing to-- to make in order to expedite moving
9 folks into permanent housing from our shelter system,
10 and this Council has proposed legislation eliminating
11 the 90-day rule. We have also proposed changes to
12 expand eligibility requirements so that more New
13 Yorkers are eligible for vouchers, you know, in
14 addition to those that are eligible today. So what--
15 what changes is the administration willing to make so
16 that we can house more folks permanently in units
17 versus having them in shelters and then overflowing
18 into HERRCs?

19 DIRECTOR JIHA: I believe this year we took a
20 number of steps to accelerate exit. One is we were
21 covering the costs of apartment application fees, we
22 paid a one-month hold for clients with emergency
23 housing vouchers. You know, we-- we are taking steps
24 to make sure that folks get out of the shelter system
25 as quickly as possible. The challenge you have, and

2 unless we address it, sincerely address this issue,
3 you have a supply problem, okay? Right now, I
4 believe 5% of people with vouchers exit the system,
5 5%, okay? All right? We have 95% of folks with
6 vouchers that cannot find houses, okay? They cannot
7 find apartments. So unless we address the supply
8 problem, okay?, you could provide as many vouchers as
9 possible to people, okay? They're just going to
10 compete with the people who already have vouchers for
11 a year or two years, okay? That's not going to solve
12 the exit problem, okay? You're just adding more
13 vouchers to the system. Until and unless you address
14 the supply problem, okay?, bring more housing online,
15 you're not going to solve that problem.

16 COUNCILMEMBER SANCHEZ: Thank you. Thank you,
17 Director for agreeing with me on the supply problem.
18 Let's bring it up to \$4 billion, okay? Thank you,
19 Chair.

20 CHAIRPERSON BRANNAN: And now we have
21 Councilmembers Hanks followed by Stevens.

22 COUNCILMEMBER HANKS: Thank you, Chair Brannan.
23 And thank you, Madam Speaker. And thank you also for
24 coming. This has been eye opening. But I am going
25 to also talk about vacancies. Because it's clear

2 that our main challenge with all of the city agencies
3 are kind of boiling down to the fact that we do not
4 have the workforce to actually do the work. So HPD
5 and all these agencies are experiencing issues. And
6 we rely on the city agencies to make the city run.

7 So I know this question was asked, but I just
8 wanted to drill down a bit more. What would you say
9 the reasons-- or can you provide the reasons for the
10 high levels of attrition? And how did you come to
11 that conclusion? And I'll expand on why I'm asking
12 it that way.

13 DIRECTOR JIHA: Yeah. I think-- I would say to
14 you it's a number of factors. During COVID, we lost
15 a lot of employees, okay? All right? We lost a lot
16 of employees. We also have people leave the
17 workforce because of the vaccine mandate. They
18 didn't want to take vaccine, okay? You also have
19 people who pushed back against return to, you know,
20 to the office, okay? So you have all these factors.
21 I cannot point my fingers and tell you, you know,
22 attribute to each one of them, I mean, you know,
23 folks we lost.

24 But if you take all of these things into account,
25 that's what explained the attrition problem that we

2 are all dealing with in the city. It's a major
3 challenge. And on top of that, you have a very tight
4 labor market. People are trying to earn more, and if
5 they could get more in a private sector, okay?, and
6 they have the skills, they're going to leave the
7 government and go into private sector and make more
8 money. So all of these factors, okay? combined are
9 part of the problem. It's not just one piece of the
10 puzzle. It's a lot of pieces in that puzzle.

11 COUNCILMEMBER HANKS: Thank you. And to that
12 point, if you can just confirm-- Earlier you
13 testified that the Administration is going to be
14 committing \$7 million to support outreach to fill
15 vacancies. Is that correct?

16 DIRECTOR JIHA: Uh no.

17 COUNCILMEMBER HANKS: Oh, I'm sorry.

18 DIRECTOR JIHA: I'm not saying-- We don't have a
19 specific number in mind.

20 COUNCILMEMBER HANKS: You don't have a number.

21 DIRECTOR JIHA: What I said is that we are in the
22 process of reviewing, you know, an outreach campaign
23 to see, you know-- the Mayor's doing a major
24 campaign outside. And the Chair asked me if, you
25 know, we're thinking about adding resources. I said

2 as part of this exercise, if there is a need for more
3 resources in the future, we'll address those needs in
4 the future.

5 COUNCILMEMBER HANKS: Thank you. So-- So I guess
6 what I'm trying to get at is that, you know, this is
7 from a marketing perspective. We have folks who, for
8 a myriad of reasons are not returning to the
9 workforce, not staying in the workforce, and now we
10 are doing outreach. And my-- So my question is: Do
11 we have the-- the surveys and data so that the
12 marketing and outreach is targeted, so we can
13 actually make a movement on getting people? Because
14 if for the reasons that you offered, and the reason
15 that my colleague, Councilmember Brewer said, we had
16 a long line, and we don't understand if we're meeting
17 our goals. So what is the Administration doing to
18 making sure that whatever outreach, whatever funding,
19 whatever is budgeted, is laser focused on what the
20 issues are? And so if we are not in a hybrid
21 situation, and you're exploring that, my question
22 was: So how do we effectively speak to the issue and
23 get people excited or interested in returning back to
24 the workforce?

2 DIRECTOR JIHA: No, it's a good suggestion to
3 basically do a survey and trying to get the data to
4 basically micro-target, you know, the people that
5 we're trying to which, to appeal to come to work for
6 New York City. It's a good idea.

7 COUNCILMEMBER HANKS: And I think that that's how
8 the council can be helpful in in our respective
9 districts--

10 DIRECTOR JIHA: Sure.

11 COUNCILMEMBER HANKS: --to find out what those
12 pain points are, so we can actually get some, you
13 know, materials and resources, and get this movement,
14 so we can get people back to work.

15 So thank you very much for that. Now, I'm going
16 to scoot back over to sales tax. Again,
17 Councilmember Brewer had brought it up. But-- So
18 year-to-date sales tax revenues in fiscal 2023 are
19 currently at 1.5% above the same period previous
20 year. Did we talk about why OMB expects such a
21 significant-- significant decrease in sales tax
22 revenue growth, if you if you can speak to that?

23 DIRECTOR JIHA: Currently, our forecast is about
24 6.9% growth, which is significant, okay? This is a
25 so-called norm in terms of-- But again, folks have a

2 lot of money in their hands, people are buying, okay?
3 People are buying. The job market as us is very
4 strong, okay? And as long as the job market remains
5 strong, you expect people to continue to spend,
6 because -- I don't have the exact number in my mind -
7 - but the public still have a lot of dollars left,
8 savings from the-- all these government programs.
9 They still have a lot of-- I don't know exactly the
10 number. I think it's like two or three-- I don't
11 remember exactly what it is. But it's a lot of
12 resources that people have still have, okay? And
13 this is spending. Now, if it happens-- if it-- you
14 know, it happens that the second half of-- the second
15 half of the year, we don't have a slowdown in the
16 economy, and then sales, consumption remains, doesn't
17 drop. If consumption remains high and sales
18 collections remain high, we will recognize those
19 revenues in the executive plan.

20 But right now, we assume it is 6.9% growth. This
21 is a very, very significant level.

22 COUNCILMEMBER HANKS: Okay.

23 DIRECTOR JIHA: Okay?

24 COUNCILMEMBER HANKS: Thank you so much.

25 DIRECTOR JIHA: A pleasure.

2 DEPUTY SPEAKER AYALA: I'm sorry. I just wanted
3 to, very quickly, because I know that we're in the
4 middle of having preliminary conversations that are
5 going to lead to final budgetary outcome, and I
6 didn't want you to leave here today having the
7 impression that I believe you have about the housing
8 eligibility for vouchers that Councilmember Sanchez
9 brought up.

10 The intent of the change is to-- you're right, it
11 won't reduce the census count at the shelter level,
12 but it will help ensure that we're no longer feeding
13 people into that pipeline, because it would allow
14 folks who were in the process of facing eviction, who
15 qualified based on the income, you know, and
16 eligibility criteria that we've set forth, to stay in
17 place, in the apartment that they already have. So
18 it eliminates the city's, you know, need to have to
19 pay to house them in a shelter. While at the same
20 time, you know, the convenience of having an
21 apartment already, obviously is a win-win.

22 So that is that is the approach that we're
23 taking. And in terms of reducing the size of the
24 census count at the shelters, while we are pushing,
25 obviously, right?, to open the criteria to, you know,

2 eliminate the 90-day rule, we also are pushing to
3 ensure that staffing and funding the Office of Rental
4 Discrimination is a priority for this administration
5 at this time, considering that this is the highest
6 census the city has ever seen.

7 So I just wanted to put that out there because I
8 want you to, you know...

9 DIRECTOR JIHA: I hear you, and I respect your
10 point of view. But you also have to realize that we
11 have a point, right now, in the shelter system, where
12 if you create that kind of incentive, you're going to
13 draw more people into the into the shelter system.

14 DEPUTY SPEAKER AYALA: I don't agree with that.
15 And I think that that is-- that is something that
16 really, and I'm sorry, Jacque, I like you, but that
17 bothers me. I don't, I cannot allow you to make that
18 statement and get away with it. It's just-- it
19 doesn't make any sense. I don't know anyone who
20 willingly would want to go into a shelter, especially
21 if you've ever walked into one today and had to live
22 in those conditions, in rat-infested units, in
23 buildings that are substandard, in a bed next to 20
24 other people. There is no way that you can convince

2 me that people will willingly leave whatever they
3 have to go into that unless they had no other choice.

4 And that is why we are here now. Because under
5 Mayor Bloomberg, that was his state of mind. That
6 was-- that was the rhetoric that he was putting out
7 there. And he stopped people, he restricted
8 eligibility to NYCHA, to Section 8, and this is why
9 now you're seeing, you know, the number in shelter be
10 as high as it is, because of those policies, because
11 of that way of thinking.

12 So, you know, that is absolutely not true. And
13 you can believe me, I'm a person that spent I've been
14 in shelter twice. Twice. It was never a pleasant
15 experience. I would have rather slept on my mother's
16 couch then have to sleep in a shelter if I didn't
17 have to.

18 CHAIRPERSON BRANNAN: And now we have
19 Councilmember Stevens, followed by Restler, and
20 Powers.

21 COUNCILMEMBER STEVENS: Good afternoon. Thank
22 you, Chair. I do-- I know Deputy Speaker already
23 kind of spoke to the nonprofit crisis. But I know
24 several times in your response, you kept saying that
25 this Administration is a priority, and the reality

2 is: We don't need to just see a priority, we need to
3 see action at this point. Nonprofits are closing.
4 She already noted Sheltering Arms, but we have GEMS
5 that's also looking at closing as well. And I
6 predict that this is going to continue to happen if
7 we don't actually take the time to put in systems
8 that work, a.k.a. pay people.

9 There's no other place that you can go that you
10 can have a contract with someone and not pay them,
11 and pretty much force them to do services. People
12 who are in this industry are in this industry, in the
13 nonprofit and human service sectors, because they
14 love their community and they want to help build it
15 up. And so we need to stop penalizing people and
16 having them to work and not paying them. It is
17 unacceptable.

18 And you know, the reality is, we also offered up,
19 you know, solutions and things like that, and the
20 Administration consistently pushes and says, "Well,
21 we're making it a priority." The priority is: We
22 have to pay these nonprofit sectors, and it is just
23 really important. And I just needed to say that
24 before I even got into my question, because that also

2 was something that was a sticking point for me as
3 well.

4 In response to the earlier question from the
5 Speaker, OMB said that they had hired a consulting
6 firm to study issues with the programs with 3K. What
7 is the firm that is conducting this assessment? What
8 are they studying? When will the results be
9 available? And what is the cost of services provided
10 by this consulting firm?

11 DIRECTOR JIHA: It's Accenture. Accenture. [TO
12 SENIOR DEPUTY DIRECTOR MCKINNEY:] And do you have
13 the costs? Do you know the costs of it? [TO
14 COUNCIL:] The studies-- They already started the
15 study, and it's supposed to come out sometime very
16 soon. I'm-- We're pushing really hard because this
17 is something that is a priority for us before the
18 school year begins, so we could know exactly where to
19 allocate seats. So Again, I would defer to DOE--

20 COUNCILMEMBER STEVENS: And what exactly are they
21 studying? Like what is this assessment for?

22 DIRECTOR JIHA: To map out needs and seats,
23 okay?, to see exactly where the needs are, and then
24 to do the reallocation. If you're going to optimize
25 the program, so you know, exactly, how to best, and

2 where you're going to reallocate seats from areas
3 where you have too many, to areas where you have the
4 real needs.

5 COUNCILMEMBER STEVENS: And so how long is the
6 study supposed to take?

7 DIRECTOR JIHA: I don't know, but we are
8 pushing--

9 SENIOR DEPUTY DIRECTOR MCKINNEY: Several months.
10 It will take several months. But we're-- We should
11 have information as we go into the executive budget
12 process to adoption. So they're working on it now.
13 When we had this conversation during the November
14 plan, we had top-line information by district of
15 where vacancies were in 3-K. Accenture is supposed
16 to do a more in-depth walkthrough and see where the
17 needs are, program-by-program, in the neighborhoods,
18 provide that to DOE. And in the meantime, we're--
19 we're hoping that you'll work with us to try to fill
20 the seats that are vacant. But Accenture will have
21 that detailed information that we'll-- should have
22 before we go into the adoption process.

23 COUNCILMEMBER STEVENS: And so you don't have the
24 cost. If possible, if you don't have it now, if you
25 can get it back to us, because I think that that's

2 going to be really important. And absolutely, I
3 believe this Council, we are very much in support of
4 3-K and want to make sure that we're working with the
5 administration to get these seats filled, and in
6 areas that really need it. My district is one of the
7 areas in Highbridge that we had a huge vacancy issue
8 and there was no-- no real outreach done. And we're
9 going to be meeting with administration's to kind of
10 talk about what that outreach can look like. I mean,
11 I know a number of my colleagues also feel the same
12 way of, like, how do we how can we be supportive to
13 get these seats filled?

14 And just another question I had: I know we've
15 been talking about this vacancy issue, and you've
16 said several times that a lot of people are leaving
17 the sector to go to private sector because it's more
18 competitive and things like that. So what are you
19 doing to actually make these jobs more competitive,
20 right?, and how are you trying to get them more in
21 line to being feasible of what, you know, private
22 sectors are paying and things like that to get people
23 to come back to the workforce.

24 DIRECTOR JIHA: As part-- As part of the labor
25 budget we had with DC 37, we created an equity fund

2 with \$70 million. And basically, to pay those hard-
3 to-recruit, hard-to-keep employees, you know, to pay
4 them a higher salary, to be more competitive with the
5 private sector.

6 COUNCILMEMBER STEVENS: Okay. I think more can
7 be done. I think, some of the other perks, but I
8 guess that's a start, because I don't think anyone's
9 going to come back for that. And just-- I wanted to
10 also agree with my council colleague, Sanchez, who
11 said the Bronx, we would love to be part of hosting
12 any job fairs. I had a job fair in my district.
13 Over 200 people showed up. So there's a need for
14 people who want to work and really looking at how are
15 you working with the Council to really get out there
16 and get to the people who need these jobs the most,
17 and who really wants to get back into the workforce.
18 So we look forward to working with you guys in that
19 partnership. Thank you.

20 DIRECTOR JIHA: We look forward to working with
21 you as well.

22 SENIOR DEPUTY DIRECTOR MCKINNEY: Councilmember,
23 the contract cost with Accenture is \$760.2 thousand
24 for the contract for Accenture for 3-K. \$760.2
25 thousand.

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2 CHAIRPERSON BRANNAN: Okay, Councilmembers
3 Restler followed by Powers.

4 COUNCILMEMBER RESTLER: Thank you, Chair Brannan
5 and Speaker Adams for your leadership. And thank you
6 to Jacque, and Latonia, and Ken, for joining us
7 today. It is good to see each of you. I have a lot
8 of respect for each of you and for OMB. But I am
9 particularly concerned about the role that OMB has
10 been playing in driving down the headcount in the New
11 York City workforce. And I'll just start-- The
12 Comptroller report in October that there were 25,000
13 vacancies. Could you advise how many vacancies do we
14 have today?

15 DIRECTOR JIHA: We have 23,000.

16 COUNCILMEMBER RESTLER: And that doesn't include
17 the 5000 positions that you eliminated, vacant
18 positions that were eliminated?

19 DIRECTOR JIHA: 4,000.

20 COUNCILMEMBER RESTLER: 4,700?

21 DIRECTOR JIHA: 4,000. We eliminated 4,000.

22 COUNCILMEMBER RESTLER: Okay, but that number is
23 not included in the 23,000 that are vacant?

24 DIRECTOR JIHA: 23 vacant positions right now.
25 We removed 4,000.

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2 COUNCILMEMBER RESTLER: Right. Separate and
3 apart from the 4,000 you eliminated. So-- So in
4 fact, we have when you add in the positions you got
5 rid of and the vacant positions today we have even
6 more vacant positions than we had in October.

7 DIRECTOR JIHA: I don't--

8 COUNCILMEMBER RESTLER: When you consider less
9 people that were-- that are filled-- less jobs that
10 are filled, relatively. We're moving in the wrong
11 direction. And what really shocks me is that when
12 you look at your outyears, when you look from 23 to
13 24, we see OMB planning for shrinking the headcount
14 further, and all the way to 27 we see a reduced--
15 further reduced headcount in New York City. So you'd
16 think we have we don't-- we have too many people
17 working in New York City today, is that right?

18 DIRECTOR JIHA: No. I think you are confusing
19 those numbers.

20 COUNCILMEMBER RESTLER: I mean, the numbers I'm
21 seeing--

22 DIRECTOR JIHA: It is-- this is--

23 COUNCILMEMBER RESTLER: Directors Jiha, there
24 were 329,000 and FY 23, and 326,800 in FY 24, down to
25 323,000 in FY 27. You know, the Mayor said, "Some

2 will argue the vacancy reduction results in agencies
3 not being able to do their jobs. Don't believe
4 them." I believe them. And the PMMR shows that we
5 are not doing our job as a city, right? HRA is down
6 to processing 42% of SNAP applications of food stamps
7 applications on time down from 92%. DOT is down to
8 only installing half as many bike and bus lanes as
9 they did previously. HPD is issuing 30% fewer
10 Section 8 vouchers in 30 days. We are failing the
11 people who rely on our services because of our rigid
12 ide-- the Mayor's rigid ideological insistence on
13 shrinking the headcount of the city of New York. Why
14 does OMB believe that we should continue to shrink
15 the headcount of the City of New York?

16 DIRECTOR JIHA: I just provided the answer. From
17 my perspective, as I said to you, earlier, we
18 currently, okay?, have 23,000 vacant positions. The
19 agencies have the authority to hire 23,000 employees,
20 okay? If they hire those 23,000 employees, and come
21 back to us with needs, okay?, we will discuss with
22 them. But right now, it doesn't make any sense,
23 okay?, to say add more vacant positions, okay?, and
24 that's going to solve the problem. We have 23,000
25 right now. Have them hire them first, okay?, then

2 come back to us, okay? So don't make a case-- you
3 make an ideological case out of something there is no
4 ideology here.

5 COUNCILMEMBER RESTLER: Yeah, I-- but I disagree.

6 DIRECTOR JIHA: There is no ideology here.

7 COUNCILMEMBER RESTLER: I think you all have made
8 the decision--

9 DIRECTOR JIHA: It is something concrete is
10 telling you--

11 COUNCILMEMBER RESTLER: I disagree with you.

12 DIRECTOR JIHA: If something concrete is saying
13 to you, agencies have money in the budget, okay?, to
14 hire people. We told you, "Let them hire those
15 people. And what if there is more need, they can
16 come back."

17 COUNCILMEMBER RESTLER: With all due respect,
18 Director, I just-- I'm tight on time. And so when I
19 talked to my friends at city agencies, and you know,
20 we have a lot of mutual friends. They tell me that
21 the biggest challenge they face in hiring is OMB.
22 That they don't have any flexibility on the on the
23 salary lines, that they get delayed and delayed and
24 delayed for approvals from OMB, and they're unable to
25 fill positions. They lose good candidates because of

2 OMB's lack of cooperation. That you all are
3 insisting to use the effort to shrink the workforce
4 to save money as your primary means of savings, and
5 that is hurting the people of the city of New York,
6 and we have to shift positions. And when we look at
7 your outyears, you're continuing to insist on such an
8 approach, and we can't afford it.

9 So I'd like to just shift gears a little-- if I--
10 if it's okay for me to ask Ken a question. Ken, how
11 many years have you been working at OMB? I think
12 you're the longest-tenured person on this on the
13 platform today-- dais.

14 FIRST DEPUTY DIRECTOR GODINER: Um, 34.

15 COUNCILMEMBER RESTLER: 34. That is a heck of a
16 tenure. In your 34 years of experience, have we ever
17 gotten to a prelim and not spent down a penny in
18 general reserves? Not spent down a penny in the
19 capital stabilization fund?

20 FIRST DEPUTY DIRECTOR GODINER: Yeah, I believe
21 that's happened after the fact.

22 COUNCILMEMBER RESTLER: You believe?

23 FIRST DEPUTY DIRECTOR GODINER: Yeah, I think so.

24 COUNCILMEMBER RESTLER: You think so? Decades
25 ago?

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2 FIRST DEPUTY DIRECTOR GODINER: No, not decades
3 ago.

4 COUNCILMEMBER RESTLER: I don't recall it in
5 many, many years, and I find it to be confounding
6 that we have \$10.4 billion in the capital
7 stabilization fund, the general reserves, sitting
8 there and not-- and yet--

9 FIRST DEPUTY DIRECTOR GODINER: Those-- Those two
10 numbers, the general reserve and the capital
11 stabilization reserve do not total to \$10 billion.

12 COUNCILMEMBER RESTLER: The budget-- Excuse me,
13 the budget stabilization account totals to \$10.4
14 billion.

15 FIRST DEPUTY DIRECTOR GODINER: The BSA is \$10
16 billion? Where did you get that from?

17 COUNCILMEMBER RESTLER: That's the-- Those are--
18 That's based on the-- the analysis, we did in advance
19 of the hearing. And yet, we are--

20 FIRST DEPUTY DIRECTOR GODINER: That's not
21 correct.

22 COUNCILMEMBER RESTLER: --we have record general
23 reserves--

24 FIRST DEPUTY DIRECTOR GODINER: It's about \$2.5
25 billion in the BSA--

2 COUNCILMEMBER RESTLER: --and the capital
3 stabilization fund that have not been a penny of
4 which spent down, and yet you're cutting funds from
5 libraries and CUNY and social services mid-year. I
6 think it's highly unusual to have record general
7 reserves not go touched, and yet we're cutting
8 essential services that we need and hurting our
9 higher education, our public libraries, our social
10 services, our schools, cuts that we should not be
11 making.

12 FIRST DEPUTY DIRECTOR GODINER: Your numbers on
13 the-- on the reserves are incorrect. But-- But
14 putting that aside, back to what the Director said,
15 these aren't cuts to the services, those-- those
16 places have vacancies. Fill them first. If that's--
17 I mean, you when you when you cited your numbers,
18 right?, those 320,000-plus, right? You know that
19 we're right-- we're just under 300,000. That's
20 because--

21 COUNCILMEMBER RESTLER: Under 300,000?

22 FIRST DEPUTY DIRECTOR GODINER: Active workers,
23 right?, that's why we have 23,000 vacancies.

24 COUNCILMEMBER RESTLER: That's like Giulian-era
25 workforce. I mean, it is--

2 FIRST DEPUTY DIRECTOR GODINER: If we could fill
3 the vacancies--

4 DIRECTOR JIHA: That's not true.

5 FIRST DEPUTY DIRECTOR GODINER: It's actually
6 not-- but it's-- but if we filled the vacancies,
7 right?, then you'd be up in the 320,000's, and the
8 highest number ever in the city was-- was like 327.
9 That was the absolute highest peak. The problem here
10 in terms of, when you're talking to your agency
11 friends, the problem here isn't that they don't have
12 authority to hire. It is their ability to hire in
13 excess of their attrition.

14 We see it-- You know, I can't remember the
15 number off the top of my head, but we've hired like
16 17,000 people this fiscal year to date. It's not
17 that the city isn't hiring. And we actually got a
18 little ahead of the curve, but we lost about 15,000
19 or 16,000.

20 COUNCILMEMBER RESTLER: But you heard Jacque and
21 his first answer that the vacancies are essentially
22 the same, plus, we've eliminated over 4000 positions
23 in the-- in the-- over the last five months, plus
24 we've eliminated 4000 positions in that time. And
25 the thing that I really take umbrage with is you and

2 the Mayor trying to make the argument that services
3 are not suffering.

4 The PMMR shows that every key objective that this
5 administration is saying that you all want to
6 achieve, we are moving in the wrong direction,
7 because we don't have the staff. And so to me,
8 hiring is priority number one, two, and three, to be
9 able to achieve our collective goals for what the
10 people of New York City need. Thank you very much.

11 CHAIRPERSON BRANNAN: Thank you, Councilman
12 Restler. We have now Councilman Powers.

13 MAJORITY LEADER POWERS: Thank you. I'm going to
14 shift to another topic. But I wanted to just-- [BELL
15 RINGS] Oh, I guess my time is up.

16 [LAUGHTER]

17 Tough crowd around here, let me tell you.

18 FIRST DEPUTY DIRECTOR GODINER: Nothing to be
19 done now.

20 CHAIRPERSON BRANNAN: Wrap it up.

21 MAJORITY LEADER POWERS: The question I do want
22 to ask, though, is maybe just to pivot from what
23 Councilmember Restler was asking, which is: Those
24 numbers that you cite though, do seem concerning
25 about service delivery. So I have two questions.

2 One is: Does the agency-- and this is
3 administration-over-administration. It's not just
4 attacking-- attacking on you guys. I don't want you
5 to feel that way. But how do we actually measure the
6 customer experience of people that are going to
7 places like HRA, or going to other agencies and can't
8 get effective service delivery?

9 So number one is: Is there a mechanism by which
10 we are measuring the actual customer experience,
11 because those numbers are concerning about people not
12 being able to get the services that we're promising
13 to them.

14 And the second is: Ignoring the numbers, it's
15 all-- You know, ignoring the exact how many jobs are
16 available, it is still the same issue. It's people
17 getting the service delivery they want from the city.
18 And you can have different theories about how you get
19 there in terms of headcount and titles. But how are
20 we going to ensure, moving forward, that those
21 numbers improve if we don't have the workforce, and
22 it's going to be difficult to get to the full amount
23 of workforce to do that? That's my first question.
24 And then I'll have a couple more.

2 DIRECTOR JIHA: Yeah, as I said, we said in my--
3 in my testimony, this is our number one priority,
4 okay?, to make sure that we hire, bring folks back,
5 backfill those vacant positions. We are taking a
6 number of steps. As I said, we lifted the two-for-
7 one. We are expediting the review process at OMB.
8 We created a fund, equity fund with DC 37, basically
9 to pay competitive salary with the private sector.
10 We are doing job fairs. We're doing a number of
11 things, okay?, to bring-- to make sure that we hire
12 as many people as possible, okay? The challenge is,
13 as I said, is try to retain those people that you
14 hire. And we have a number of reasons, including
15 remote work, a number of things, okay?, that are in
16 place that serve as impediments to retaining those
17 people, and we are trying to remove them, okay? So
18 again, this is a priority for us. And, you know,
19 folks here-- agencies complain about OMB. As I say
20 to folks all the time, if OMB didn't exist, the
21 agency heads would have created OMB, okay? Because
22 these are normal complaints. You hear those comments
23 every day, everyday, everyday, everyday. And-- And
24 when you go back and ask your own employees: Hey,
25 the problems are within the agencies, okay? So

2 again, we're pushing the agencies to hire. We've
3 been aggressive. As I said, we're moving from being
4 a passive employer, okay?, to a more active employer,
5 okay? We didn't have a recruitment-- recruiting
6 agent within the City, the city government. So we
7 tried to put all these pieces, okay?, to make sure we
8 attract as many folks as possible to backfill those
9 vacant positions.

10 MAJORITY LEADER POWERS: Okay, I just want to
11 switch topics. I know you've covered this in your
12 testimony, and I'm sure you're getting some questions
13 as well. But just on the crisis of asylum seekers
14 here in the city and the cost to the city. I know
15 that it's \$654 million through the end of February,
16 you have a total of \$4.2 billion over the next two
17 fiscal years, and we have not yet to receive any
18 adequate assistance from the state and federal
19 governments. Two questions. One is: I would expect
20 that cost is going to keep going on into fiscal years
21 past fiscal year 2024. Do you guys have any funding
22 allocated for-- to continue the services to folks
23 after next year? That's number one. Number two is:
24 I think you may have said something about the \$800
25 million we're getting from the federal government.

2 So I want to understand if we expect to get that in
3 the next fiscal year, and if not, what is the timing
4 of that or if we expect to see it at all? And then
5 third is: Just on the governor's plan to reimburse
6 us I think up to a billion dollars. I know, we both
7 probably believe that's not going to be enough to
8 help out with the crisis, but any updates on what's
9 happening in Albany as they do their budget on that
10 conversation?

11 Yes, the-- We don't have anything beyond 24
12 right now. We're looking-- For the simple reason
13 that it is our hope and we're going to work with--
14 we've been working with the federal government, so
15 that we could, you know-- these individuals can get
16 their paperwork, okay?, and exit them out of the
17 system. So therefore, we don't have that-- a new
18 kind of dependence on the city, you know, forever and
19 ever and ever. Okay, this is the mindset here.

20 Regarding the-- FEMA's resources, as I said
21 earlier, they have not set up yet the grant. Okay,
22 they have not set up the guidelines. So we still
23 wedding. And from my perspective, most likely, if
24 we're going to get anything, it's going to be in the
25 outyears, maybe 24 instead of 23. And we don't know

2 how much you're going to get, either, okay? And the
3 last question was...?

4 MAJORITY LEADER POWERS: An update on the state
5 of the conversation with the State. They're doing,
6 obviously, their budget.

7 DIRECTOR JIHA: The state conversation we have so
8 far is-- we've been-- the Mayor's been making a big
9 push, working with the Legislature to see if we could
10 get additional resources in those house bills to
11 supplement what we getting from the Governor.

12 MAJORITY LEADER POWERS: Is there a number you've
13 asked the state to fund over-- I know they're
14 offering up to a billion. Have we asked for a
15 different number?

16 DIRECTOR JIHA: My-- We don't have one. We have
17 not asked them for a different number. But the-- You
18 have to follow the model-- the model that the
19 Governor proposed, which is a third, a third, and a
20 third: A third federal, a third state, and a third
21 city, okay? From our perspective, we know that we're
22 not going to get any third from the federal
23 government because of the Republican-led House.
24 They're not going to provide us any.

2 So at least, you know, if the governor were to
3 share-- split, you know, the costs with us, it would
4 make more sense than just paying us 29% of the cost
5 that we expect to see.

6 MAJORITY LEADER POWERS: Can I just ask one
7 clarification? Are you saying that you guys-- we no
8 longer expect to get to federal allotment, because of
9 the change in the--

10 DIRECTOR JIHA: No. Beyond-- Beyond the--
11 whatever, we're going to get--

12 MAJORITY LEADER POWERS: What's allotted. Okay.
13 And we don't believe that's going to happen in-- we
14 may not get that reimbursement for a couple of years,
15 it sounds like right now.

16 DIRECTOR JIHA: Yeah. Yeah. They have not
17 started the program yet, so we have to wait.

18 MAJORITY LEADER POWERS: My only warning sign
19 would be: We are hoping a little bit that we're
20 going to solve this problem. We're not getting
21 enough money from the state, we're not getting enough
22 money from the gov-- we're not getting the federal
23 money until later. And to believe that in the
24 outyears, we're not going to have a cost associated
25 with this feels like we're-- well, everything we're

2 saying disagrees with that. So I'm just concerned
3 that this is going to be a problem that we're going
4 to continue to carry the cost of, which our federal
5 and state partners should be carrying-- helping us to
6 carry the cost, and also our-- Governors in other
7 states to just stop the charade of-- the political
8 charade. But that we should be budgeting, you know,
9 around that reality.

10 DIRECTOR JIHA: We have the same concern. We
11 have the same concern. And as I said in the upcoming
12 plan, you know, we will-- we will address those
13 issues, you know, if the problem is still going, is
14 not solved.

15 MAJORITY LEADER POWERS: Thank you to the Chair,
16 and thanks for your answers.

17 CHAIRPERSON BRANNAN: We have, to finish up the
18 first round, Councilmember Farías.

19 COUNCILMEMBER FARÍAS: Hi, good morning. Thank
20 you for coming and testifying. I just wanted to ask
21 just some questions on sales taxes. Year-to-date
22 sales tax revenues in fiscal 2023 are currently 1.5%
23 above the same period the previous year. Sales tax
24 revenues have remained robust through the year held
25 by pent-up demand from visitors and tourists. Real-

2 time data from Opportunity Insights show consumer
3 activity, as measured by credit card charges, have
4 not softened through the year. OMB, however,
5 projects sales tax revenues to grow only by 6.9% in
6 fiscal year 2023. Can you folks explain why OMB
7 expects such a significant deceleration in sales tax
8 revenue growth?

9 DIRECTOR JIHA: Yeah, as I indicated earlier,
10 the-- our forecast is calling for a slowdown of the
11 economy for the rest of the year, and we are looking
12 at 6.9% from a very high growth of 30% that we had
13 last year. That was extraordinary. The 6.9% is more
14 or less in line with historical, okay? But if the
15 economy remains strong, and the sales tax-- more
16 sales tax will materialize, we will adjust the plan
17 going forward.

18 COUNCILMEMBER FARIÁS: Okay, just-- just to
19 clarify: Are we assuming that through the increase
20 in visitors, that we're seeing increase in tourism,
21 is there not a direct connection to how--?

22 DIRECTOR JIHA: Yes.

23 COUNCILMEMBER FARIÁS: Okay. So I guess I'm just
24 trying to--

2 DIRECTOR JIHA: There is a direct connection, and
3 6.9% is a very healthy growth, you know? 6.9% is
4 very significant.

5 COUNCILMEMBER FARIÁS: Okay, great. Thank you.

6 COUNSEL: Okay. Now, we're going to go to the
7 second round of questioning. Councilmember Brewer?

8 COUNCILMEMBER BREWER: Thank you. As Chair of
9 the Committee on Oversight and Investigations, I'm
10 concerned, as you can imagine about the impact of the
11 administration's PEG on the city's oversight
12 agencies. They include agencies like the Board of
13 Correction, the Civilian Complaint Review Board,
14 CCRB, COIB, the Conflict of Interest Board, and very
15 specifically, the Department of Investigation. These
16 all have independent oversight over our city
17 agencies. My understanding is the adopted budget
18 allocated \$83 million for these agencies, and the
19 preliminary budget allocates just \$73.5 million in FY
20 24. It's a 12% cut. And with these cuts, OMB has
21 forced the oversight agencies to cut deeper than its
22 PEG target of 4.75% for FY 24.

23 Particular concern is a staggering 15% reduction
24 in the Department of Investigation's total budget and
25 16% reduction in his headcount. So I am obviously

2 concerned about a robust and proactive oversight to
3 protect the services New Yorkers deserve, and they
4 need money in the long run, not the short run.

5 So why did the administration implement such a
6 deep cut? And what are we going to do about it? And
7 how can it be baselined an increase in funding?

8 By the way, as you know, I put funding in last
9 year, and I don't know who decided not to spend it
10 because it wasn't baselined, but it's very, very
11 concerning, because 18 positions were lost. I'm
12 ready to hear your answer, sir.

13 DIRECTOR JIHA: We like every other agency, DOI,
14 and all the oversight agencies, took-- participated
15 in the PEG program that we initiated. This is
16 nothing-- just targeted, basically, to those
17 agencies. It is citywide. Every agency participated
18 in the PEG exercise.

19 The discussion I had with the-- with DOI has
20 been-- I told them, they have a lot of vacancies. I
21 told them to hire-- to hire those-- to backfill those
22 positions-- to fill those positions that you provided
23 resources for last year, and if they need more they
24 could come to us.

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2 COUNCILMEMBER BREWER: Can they be hybrid?

3 They're not all DC 37. Can they be hybrid?

4 DIRECTOR JIHA: Again, that's going to be part of
5 the pilot. We'll find out exactly--

6 COUNCILMEMBER BREWER: That's not until June
7 1st.

8 DIRECTOR JIHA: Yes.

9 COUNCILMEMBER BREWER: But between now and June
10 1st, they really can't hire.

11 DIRECTOR JIHA: No, we-- they can hire.

12 COUNCILMEMBER BREWER: People won't work for the
13 city if it is not hybrid.

14 DIRECTOR JIHA: Okay.

15 COUNCILMEMBER BREWER: You're not going to be
16 able to hire good people. You can hire bad people.
17 But we want to hire good people. So if they're not
18 DC 37, can they hire hybrid?

19 DIRECTOR JIHA: As I said, we are looking into
20 hybrid as an option, and until the policies change,
21 okay?, they can't-- you know, every agency has to
22 comply with the order.

23 COUNCILMEMBER BREWER: Okay. I'm not going to
24 argue with you. I feel so strongly about this, like
25 everybody else.

2 DIRECTOR JIHA: So, I--

3 COUNCILMEMBER BREWER: I know people. They're
4 not coming to the city for the kinds of positions
5 that DOI and your auditors. You let me know when you
6 hire an auditor who's not able to go hybrid. [BELL
7 RINGS]

8 DIRECTOR JIHA: Okay.

9 COUNCILMEMBER BREWER: Can I ask one more
10 question, Chair, if I can have the time.

11 CHAIRPERSON BRANNAN: Go ahead.

12 COUNCILMEMBER BREWER: So the issue, of course,
13 on another front, in terms of oversight of the court-
14 appointed monitors: They're appointed by the court.
15 They're not appointed by you. But they-- I want to
16 know what the amount is. You've got police, you've
17 got correction, you've got NYCHA, Bart Schwarts makes
18 a fortune.

19 So how are you dealing with the court, discussing
20 with the court, the amount of money, maybe mold,
21 lead, correction, police, maybe they're working,
22 maybe they're not, but I don't know if it's a cost-
23 benefit, because they're getting a fortune. So what
24 are you doing about these monitors in terms of the
25

2 cost to the city of New York? And do you think it is
3 something that we're getting as a result?

4 DIRECTOR JIHA: The monitors, we-- they are
5 imposed on us.

6 COUNCILMEMBER BREWER: I know.

7 DIRECTOR JIHA: They cost the City a significant
8 amount of money.

9 COUNCILMEMBER BREWER: I know.

10 DIRECTOR JIHA: And I wish I could save those
11 dollars. I'm with you on those-- on those things.
12 But again until we comply with federal--

13 COUNCILMEMBER BREWER: Can you get us the cost
14 that they have been costed up to now? Not today, but
15 could you get those numbers please?

16 DIRECTOR JIHA: Yeah, we will provide you.

17 COUNCILMEMBER BREWER: And then do you go to
18 court and say, "We're wondering if this is really--"
19 is that something that court counsel does?

20 DIRECTOR JIHA: We-- I have to defer to them.

21 COUNCILMEMBER BREWER: Okay. I'd like to know
22 those numbers and what else you're doing, because
23 sometimes when you make a fuss, there's a difference
24 to the approach by the judge.

25 DIRECTOR JIHA: Yep. I agree.

2 COUNCILMEMBER BREWER: Thank you, Mr. Chair.

3 CHAIRPERSON BRANNAN: We have Councilmember
4 Sanchez.

5 COUNCILMEMBER SANCHEZ: Thank you, Chair. Hello,
6 again, Director. So I'm focusing on, of course, the
7 Bronx and the high rate of unemployment that we have
8 there. We have the Kingsbridge Armory, a structure
9 that has been vacant for the better part of 30 years,
10 that has been used temporarily for as a food
11 distribution center, sometimes as a film studio,
12 sometimes as a concert hall. But we haven't had a
13 permanent use. And I'm very happy to be working with
14 the Economic Development Corporation, and my
15 colleagues who are supportive of the project at every
16 level of government.

17 And so I would love to hear a commitment from the
18 administration to resourcing the redevelopment of the
19 armory. The state has put in \$100 million in the
20 form of a loan from the previous cycle, from the
21 previous-- we call it the previous sessions. And so
22 we would love to see a commitment from this
23 Administration to do the same and maybe to work with
24 the state and the federal government to resource the
25 redevelopment.

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2 DIRECTOR JIHA: Yeah, and-- and I think we agreed
3 to, I believe EDC, so far as our kickoff, a community
4 visioning process, together with the community
5 basically to get input from the community in general,
6 the future of Kingsbridge. I believe EDC is supposed
7 to issue once that is completed-- completed. They
8 will issue an RFP by the end of sometime this year.
9 So I think the commitment is there, on our part to
10 see, you know, how best to maximize the use of this
11 significant property.

12 COUNCILMEMBER SANCHEZ: Thank you. Thank you,
13 Director. And if I might say, this is the assessment
14 of us on the ground and folks who have worked on the
15 armory in the past. We're looking at upwards of a
16 billion dollars to remediate the armory, not to
17 mention to build it out for a different use, and
18 failures in the past where because of insufficient
19 access to financing. The money just didn't come
20 together. So if the Administration could commit to,
21 you know, being a part of the financing here in a
22 significant way that would really help the project.
23 Thank you.

24 DIRECTOR JIHA: Well, we are working with EDC,
25 and then at the appropriate time we will discuss.

2 CHAIRPERSON BRANNAN: Okay. Now we have
3 Councilmember Barron.

4 COUNCILMEMBER BARRON: Thank you very much. I
5 just have two questions. One on DCAS. I understand
6 now, some of my constituents are calling me up and
7 said DCAS has a delay because of OMB in the hiring of
8 special offices. Is that true?

9 DIRECTOR JIHA: I'd have to find out. I don't
10 know, because--

11 COUNCILMEMBER BARRON: Well, could you let me
12 know sometime today?

13 DIRECTOR JIHA: Sure.

14 COUNCILMEMBER BARRON: Because they've been
15 calling my office and said DCAS-- these are qualified
16 people, but yet they're not being hired in the
17 special offices.

18 Secondly, the \$4.5 billion in the healthcare
19 reserve fund. I know that's a tricky thing. I know
20 in the past, they use that for all kinds of stuff. I
21 know it's supposed to be for the premium for
22 retirees. What about making a commitment to pay in
23 \$600 million out of the reserve fund for the retirees
24 instead of forcing them into Advantage Care and
25 Aetna? And by the way, Aetna: Its morality and the

2 concerns about some of the past practices of Aetna
3 has been called into question, but they seem to be
4 forcing the retirees into private healthcare where
5 they would pay a premium. Is it possible to put that
6 \$600 million that you're trying to save, putting it
7 in the budget so that we can take care of our
8 retirees?

9 DIRECTOR JIHA: The-- I'm totally opposed to this
10 concept. As you know we have liability of \$95
11 billion dollars, okay? Long-term liability for
12 health, retirees' health. And this was created to
13 address this particular issue. So far, we only have
14 like \$4.5 billion. So basically to take money out of
15 the reserve that we are building to address the long-
16 term issue, when we could get \$600 million from the
17 federal government for free?

18 COUNCILMEMBER BARRON: Yeah. But if you're not
19 getting it from the federal government, because
20 that's always a challenge, and what happens when we
21 have these kinds of situations: the city throws it to
22 the state, the state throws to the Feds--

23 DIRECTOR JIHA: But we're getting it from the
24 Fed. We're getting it from the Fed. It's--

2 COUNCILMEMBER BARRON: But is the \$600 million,
3 wherever we get it from, I'm not stuck in--

4 DIRECTOR JIHA: Yeah.

5 COUNCILMEMBER BARRON: --getting it from here,
6 but whatever, out of 100-and-some-odd-billion-dollar
7 budget, I think we should find \$600 million wherever
8 we can within the budget, and not saying "dependent
9 upon the feds" or "dependent upon state" or
10 something, and then wind up going nowhere to take
11 care of our retirees. What is the-- What is the
12 commitment to that?

13 DIRECTOR JIHA: We want to switch to Medicare
14 Advantage. And I would let Ken speak, because Ken is
15 more aware of this issue than I do. But Ken, go
16 ahead.

17 FIRST DEPUTY DIRECTOR GODINER: Yeah. Our plan
18 is to switch folks to the to the Medicare Advantage
19 on September 1st of this year. The plan is a high-
20 quality health care plan.

21 COUNCILMEMBER BARRON: Let me cut you, because
22 I've got my time, because I'm familiar with the plan.
23 I disagree with it, and so does a lot of people that
24 were at a hearing right here, where we had hundreds
25 of people here, maybe thousands all over the city

2 that disagreed with you switching to privatizing, and
3 that would cost them a premium that they didn't have
4 to pay, and what they're paying in Senior Care now.
5 They want to remain in Senior Care. And the City was
6 saying you were switching because you wanted to save
7 \$600 million. So my question is not to explain to me
8 what we disagree with, what most people that this
9 hearing disagreed with, and that is the-- finding
10 \$600 million to take care our retirees, and leaving
11 them on Senior Care, and not transferring them to
12 Advantage Care with Aetna, which is a very-- not a
13 corporate friendly company.

14 FIRST DEPUTY DIRECTOR GODINER: Well, the bottom
15 line is that the way to get the \$600 million from the
16 federal government is to get-- is by putting people
17 in Medicare Advantage.

18 COUNCILMEMBER BARRON: Yeah, but I'm not talking
19 about-- See, you're over-talking me. I'm not saying
20 getting it from the federal government. I'm saying
21 finding it within the confines of the city budget,
22 with the city budget, is that we need to find \$600
23 million in the city budget, and not saying we're
24 trying to get it from the Feds, and since the Feds
25 can give it to us, we have to put you in a privatized

2 profit-making venture for Aetna, as opposed to taking
3 care of our retirees.

4 DIRECTOR JIHA: We're taking care of the
5 retirees. We are providing them an alternative plan,
6 which is a much better plan. But asking us to bear
7 \$600 million--

8 COUNCILMEMBER BARRON: Right. It's not a lot out
9 of \$102 billion.

10 DIRECTOR JIHA: Well, we have a lot of competing
11 needs.

12 COUNCILMEMBER BARRON: Yeah. And what can be
13 more of a priority than the retirees? Some of them
14 are retired on a \$30,000 salary. They're struggling
15 already. And out of \$102.7 billion, I don't see why
16 we can't find \$600 million. That's chump change on a
17 budget like that.

18 DIRECTOR JIHA: Yeah, but we're providing them an
19 alternative which is as good as the one they
20 currently have.

21 COUNCILMEMBER BARRON: They disagreed with that.

22 DIRECTOR JIHA: I hear you.

23 COUNCILMEMBER BARRON: They didn't want it. The
24 City Council wasn't for it. So-- But you're still
25 pushing something on people when many people

2 disagreed with it and said they would rather stay in
3 Senior Care, and we should find the \$600 million.

4 DIRECTOR JIHA: I understand. But we don't have
5 that \$600 million.

6 COUNCILMEMBER BARRON: Yes you do. I'll help
7 you. I'll help you find it if you, you know--

8 DIRECTOR JIHA: I hear you.

9 COUNCILMEMBER BARRON: Latonia and I will sit
10 down and work with you to find \$600 million, because
11 the certainly is there.

12 CHAIRPERSON BRANNAN: Okay, now we have
13 Councilmembers Hanks and Farias.

14 COUNCILMEMBER HANKS: Thank you Chair Brannan.
15 So this line of questioning is about the Subway
16 Safety Program. The Mayor recently announced a plan
17 to hospitalize people who are too mentally ill to
18 care for themselves. That was not only after the
19 Mayor and the Governor jointly announced the Subway
20 Safety Program to expand NYPD's presence in the
21 subway system that would receive state funding.

22 How much state funding is going to training NYPD
23 and other first responders to properly respond to
24 someone dealing with a mental health crisis?

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2 DIRECTOR JIHA: This is a program that's going to
3 be led-- it's a-- it's a multiagency program that's
4 going to be led by social workers. This is not going
5 to be an NYPD led program. So therefore, we-- we are
6 trying to connect people with mental health services
7 that they need. So, again, it's the OCMH, DOHMH, and
8 Health + Hospitals, NYPD, and FDNY all working
9 together. It's an inter-- So it's not just we're
10 going to need to train, okay? The effort is going to
11 be led by social workers, not by PD per se.

12 COUNCILMEMBER HANKS: But what budget is it
13 coming out of, if that's the case?

14 DIRECTOR JIHA: We have a budget for-- let me see
15 exactly how much is it. It's coming out of-- We
16 have resources added into FDNY budget and H+H budget.

17 COUNCILMEMBER HANKS: So that-- So just because
18 I couldn't--

19 DIRECTOR JIHA: For the BEHEARD program?

20 COUNCILMEMBER HANKS: I just couldn't hear you
21 for the record. FDNY?

22 DIRECTOR JIHA: FDNY, and I believe H+H.

23 COUNCILMEMBER HANKS: And H+H. So how much state
24 funding has the city received to support NYPD
25 overtime and staffing?

2 DIRECTOR JIHA: I think it's-- just talking about
3 the subway program that was launched last December,
4 it's about, I believe, \$62 million for the three
5 months.

6 COUNCILMEMBER HANKS: \$62 million for 3 months.
7 Has OMB decided on a long term plan of funding for
8 this program? If not, will the expanded NYPD
9 presence in subways be cut back in future years?

10 DIRECTOR JIHA: We continue to work with the
11 state to make sure that the State funds this program,
12 because this has been very successful so far, okay?,
13 in terms of crime reduction in the city.

14 COUNCILMEMBER HANKS: Okay.

15 DIRECTOR JIHA: So we are working with the state
16 and we are negotiating with them to ensure that the
17 program continues in the future.

18 COUNCILMEMBER HANKS: Okay. Thank you. So I'm
19 going to turn my questioning along to overtime
20 uniform spending-- excuse me uniform overtime
21 spending. As of December, the halfway point of the
22 fiscal year the city had spent \$776 million on
23 uniformed overtime out of the \$9 million, excuse me
24 \$911 million budgeted for the whole fiscal year, 85%
25 of the budgeted amount. What is the current level of

2 overtime spending year-to-date for each of the
3 uniform agencies?

4 DIRECTOR JIHA: Okay, year-to-date, we spent
5 about-- we're spending about \$951 million across all
6 the uniformed agencies.

7 COUNCILMEMBER HANKS: Across...?

8 DIRECTOR JIHA: All uniformed agencies.

9 COUNCILMEMBER HANKS: All uniforms. Is that
10 broken out?

11 DIRECTOR JIHA: NYPD is about \$442 million, FDNY
12 \$255, sanitation \$94, and DOC \$160.

13 COUNCILMEMBER HANKS: Thank you. How does the
14 year-to-date uniformed overtime expenditure in each
15 of the uniformed agencies compared to the amount
16 budgeted?

17 DIRECTOR JIHA: Year-to-date, I believe there's a
18 variance for NYPD of about \$26 million above last
19 year. FDNY is \$28, but PD, the only reason is above
20 last year most-- a big part of it is the State. The
21 State is paying for that portion of it. But the
22 year-to-date, NYPD is down, okay? But the-- So PD
23 is \$26 above, FDNY is \$28, and sanitation is below
24 planned-- below last year by \$107, you know, we had
25

2 very, very little snow this year, and DOC is about by
3 \$19 year-to-date.

4 COUNCILMEMBER HANKS: Thank you just two more
5 final questions. What plans does the city have to
6 address overtime spending for the rest of fiscal
7 2023?

8 DIRECTOR JIHA: Well, we're working with all the
9 agencies to make sure that-- I mean, this is a big
10 issue for us. We are trying to make sure that they
11 change the way they operate, they change their
12 practices, how they deploy their workforce, to make
13 sure that we minimize overtime as much as possible.

14 COUNCILMEMBER HANKS: So finally, last year, the
15 administration committed to create a plan to tackle
16 rising overtime costs. What is the plan? And what
17 is the City doing to address overtime spending for
18 fiscal 2024? Can you provide a breakdown of the
19 overtime spending, you know (i.e. parades, subway,
20 safety patrol, et cetera), and can OMB provide
21 overtime spending by precinct? I mean not all this
22 today, but I would-- we would love that information.

23 DIRECTOR JIHA: Yeah. I will-- We will try to
24 provide you as much information as possible. I don't
25 guarantee to provide you overtime by precinct, because

2 I don't know if they-- if the Budget Office,
3 maintains this kind of information, but we will try
4 to find out.

5 COUNCILMEMBER HANKS: I will definitely be
6 following up. Thank you so much, Chair Brannan.

7 CHAIRPERSON BRANNAN: Okay. Last questions are
8 from Councilmember Farías.

9 COUNCILMEMBER FARIÁS: Thank you, Chair. Just a
10 really quick piggyback off of Councilmember Hanks and
11 the overtime. Does the city monitor what's used in
12 terms of overtime, and what's approved for overtime
13 for like local community events that the officers
14 participate in?

15 DIRECTOR JIHA: I'm sure I could provide you that
16 information. But the PD monitors and approves all
17 overtime.

18 COUNCILMEMBER FARIÁS: And do you happen to know
19 if there's any policy around what can or cannot be
20 approved?

21 DIRECTOR JIHA: Let me-- let me get back to you
22 on this, to double check.

23 COUNCILMEMBER FARIÁS: Sure. No problem. Thank
24 you. There's a considerable level of uncertainty
25 regarding the city's economy over the next few years.

2 We're hearing notions of a recession or like a
3 recession light. The causes have become common
4 idioms over and over, including the Federal Reserve
5 raising interest rates, high inflation, supply chain
6 disruptions, and the war in Ukraine. Focusing on one
7 or two of these risks, how much of a threat do you
8 think they will likely pose to the city's economy?

9 DIRECTOR JIHA: It is-- It is real. I mean, it
10 is, as I said, we-- While we-- Economic activity has
11 been strong lately and remains strong. We are very
12 much concerned about the impact of rising-- high
13 interest rates on the real estate industry, on Wall
14 Street, and a host of other sectors. And that's the
15 reason why many economists project the possibility of
16 a recession. And if a recession were to materialize,
17 it would basically worsen economic conditions, and
18 make it even worse for what we're looking at in terms
19 of forecasts, in terms of the budget gap we're
20 looking at in the outyears.

21 COUNCILMEMBER FARIÁS: Can you go a little
22 further on discussing the likelihood of that
23 recession within the next year or two, and what those
24 impacts are?

2 DIRECTOR JIHA: Um, let's put it this way: The
3 Blue Chip-- the February Blue Chip consensus of
4 economists, they put the probability of a recession
5 in 2023 at 58%, which is down from 65%, I think it
6 was in January.

7 COUNCILMEMBER FARÍAS: Sure.

8 DIRECTOR JIHA: But again, economists are divided
9 over whether or not you're going to have a recession.
10 But again, we have to be prepared for it, because we
11 don't have any choice. We can't have a plan based on
12 the hope that there's not going to be a recession.
13 So therefore, we have to prepare for all kind of
14 scenarios. And that's where we are right now.

15 COUNCILMEMBER FARÍAS: Okay. I mean, you kind of
16 sort of just answered my last question on: How
17 prepared do you actually think the city is in the
18 next few years, as the economic growth is expected to
19 slow? Even though we're seeing that the number has
20 gone down in expectation of a recession, we do know
21 it's still looming.

22 DIRECTOR JIHA: We tend to be very conservative
23 in our forecasts.

24 COUNCILMEMBER FARÍAS: Sure.

2 DIRECTOR JIHA: And we will continue to be
3 conservative just because we don't want the city to
4 spend, and then later on we have to cut spending. So
5 therefore we will continue to be-- to monitor the
6 economy and remain as conservative as we can be until
7 conditions change, that warrant a change in our
8 forecasts.

9 COUNCILMEMBER FARIÁS: Great. Thank you so much,
10 Chair.

11 CHAIRPERSON BRANNAN: Okay, thank you all so
12 much. 51 days sounds like a very short amount of
13 time.

14 DIRECTOR JIHA: Yes.

15 CHAIRPERSON BRANNAN: But we look forward to
16 working with you and getting it done, and obviously
17 partnering with you wherever we can. Thank you all
18 so much.

19 DIRECTOR JIHA: Thank you, Chair.

20 CHAIRPERSON BRANNAN: Okay, we're going to take a
21 break, and then we're going to be joined by the
22 Comptroller.

23 [22 MINUTE BREAK]

24 CHAIRPERSON BRANNAN: Okay, good afternoon, I
25 think. Yeah. Oh yeah. We're fully-- we're fully in

2 the afternoon. We are now going to start our portion
3 with the Office of the New York City Comptroller.
4 And thank you for coming.

5 COMPTRROLLER LANDER: Thank you so much.

6 CHAIRPERSON BRANNAN: Wait. We've got to swear
7 you in.

8 COUNSEL TWOMEY: Raise your right hands please.
9 Do you affirm to your testimony be truthful to the
10 best of your knowledge, information, and belief, and
11 that you will honestly and faithfully answer
12 councilmember questions? Comptroller Lander?

13 COMPTRROLLER LANDER: I do.

14 COUNSEL TWOMEY: Executive Deputy Comptroller
15 Brindisi?

16 EXECUTIVE DEPUTY COMPTRROLLER BRINDISI: I do.

17 COUNSEL TWOMEY: Deputy Comptroller Olson?

18 DEPUTY COMPTRROLLER OLSON: I do.

19 COUNSEL TWOMEY: Thank you. Please begin

20 COMPTRROLLER LANDER: Thank you so much, and good
21 afternoon, Chair Brannan, Deputy Speaker Ayala, and
22 Councilmember Stevens, Williams, and Hudson. It is
23 wonderful to be with you. I'm glad to be here to
24 discuss the preliminary budget, the state of the

2 city's economy, and how we can budget together for a
3 thriving future.

4 Joining me today are Executive Deputy Comptroller
5 Francesco Brindisi, and Deputy Comptroller for Budget
6 Krista Olson.

7 This morning we released our preliminary budget
8 and financial plan report, 100-plus pages that I gave
9 a copy to the Chair, and will briefly summarize here,
10 as well as a brief on how city staff vacancies are
11 impacting outcomes per the Mayor's management report,
12 the preliminary MMR.

13 The city's fiscal outlook differs significantly
14 from that depicted in the preliminary budget for
15 three main reasons: Additional costs from the
16 collective bargaining agreement with DC 37, shelter
17 and service provision for asylum seekers, and cost
18 shifts proposed by the Governor in the State's
19 executive budget. As a result, before the potential
20 fiscal impact of asylum seekers and state executive
21 budget, budget gaps are modest and manageable for
22 fiscal years 23 and 24, but become significant in the
23 outyears of the financial plan.

24 At the same time as the New New York Panel,
25 convened by the Governor and Mayor, outlined, New

2 York's economic future depends on significant
3 investments in affordable housing, childcare, mass
4 transit in the public realm. How to navigate these
5 competing realities is the challenge facing the
6 council and the Mayor in the years ahead.

7 New York's economy has proven resilient during
8 the pandemic's disruption and tighter monetary policy.
9 Our updated forecast projects an economic "soft
10 landing", quote unquote, with national and city
11 economies slowing down but hopefully avoiding a
12 recession.

13 Last month, Fitch Ratings upgraded the city's
14 general obligation bonds which fund our capital
15 program to double A, citing our strong recovery and
16 the long-term reserves the council funded and my
17 urging last year. Jobs have returned to 98% of the
18 pre pandemic peak, and healthcare and IT jobs are
19 above pre pandemic levels but they remain below in
20 the arts, retail, accommodation, and food service, as
21 much as 13% below pre pandemic levels in those
22 categories. Good afternoon councilmember Brewer.

23 Cost of living as you all know, especially
24 housing affordability is a key challenge after a dip
25 at the beginning of the pandemic. Asking rents rose

2 above their pre-pandemic peak averaging \$3,500 over
3 the past few months. Nearly 30% of New Yorkers spend
4 over half their income on rent. Local inflation has
5 risen nearly 13% since January 2020 without the
6 minimum wage changing, a strong rationale for the
7 minimum wage increase that Albany has considered this
8 year.

9 Turning to the preliminary budget the Mayor's FY
10 2024 preliminary budget totals, as you heard, \$102.7
11 billion. That \$4.2 billion gap in the adopted plan
12 was resolved through a combination of revenue
13 increases, prepayments, and a PEG totaling nearly \$2
14 billion dollars, resulting in reducing over 4000 city
15 positions. I'll talk about that in just a moment.
16 The budget, the proposed budget reduces spending with
17 the ramping down of COVID federal grant-related
18 spending. New York City spent \$18.8 billion of that
19 federal funding through FY 22, \$7.6 billion remains
20 in the current financial plan \$4 billion in FY 24,
21 and moving down from there.

22 On the positive side with updated property tax
23 receipt information unavailable when the preliminary
24 budget was released, we project that overall revenues
25 will come in higher than the city's projections in

2 each year of the financial plan. Unfortunately,
3 that's about the only good fiscal news that I have
4 for today.

5 Since OMB released a preliminary budget in
6 January, three other significant things have changed:
7 The tentative labor contract reached between the city
8 and DC 37, while necessary to support our public
9 sector workers, if made pattern across the rest of
10 city workers would add a total of \$16.3 billion over
11 the four years of the financial plan.

12 Second, the cost for shelter and services for
13 asylum seekers is escalating. City Hall now projects
14 the cumulative costs to be \$4.2 billion for FY 23 and
15 24. State and federal aid are projected to cover
16 only a quarter of that as costs continue to grow, and
17 I'll have a couple of recommendations there in just a
18 minute.

19 And third, the New York State Executive Budget
20 which we should have counted on to help us, while
21 providing partial funding for sheltering asylum
22 seekers and an increase in school funding also
23 includes substantial cost shifts, unfunded mandates
24 and revenue cuts. In total, the governor's proposed
25 budget would cost New York City \$1 billion from

2 transit cost shifts to charter school mandates,
3 growing to over \$2 billion by FY 27 exacerbating our
4 already-widening budget gaps, and that doesn't
5 include the cost of implementing the state's class
6 size mandate (welcomed for reducing class sizes but a
7 significant expenditure), which requires class size
8 reductions over the next five years.

9 As in past years, my office has also identified
10 many under-budgeted areas that are likely to
11 significantly increase expenditures above financial
12 plan projections. These include funding shortfalls
13 for tuition at charter schools, underfunding of
14 Carter's Special Education cases, pupil
15 transportation, the city contributions to the MTA
16 (even before the unfair increase proposed in the
17 Governor's executive budget are underfunded) and
18 especially uniformed overtime, as I know you
19 discussed with the Budget Director.

20 As a result of all of that, despite the revised
21 revenue projection, budget gaps are estimated to grow
22 significantly from modest and manageable amounts this
23 year and next (\$1.3 billion for FY 23, which is 1.2%
24 of expenditures, and \$1.5 billion in FY 24, which is
25 1.5% of expenditures) to significant levels in the

2 outyears (\$7 billion or 6.7% in FY 25, \$10 billion or
3 9.6% in FY 26, and \$11.7 billion, which is 10.6% of
4 expenditures in fiscal year 27). And those gaps
5 still don't include the additional risk derived from
6 ongoing costs for asylum seekers, or the impact of
7 the Governor's executive budget. Now, for FY 23.
8 The city has access to \$1.8 billion in the general
9 reserve and the capital stabilization reserve, and
10 the Mayor's Executive Budget later this spring will
11 likely include additional savings and resources to
12 balance the FY 24 budget with some room for critical
13 restorations of harmful cuts.

14 But in the outyears, the size of those budget
15 gaps, along with the need for substantial additional
16 investments in affordable housing, childcare, and
17 mental health services that are necessary for the
18 city's economic thriving, indicates the need for
19 structural interventions in both expenses and
20 revenues. (And I'll have more to say about that in
21 just a moment.)

22 Within the city's FY 24 budget, just for this
23 coming year, I'd like to highlight a few critical
24 needs that can be addressed, I believe, within the
25 contours of a balanced budget.

2 First, we must pivot in how we approach the
3 influx of people seeking asylum. For the past nine
4 months the city rightly has focused on scaling up
5 shelter capacity. But now the city's got to shift to
6 getting people out of shelter through a mix of
7 scaling up support for work authorizations, to
8 accelerating pathways for individuals and families to
9 permanent housing, both for asylum seekers, but also
10 for long-term shelter residents. The city this way
11 can both help families get on a path to economic
12 stability, while significantly reducing the long term
13 costs of providing shelter. (And I look forward to
14 saying a little more about that tomorrow at the
15 Immigration Committee hearing.) Reversing the
16 counterproductive cuts to CUNY and public libraries
17 are essential to preserving critical resources that
18 New Yorkers rely on. Even with the big picture I've
19 mentioned we can find \$20 million to prevent cuts to
20 library hours. I also urge the council to prioritize
21 funding for the 25 shelter-based education
22 coordinators, to strengthen the six District 79
23 English Language Learner Programs put in place this
24 past year to fund Promise NYC's Child Care for

2 undocumented children, and the rollout of universal
3 curbside composting.

4 Last year, my office advocated for a new formula
5 for making regular deposits into and codifying
6 withdrawals from the city's rainy day fund. While
7 the council and the Mayor made the largest deposit
8 ever into reserves last year, you did not yet move to
9 adopt a formulaic approach to remove these deposits
10 from the budget dance. Our team came up with a great
11 formula that will protect the city for the long term
12 without pain in the near term, and I urge you to
13 adopt that formula or another comparable one.

14 I want to talk for a minute about the challenges
15 presented by city agency vacant positions, which you
16 also spoke with the budget director quite a bit about
17 in the prior session. As you know, the FY 24
18 preliminary budget includes the impact of several
19 rounds of savings primarily through blunt vacancy
20 reductions. And while an annual review to identify
21 efficiencies is a necessary component to budgeting,
22 the across-the-board, eliminate half of all
23 outstanding vacancies, we believe is a penny-wise,
24 pound-foolish approach. We're released a new brief
25 today that I believe you have on your desks called

2 "Understaffed, Underserved", where we identify the
3 areas where high vacancies are impacting direct
4 services to New Yorkers, as well as long term
5 planning and risk management.

6 So across the 15 agencies with the highest
7 vacancy rates (the Department of Small Business
8 Services, HPD, and DOHMH) are falling farthest behind
9 on the critical indicators they set for themselves in
10 the Mayor's Management Report. And if you look down
11 at particular units of appropriation, for example,
12 the Department for the Aging, Chair Hudson, is seeing
13 poor performance on home delivered meals and case
14 management services. The Department of Finance,
15 Chair Brannan, is taking longer to process SCRIE and
16 DRIE applications, because they have high vacancies
17 in that UofA. New York City Emergency Management is
18 conducting fewer emergency preparedness drills and
19 tabletop exercises, and a perennial City Council bone
20 of contention, and one you know I am still on about,
21 the parks department is completing fewer capital
22 projects on time with high vacancy rates in its
23 design and planning shop, and this is not on, you
24 know, to kind of heap on the agencies. If you don't
25 have people in the critical spots, there are issues

2 in places, where it's just challenging, to get the
3 work done.

4 I was glad to see flexible work arrangements,
5 including hybrid and remote work and targeted salary
6 adjustments for hard-to-recruit positions included in
7 the recent tentative agreement between OLR and DC 37.
8 But I'll be honest, I hope to hear more from the
9 Budget Director about how those are going to be
10 implemented with expeditiously and with real
11 managerial attention today.

12 My office and the Five Borough Institute
13 recommend expedited hiring, allowing hybrid work for
14 appropriate positions, considering compensation
15 levels for key hard-to-recruit spots, especially
16 where the MMR shows we're falling short, and
17 designating a chief talent or recruitment officer to
18 drive all of this work.

19 A couple of words about the capital budget, which
20 as many of you know, is really my favorite part of
21 the financial plan. The January 2023 capital
22 commitment plan totals \$96.5 billion in all funds
23 authorized for FY 23 to 27, just a 0.6% increase from
24 a year ago. New York also has a once-in-a-generation
25 opportunity to draw funds from federal Infrastructure

2 Investment and Jobs Act, which for the first time
3 allows for a focus on local hiring. So for example,
4 Deputy Speaker Ayala, that Second Avenue Subway, the
5 federal funds can be designated for local hiring for
6 East Harlem residents which has not been allowed
7 previously on federal infrastructure bills.
8 Similarly, the New York State Environmental Bond Act
9 and the Inflation Reduction Act.

10 These resources collectively represent an
11 extraordinary opportunity to improve our
12 infrastructure, our economy, address the
13 affordability crisis, get the city ready for climate
14 change, and create good union jobs. But for that to
15 work, we have to reform the city's capital process to
16 deliver projects on time and on budget. That's why
17 last week I was pleased to be in Albany with leaders
18 of the administration, Deputy Mayor Meera Joshi, the
19 DDC Commissioner, and others, talking with state
20 legislators about changes to streamline capital
21 approvals, improved procurement processes, and manage
22 our projects more effectively. Our office probably
23 updated and modernized Comptrollers Directive 10 and
24 are registering contracts in record time. Later this
25 spring. I look forward to the long awaited citywide

2 Capital Projects Tracker, which I was working for for
3 about the past decade.

4 The City also must ensure that projects are
5 equitably distributed to diverse contractors. Last
6 week we released a report on the still-abysmal share
7 of city contracts going to and MWBEs showing that
8 construction firms actually lagged further behind
9 than other sectors, such as goods and services and
10 professional services.

11 One area that's especially critical in the
12 capital budget is of course, affordable housing. I
13 continue to believe, as we advocated last year, the
14 city should allocate at least \$4 billion for housing,
15 including 1.5 for NYCHA. And as we know, allocating
16 that capital was not enough. HPD must be adequately
17 staffed to get projects reviewed and into
18 construction right away.

19 I believe we also have a real opportunity and an
20 obligation to ensure that housing construction
21 spending makes the biggest impact possible. That
22 means targeting our affordable housing dollars to the
23 level of affordability that we need, not subsidizing
24 market rate development, and investing in housing

2 outside of the speculative market to make sure it
3 will remain permanently affordable.

4 What if we started a Mitchell Lama 2.0? Maybe we
5 could do that in the Neighborhood Pillars Program
6 this year, allowing developers to receive capital
7 subsidies, tax breaks, and density increases to
8 create permanently affordable, multifamily, shared
9 equity cooperative homeownership for the next
10 generation of working-class New Yorkers who need an
11 opportunity and sure don't have one in this
12 marketplace.

13 Finally, just a word about planning and investing
14 for the long term, which I really do think is the big
15 challenge before us. Last fall, the Governor and
16 Mayor brought together 59 business leaders and policy
17 experts to craft a plan for the city's future. The
18 New New York Proposal agreed that we must invest in
19 the fundamentals that make the city a stimulating
20 place to live, work, and play. They recommended
21 significant investments in affordable housing and
22 transit, in universal childcare, in climate
23 resiliency in the public realm as ways that will
24 ensure New York's long-term economic vitality, and a
25 better shared thriving future. I think for just a

2 moment, let's imagine what it would look like if we
3 followed and built upon the recommendations of that
4 report, because we could be a city that provides
5 pathways for working class families to affordable
6 homeownership, universal childcare, first class
7 mental health, and high quality education for all
8 kids from 3K up through CUNY. And if we did, our
9 families, our economy and our city would flourish.

10 But let's be clear. While savings and
11 efficiencies are necessary, they won't be enough to
12 allow us to invest in the ambitious programs that
13 will secure New York City's economic success while
14 also closing the large budget gaps we face. New
15 funding will be necessary in addition to focus on
16 expenses. Structural adjustments are needed both on
17 the expense side and on the revenue side.

18 So I believe this budget cycle is the time to
19 start asking Albany for the resources and authority
20 to raise the revenues necessary to invest in the
21 city's future. Any new revenue should come from
22 those who can afford to contribute more. New York
23 State actually saw the number of millionaires rise
24 this year by 14, as wealthy households became
25 wealthier, and benefit from a thriving city.

2 Obviously, we can't let the state shortchange the
3 city on our own revenues and obligations. So that'll
4 be critical.

5 My office will be working over the coming months
6 as we move toward budget adoption. And I would
7 welcome conversations with you as we do. As we look
8 to the long term, we do have very real challenges,
9 and also very real opportunities. The best path
10 forward is to build a city that spends wisely and
11 prudently, that sets aside adequate resources for a
12 rainy day, and that invests in the future that New
13 Yorkers deserve this year and for the years to come.
14 Thank you very much.

15 CHAIRPERSON BRANNAN: Thank you, Comptroller.
16 We've been joined by councilmember Won.

17 You mentioned the Five Borough Institute, Solving
18 The Staffing Crisis Report, which I also read, and I
19 thought there was a lot-- a lot of good ideas in
20 there. What-- What are some of the things you think
21 the city could be doing, not just to attract, you
22 know, top-flight talent and folks that want to work
23 for the city, but also to address attrition, make
24 sure that we're keeping the folks that-- Do you

2 think we need to just completely change-- the city
3 needs to completely change its view on hybrid work?

4 COMPTROLLER LANDER: Yes. My office for example
5 is-- For the most part, we have some folks,
6 obviously our facility staff are in five days a week,
7 but most of our staff can be three days in person two
8 days remote. We have seen that to be helpful in
9 recruiting. Not perfect. We have, you know, still
10 substantial vacancies. But there's no doubt in my
11 mind that in the Bureau of Asset Management, and in
12 the Bureau of Budget and other places, having a
13 hybrid schedule helps a lot. That's what we're
14 competing with in so many of these key areas. The
15 underwriters for HPD projects, they're being wooed by
16 banks that will let them work remotely five days a
17 week and pay them better. And so, yes, I think-- I
18 really hope that the conversation that's referred to
19 in the DC 37 tentative agreement is a significant
20 effort to think through where can we use hybrid work?
21 And let's get it implemented and moving quickly. We
22 actually just promulgated-- we had gone three days a
23 week in September 2021, under Comptroller Stringer,
24 during the emergency, and we just promulgated a set
25 of new policies to try to make sure we're actually

2 being thoughtful about what's taking place in the
3 office? What's taking place out of the office? If a
4 supervisor believes someone really isn't working on a
5 day they're out of the office, how do we do that?
6 How do we build a culture of good hybrid work? It's
7 time for New York City to move seriously in that
8 direction.

9 CHAIRPERSON BRANNAN: Talking about pension
10 assets. So according to your office, pension assets
11 remain more or less flat as of December in the
12 current fiscal year. The current investment
13 landscape for the retirement systems' two largest
14 asset classes, public equities and fixed income,
15 create a unique obstacle for fund managers to
16 recenter portfolio allocations as rising interest
17 rates have continued to suppress bond prices, and
18 high inflation puts downward pressure on share
19 prices. So how our fund managers reallocating
20 pension assets during this strange environment for
21 financial markets?

22 COMPTROLLER LANDER: Yeah. I will say we've had
23 a good January. So while at the end of the year, we
24 were about flat on average, across the five funds at
25 the end of January 31, we were at 5% up for the

2 fiscal year, which is still below the 7% target. And
3 I don't have a crystal ball for where we'll be at the
4 June 30th.

5 You know, we assign our managers-- So we do a
6 few things. We have hundreds of managers across the
7 asset classes that we have, both in the public
8 markets and stock markets, where they have some
9 ability to adjust, and in private markets where you
10 have a lot less so, where they make investments that
11 then kind of play out over the next seven or-- five
12 to seven or eight years.

13 So there's some adjusting that you can do, you
14 know, kind of within any given month, but mostly
15 we're making a long-- building a portfolio for the
16 long term. And we watch, and that means in some
17 years, like fiscal year 21, we have a really good
18 year when we were up 26%. Some years like last year,
19 we have really bad years, we're down 8%. This year,
20 I mentioned where we are. And those returns get
21 smoothed over the city's budget over the subsequent
22 five years. So you know, when you have a good year
23 that-- you know, in that year that we were up 26%,
24 that meant \$8 billion less that the city had to put

2 in over the subsequent five years. Last year is down
3 8%, \$6 billion more, but it nets out over time.

4 We are about to enter what we call our strategic
5 asset allocation. So that's what you do every three
6 to five years. You look across your asset classes
7 and say, "Okay, if we think we're going to be in an
8 era of higher inflation, what does that mean for our
9 portfolio?" Should we consider new asset classes,
10 for example. We don't currently invest in
11 commodities. And some people think of that is
12 something that might make sense if you're in an era
13 of slightly higher inflation. Are there other things
14 that it makes less sense to be in?

15 So we'll be doing that, start with-- with the
16 trustees of the of the five pension funds. Actually,
17 starting right now, that asset allocation process is
18 getting underway. It'll run through the-- the latter
19 part of this year, then the five boards will adopt an
20 adjusted asset allocation. So that's most of how
21 we're thinking about how to face-- face the times we
22 have. In the short term, we watch our managers, and
23 if they're underperforming, then we replace them.
24 But generally, we give them the room to make modest
25 adjustments during periods like this.

2 CHAIRPERSON BRANNAN: Okay. Turning to some of
3 the economic risks in the city. There's obviously a
4 considerable level of uncertainty over the next few
5 years with regard to the city's economy. How much of
6 a threat do you think, you know, whether it's, you
7 know, inflation supply chain disruptions, the war in
8 Ukraine, how much of a threat Do you think this would
9 cause to our economy, and where do you-- where do you
10 set the, sort of, the durability of the city's
11 economy versus what OMB seems overly conservative.

12 COMPTROLLER LANDER: Executive Deputy Comptroller
13 Brindisi is an economist, and so I could read you the
14 notes that he wrote for me, or I could just let him
15 tell you what we think.

16 CHAIRPERSON BRANNAN: Thank you.

17 EXECUTIVE DEPUTY COMPTROLLER BRINDISI: Nobody's
18 perfect. I'm an economist. But so the main-- the
19 main risk to the city's economy is certainly the risk
20 of a recession. Inflation and higher interest rates
21 go hand in hand, if the inflation is you know--
22 becomes-- is not slowing as much as, right?, as
23 projected or is deemed necessary by the Fed, then
24 we're going to have higher interest rates and a
25 higher likelihood of a recession.

2 As the comptroller said, nobody has a crystal
3 ball. Even the Federal Reserve Chair said nobody
4 knows when-- when and if or how severe a recession is
5 going to be. But that's the-- that's the biggest
6 risk. Supply chains are easing, and that's allowing
7 inflation to moderate. So that's not as much of a
8 concern. Certainly there war is a concern, but also
9 the negotiations regarding the debt limit for the US,
10 and they're going to come to, you know, the usual
11 last minute, you know, agreements, and that can
12 create volatility and uncertainty. And so those are--
13 - those are issues that we're watching.

14 COMPTROLLER LANDER: And I just think it bears
15 saying: Our economic forecast is better in this
16 report than it was for the report we released in
17 December. We are now projecting, our economists are
18 forecasting, are projecting a quote unquote, "soft
19 landing", a slowing of job growth, but not actually
20 it turning meaningfully negative. But despite that
21 fact, the outyear budget gaps are larger, not because
22 we project that the economy will be in recession,
23 because revenues actually we project above OMB's
24 projection, but because as I mentioned, of the
25 increased costs of the labor settlement of shelter

2 and services for asylum seekers and the risks of the
3 state budget.

4 CHAIRPERSON BRANNAN: Let's talk about our
5 favorite subject of property taxes. That's FY-- I
6 hear everyone tuning in across the country right now.

7 FY 24--

8 COMPTROLLER LANDER: I will tell you Chair that I
9 was marching yesterday in Queens, in the in the St.
10 Pat's For All Parade, and I may have gotten one or
11 two people talking to me about Medicare Advantage, I
12 won't say. But I did hear someone shout from the
13 side of the parade "Keep going on property tax
14 reform!" So it is parade stuff.

15 [LAUGHTER]

16 CHAIRPERSON BRANNAN: That is very exciting.
17 Very exciting.

18 The FY 24 tentative property tax assessment roll,
19 Tax Class 2 saw very slow market value growth of just
20 1% despite all signs pointing to a scorching hot
21 rental market all around. Does that slow growth
22 makes sense to you? And what is your outlook for
23 future market value growth in the city and its impact
24 on property taxes?

2 COMPTRROLLER LANDER: This was very confusing.
3 Class 2 properties for those watching at home are
4 generally multifamily rental properties, residential,
5 you know, multifamily residential, where rents are
6 through the roof. And yet, that's the one tax class
7 where values are down. Office-- commercial office
8 properties where we actually are very worried in the
9 real world about values because of work-from-home and
10 high vacancy rates, valuations are up, and they're up
11 as well in in Class 1 in homeownership. So maybe
12 that's because cost inflation means that costs are
13 also up, costs of borrowing, supply chain, and so net
14 operating incomes could be down. But honestly, this
15 is something that we also noticed and that the team
16 is going to be looking into.

17 CHAIRPERSON BRANNAN: Okay. Talking about the
18 budget stabilization account, given recent history,
19 do you expect the BSA to end with a higher balance
20 by-- by adoption than in the preliminary-- the prelim
21 plan for FY 23?

22 EXECUTIVE DEPUTY COMPTRROLLER BRINDISI: So I'd
23 like to start by saying, you know, the size of the
24 budgets of realization account is driven-- it's a
25 surplus in the current year to pay for the-- to, you

2 know, to address the budget gap in the following
3 year. So that's what eventually drives it. So in
4 the past couple of years, we had an extraordinary
5 amount of tax revenue recognized at adoption--
6 between executive and adoption that, you know, that
7 helped increase the resources for the current year,
8 and because they cannot be spent immediately they are
9 transferred to the next year. So that's why we had
10 that \$6, exceeding \$6 billion BSA in the past couple
11 of years. So this year, we have you know, the, as
12 the budget director testified, the Executive Plan is
13 going to recognize the cost of the DC 37 tentative
14 agreement as if every union is going to achieve that
15 pattern. And that puts \$2.5 billion just in fiscal
16 year 23. So it's-- it's a little-- I mean, it's
17 always a little different, but this year it doesn't
18 seem a year where we are going to have similar
19 patterns than before.

20 That said, over the course of the year, more
21 resources are found typically and you know, the
22 budget stabilization account increases. But I don't--
23 - it's not likely that it's going to be an increase
24 if there is one as much as the previous years.

2 CHAIRPERSON BRANNAN: Okay. The-- With regard
3 to the asylum seeker response efforts, does your
4 office agree with-- with the estimates that have been
5 provided from the Mayor and his Administration?

6 COMPTROLLER LANDER: We're in general agreement
7 with those estimates. And I'll ask Deputy
8 Comptroller Olson to say a little more. We're going
9 to come to the immigration hearing tomorrow with some
10 additional information on this topic. We're taking a
11 dive into what we can tell from looking at the
12 contracts so far, which is different from the budget,
13 but is pretty illuminating. So yes, we think the
14 numbers that they're projecting are approximately
15 right. Well, actually let me let-- and then I'll say
16 one more thing after-- after Krista.

17 DEPUTY COMPTROLLER OLSON: Hi. Yes. We can
18 replicate what OMB has done, basically using the
19 current trend in the increase in the number of asylum
20 seekers since August. And the general average cost
21 that we've been seeing. So we do think we're
22 trending towards that \$1.4 billion for fiscal year
23 23. And then the fiscal year 24 amount really holds
24 the census flat for next year. Which, you know,
25 it's-- it's pretty hard to say whether the census is

2 going to continue to keep growing or decline. So
3 given the overall uncertainty, we're keeping in line
4 with their projection.

5 COMPTRROLLER LANDER: And just to say a little
6 more, and with praise to the Council for the
7 announcement last week on resources to community
8 groups to help provide supports and services: Well
9 over 99% of what we've contracted so far is for
10 shelter and it's related services. And less than 1%,
11 therefore, is going for the things that will help
12 people get out of shelter.

13 We really need an all hands effort to make sure
14 every asylum seeker knows that they have a one-year
15 deadline to file their application, knows that once
16 they file their application, it can be six months
17 until they get work authorization, supports them in
18 the app in the gap that work authorization, and then
19 what a good time this would be to double down on the
20 services that help people get out of shelter, to get
21 ready in advance for (knock wood) those housing
22 access voucher program vouchers to make the
23 adjustments to CityFHEPS. Like this is a time to say
24 okay, we need all hands on and helping people get out
25 of shelter. It's been understandably hard to do that

2 the last six months while scaling up the shelter
3 system. So this isn't really criticism, so much as a
4 strong recommendation that it's time to make the
5 pivot to focusing on helping people get out.

6 CHAIRPERSON BRANNAN: Somebody I asked Director
7 Jiha earlier: Do you think, had DHS and HRA been
8 nearly-full-staffed prior to the influx of asylees,
9 could the system have served these new arrivals
10 without the necessity for all this outside
11 contracting?

12 COMPTROLLER LANDER: Well, pretty much the whole
13 shelter system is outside contracted. So you know,
14 not just the 20,000 spots we've added, but the 50,000
15 spots we've had are almost all provided through
16 contracts with nonprofit shelter operators. Some of
17 those in long standing city facilities like the Park
18 Slope Women's Shelter at the Park Slope Armory, but
19 many of them are already at hotels. So-- So I don't
20 think-- I don't know. Maybe you could have found an
21 additional study facility faster here or there. But
22 no, the mostly-- and obviously it could have been
23 done differently instead of building a significant
24 number of new shelter beds in the DHS system, and
25 then a significant number of additional beds in the

2 H+H HERRC system, but something-- and those are being
3 contracted pretty differently. DHS contracts with an
4 individual nonprofit that subcontracts for all the
5 other things, for food and security, whereas H+H is
6 more or less operating the HERRCs, you know, directly
7 within subcontracts that it holds. But something
8 like that was going to be to be necessary.

9 CHAIRPERSON BRANNAN: Two last questions and then
10 I want to turn it over my colleagues. Speaking about
11 housing, the Housing Our Neighborhoods Plan that the
12 Mayor released this time last year, I think it was.
13 Or no. It was probably six months into his first
14 term. Do you believe that the city has budgeted
15 enough capital funds to achieve the Mayor's goal of
16 500,000 affordable homes over the next decade?

17 COMPTROLLER LANDER: No. I don't think we have
18 budgeted enough capital. But currently, we're not
19 able to spend even the levels of capital that were
20 budgeted. So the first thing to do is to address
21 those vacancies at HPD. You know, we-- you know, if
22 you were going to do 500,000 over 10 years, you'd
23 have to do 50,000 units a year.

24 Now, those won't-- You know, the Mayor's not
25 projecting that those will all be affordable, but we

2 were on, you know, projecting in the MMR I think or
3 in the budget to do 25,000 units a year. But last
4 year, we were only able to start 18,000.

5 And so the first thing to do is to address staff
6 vacancies at HPD, grow that capacity so that we can
7 achieve the capital targets that we've set now. But
8 even those would not be enough to hit 500,000. I
9 don't believe any additional capital would also be
10 necessary.

11 CHAIRPERSON BRANNAN: Okay. Lastly, you
12 mentioned we should start thinking about asking
13 Albany for authority on a tax increase. Do you have
14 proposals in mind?

15 COMPTROLLER LANDER: I want to come back and have
16 that conversation at exact-- or we can have that
17 conversation along the way. This-- You know, we
18 wanted to get ready look at the preliminary budget,
19 and make sure We really think it's time to open that
20 conversation.

21 But for the reasons I outlined in my testimony, I
22 really think it is we do have serious outyear budget
23 gaps, and that still doesn't reflect this critical
24 set of needs that we know are necessary for the
25 city's future thriving. That doesn't mean we don't

2 have to focus on expense reductions and efficiencies,
3 we absolutely do, but they will not be, I don't
4 think, enough on their own.

5 So it's, you know, it's time to start looking at
6 that. Not necessarily for this year's budget -- as I
7 say, for 23 and 24, I think you guys will be able,
8 not that it'll be easy, but I think you'll be able to
9 achieve balance with some restorations of harmful
10 cuts -- but beyond that, as we look toward next year,
11 I think we need to open that conversation. It's not
12 a simple one, since Albany will have to-- it would
13 have to give us authorization, and we can't have them
14 give us authorization on the one hand, but then take
15 it on the other as they're doing.

16 So we'll dig in. We'll workshop some ideas.
17 We'll be glad to talk with you and to the Council's
18 team as we're doing it.

19 CHAIRPERSON BRANNAN: Now, you Comptroller. I'm
20 going to hand it over now to Councilmember Brewer for
21 questions.

22 COUNCILMEMBER BREWER: Thank you. Um, I know,
23 we're all focused on the vacancy issue. I certainly
24 had a hearing about it about a year ago in my
25 committee.

2 COMPTROLLER LANDER: Yes.

3 COUNCILMEMBER BREWER: So my question though--
4 and I hadn't thought about this, it must have been
5 until today. But he-- the budget director opened up
6 with this issue. We kept talking about it. And I
7 know for a fact that many of the outside contracts
8 exist because we can't hire fast enough. So my
9 question is: Is that something that you've looked
10 at? It's hard to perhaps delineate them, but it
11 seems to me we have an awful lot of contracts that
12 exist because we can't hire somebody fast enough. At
13 DOE, it's the issue-- I know for a fact it's the
14 issue of mandated services, [inaudible], et cetera.

15 So I'm just wondering if that's something that
16 you think is worth looking at, because it occurs to
17 me there's a lot of money. And if we were so-called,
18 as the budget director said -- you know, I was kind
19 of skeptical -- "We're going to hire fast," I'd like
20 to see what that looks like. Maybe we could get rid
21 of some of these contracts? I didn't know what you
22 thought about.

23 COMPTROLLER LANDER: Yeah, let me give you what I
24 think of as like the most egregious example. The
25 Department of Correction, you know, has a particular

2 issue, because they have a lot of people still not
3 coming to work in addition to vacancy rate. So it's
4 pretty clear to me that contractors are just
5 approaching them with their hands out.

6 So the private prison services contractor that
7 provides phone service and some commissary services
8 has now proposed that the Department of Corrections
9 stop allowing people detained at Rikers to get
10 physical mail, because those letters are opened by
11 correction officers or DOC staff to make sure there's
12 no weapons or drugs. And instead, they, this private
13 firm-- the mail will go to them, they'll scan it and
14 email it to the folks in detention, who they'll give
15 tablets to, so you can't get the card your kid sent
16 you or the physical drawing. It's both cruel, but
17 also, it seems to me just a privatization scheme
18 driven by a private contractor in the name of
19 staffing issues.

20 COUNCILMEMBER BREWER: Right. And I can say the
21 same thing about those who need mandated services for
22 special ed, and they can't get the psychologist so we
23 have an outside, which makes no sense to me. It's
24 just a question of-- So anyway, that's something to
25 look at for all of us.

2 COMPROLLER LANDER: Agreed.

3 COUNCILMEMBER BREWER: Number two is: NYCHA is
4 hurting. People aren't paying rent. And so of
5 course, there's no ERAP wrap money on the state
6 level. We know that. Is that something-- it seems
7 to me that's a real crisis. Those people need to pay
8 rent, and the NYCHA needs their money. So, to the
9 credit of Assemblymember Grace Lee, she's listed the
10 \$300-and-whatever-69 million needed on the state
11 level, and I think \$106 for us here in New York.

12 So is that something that you think would be the
13 kind of funding that would be appropriate? Maybe
14 some city some state? Because that's a crisis right
15 there.

16 COMPROLLER LANDER: Absolutely.

17 COUNCILMEMBER BREWER: And then finally, do you
18 ever look at the uncollectables? Because I'm always
19 told by the Administration, don't look at that,
20 because you'll never collect the sanitation, the
21 consumer (the list is endless) fines. Is that
22 something that your office ever looks at? Its
23 billions I know.

24 EXECUTIVE DEPUTY COMPROLLER BRINDISI: So yes,
25 notionally, it's billions of dollars. And it's

2 definitely something that we should be looking in
3 with a little more detail. There was-- There were
4 amnesties in the past, all right?, that sort of
5 increased the collections.

6 The issue with many of those fines and fees that
7 are overdue is that the businesses are out of-- they
8 are bankrupt, or they don't exist anymore. So a lot
9 of-- notionally, it is a very large amount, right?
10 The actual amount that you can collect is a lot
11 smaller.

12 COUNCILMEMBER BREWER: Okay.

13 EXECUTIVE DEPUTY COMPTROLLER BRINDISI: And DOF
14 has been working on that.

15 COUNCILMEMBER BREWER: So you are looking at
16 that.

17 EXECUTIVE DEPUTY COMPTROLLER BRINDISI: But we
18 will, yes.

19 COUNCILMEMBER BREWER: Okay. All right. Thank
20 you, Mr. Chair.

21 CHAIRPERSON BRANNAN: No other questions? Okay.
22 Thank you all--

23 DEPUTY SPEAKER AYALA: Sorry about that. I asked
24 a question of OMB earlier regarding the-- the payment
25 of existing contracts, and you know, how we're seeing

2 more and more nonprofit organizations really
3 struggling to make ends meet. And I'm just
4 wondering, you know, if have you had any insight on
5 what is being done to try to rush these-- these
6 payments through?

7 COMPTRROLLER LANDER: Thank you for this question,
8 Deputy Speaker. This is a passion of mine. And
9 we've just normalized a really unacceptable system.
10 Right now, on average, a nonprofit human service
11 provider gets their contract registered 300 days, 10
12 months after they're expected to begin providing
13 service. I imagine if we said to a school or a
14 firefighter house or a police precinct, "You will
15 start providing services on July 1st, and like next
16 May or June, maybe we'll start paying you." They
17 would be like-- we wouldn't have any police or
18 firefighters or teachers. But that's what we do with
19 these nonprofit organizations, and then expect them
20 to get a loan or bridge the gap. And that's our
21 system.

22 So we are working hard to make it somewhat
23 better. I'm pleased to say in my office, we are--
24 you know, we get 30 days at the end of the process.
25 We're at about half that. Our average is, I think,

2 is 16 at the at the moment, and we really are
3 watching it. But I've also teamed up with First
4 Deputy Mayor Scheena Wright, and the new nonprofit
5 office to say, "We've got to do something about
6 this." You know, we made the announcement last
7 summer about clearing the backlog, but if you don't
8 speed up the system, you just wind up with a new
9 backlog again.

10 So some good steps have been taken. That's part
11 of what we were in Albany for. For example, many
12 contracts have to have a budget hearing no one goes
13 to 99% of the time. So we're trying to get rid of
14 that. For many contracts, that adds three weeks.
15 There's just so many places where the system adds
16 time.

17 I really think one area we could-- would love to
18 work with you on is discretionary spending, which is
19 the worst-- it is only 3% of the total value of
20 human service funding, but it's 40% of the individual
21 contracts, because they tend to be small, and they
22 are the latest of all. I think I gave you that 300
23 average. I'm not-- I think it's 300-and-like-40 days
24 for discretionary.

2 So we are have a couple of ideas of things we
3 might be able to pilot that could work with the
4 council, work with the Mayor's Office of contract
5 services and our offices to see, could we align our
6 systems better so that maybe when people give you
7 their applications in January, it's already in the
8 same system?

9 You know, right now you get all that information
10 in January. You decide who to fund and you fund them
11 in June. Then in July, the council sends that to the
12 agency. But then the agency in September sends a
13 letter to the nonprofit, "Here are the 14 things we
14 need." And they're thinking, "Didn't I give those
15 things to the council back in January?"

16 So I think there really is some streamlining
17 broadly. I mean, I don't want to put it all in the
18 discretionary process. It's the whole system. But
19 there are, I think, some things we could do together,
20 chair and Deputy Speaker that I really think would be
21 worth working on.

22 DEPUTY SPEAKER AYALA: I appreciate that. Thank
23 you so much. Thank you.

24

25 CHAIRPERSON BRANNAN: Councilmember Stevens.

2 COUNCILMEMBER STEVENS: Thank you so much. Um,
3 and yes, you know, as much as I do, nonprofit is a
4 passion of mine and contract saying and so definitely
5 continue to work with you and see me as a partner as
6 we continue to try to mitigate some of those issues.

7 Because my prediction is that we will continue to
8 lose good nonprofit providers if they are not paid,
9 and paid on time.

10 So my ears really perked up when you started to
11 talk about Mitchell-Lamas because no one ever says
12 that word anymore. It's like non existent. And I
13 have a Mitchell-Lama in my district, Concourse
14 Village. And I know you mentioned Mitchell-Lama 2.0.
15 I would love to hear more what that model would look
16 like, and when you say that, what would that be?

17 Because, you know, we often hear a lot about
18 affordable housing, but for me, in my district
19 specifically, I'm really pushing for affordable home
20 ownership, because I think that that's the route we
21 need to be going. When you're thinking about
22 generational wealth, it starts with owning property,
23 and those things and-- and those opportunities aren't
24 necessarily-- not always given to communities like
25 mine. And so one of the things like, and even my

2 predecessor who left a number of good projects on to
3 build some cooperatives and some two-family homes.
4 This is what I want to see more of. So I just wanted
5 to hear more about like, what this 2.0 Model would
6 look like.

7 COMPTRROLLER LANDER: Thank you for the question.
8 It's such an important one. I know you know, you
9 also read that story in The Times about black New
10 Yorkers leaving the city, and so many of them are
11 young families who want an opportunity to buy, and
12 they're thinking I'll never get that in in New York.

13 And Mitchell-Lama, the Mitchell-Lama co ops,
14 especially more than the rentals, I think most people
15 agree are like the best affordable housing program
16 New York City ever had, and yet we're not doing any
17 of it anymore.

18 So what I think it would look like, I mean, we're
19 not going to build that the scale of Co-Op City, we
20 don't have land like that, but when we are building
21 multifamily buildings in working class neighborhoods
22 of that 100/200/300 unit type, they essentially could
23 be a similar structure to Mitchell-Lama, which is to
24 say, you know, you buy at an amount that is
25 affordable at, you know, your income, let's say that

2 there were bands at 60, 80 and 100% of AMI, I'm
3 really just spitballing here, but you know, sort of
4 working class families, you know, that might mean you
5 could buy, you know, a co op unit for \$200,000, which
6 is not nothing. I mean, a very low income family
7 can't afford it. But that's the kind of thing that,
8 you know, a working class couple, you know, would be
9 able to get financing for, and you'll stay 10 years.
10 When you're ready to sell, maybe you're now ready to
11 go on buy a home. You know, it's appreciated
12 modestly. So you might sell it for \$300,000. That's
13 not what you would get if you just you know, we're in
14 the unfettered marketplace, but you made \$100,000,
15 you put down roots, you were able maybe to build some
16 wealth over time.

17 We could be focusing. You could give subsidies,
18 tax breaks, and even a density bonus -- I bet people
19 in neighborhoods would say, "You know what, I don't
20 want to developer a building a new thing. But if
21 that's what you're talking about, my kids could
22 become homeowners? I'd let that building be bigger."

23 So I'll just give the example the Neighborhood
24 Pillars Program is an HPD program that is for
25 subsidizing nonprofits to acquire failing rental

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2 housing, but it's mostly just a rental program. So
3 let's add to Neighborhood Pillars a cooperative
4 homeownership component. I think we could get
5 started on that this year.

6 COUNCILMEMBER STEVENS: No, I mean, I really love
7 it. And like I said, this is the direction that I've
8 like really been pushing and, you know, most of the
9 developers who talk to me, I'm always like, "Well,
10 can we do homeownership?" Because I think that
11 that's the route we need to be going to. Like
12 obviously, we need affordable housing, but I think
13 when we're thinking about it, how are we making sure
14 that that's also an option, and definitely want to
15 work with you to continue to talk about this and
16 build this out and see me as a partner in this.

17 COMPTROLLER LANDER: Wonderful. I'd love to
18 follow up on that.

19 COUNCILMEMBER STEVENS: Thank you.

20 CHAIRPERSON BRANNAN: Questions? Okay, thank
21 you.

22 COMPTROLLER LANDER: Thank you all for your
23 patience. I know it's a long day. I appreciate
24 everyone who stuck around.

25 CHAIRPERSON BRANNAN: I know thank you.

2 CHAIRPERSON BRANNAN: Thank you.

3 We'll take a five minute break and then we'll
4 have IBO.

5 2:53:30

6 [8 MINUTE BREAK]

7 CHAIRPERSON BRANNAN: Okay, welcome back. We're
8 now joined by the Independent Budget Office. I want
9 to congratulate-- congratulate Louisa on your
10 appointment as director of IBO, and thank you to
11 former acting director George Sweeting for his
12 service. We're now going to have our counsel swear
13 everybody in so we can get going.

14 COUNSEL TWOMEY: You afternoon. Raise your right
15 hands please. Do you affirm that your testimony will
16 be truthful to the best of your knowledge,
17 information, and belief and that you will honestly
18 and faithfully answer councilmember questions?

19 Louisa Chafee?

20 MS. CHAFEE: Yes.

21 COUNSEL TWOMEY: Elizabeth Brown?

22 MS. BROWN: Yes.

23 COUNSEL TWOMEY: Brian Cain?

24 MR. CAIN: Yes.

25 COUNSEL TWOMEY: Michael Jacobs?

2 MR. JACOBS: Yes.

3 COUNSEL TWOMEY: Sarah Stefanski?

4 MS. STEFANSKI: Yes.

5 COUNSEL TWOMEY: Sarita Subramanian?

6 MS. SUBRAMANIAN: Yes.

7 COUNSEL TWOMEY: Thank you, please begin.

8 CHAIRPERSON BRANNAN: Thank you. Go ahead.

9 Make sure that's on.

10 MS. CHAFEE: Good afternoon. My name is Louisa
11 Chafee, and I am the Director of the Independent
12 Budget Office. I am happy to be here today with the
13 IBO team. And I thank you for welcoming us. I will
14 not be testifying, as today is day four, and so I
15 defer to my esteemed colleagues led by Elizabeth
16 Brown.

17 MS. BROWN: Thank you, Louisa. Thank you,
18 Louisa. As you can see, I'm joined by many of my
19 colleagues. So thank you all for being here. And
20 listening to us en mass. I'm going to begin today
21 with the discussion of our bottom line, one that may
22 likely very well be changing given recent events.

23 About a month ago, IBO released our analysis of
24 the preliminary budget along with our latest revenue
25 and economic forecast. We projected that the city

2 would end this fiscal year with a surplus of \$4.9
3 billion, which is \$2.8 billion more than the Mayor
4 projected.

5 Our projection was based upon IBO's higher tax
6 revenue forecasts for 2023 and somewhat lower
7 estimates of city spending in that year compared with
8 the Mayor.

9 Assuming that this year surplus would be used to
10 prepay next year's expenses, we then projected a \$2.6
11 billion surplus in 2024. After 24, we forecast gaps
12 around \$3 billion in each year through 27. We
13 cautioned however, that the greatest risk to these
14 near-term surpluses was the cost of the city's
15 unsettled labor contracts. And as we all know, since
16 the release of our report, the size of that risk has
17 become somewhat clearer. As you know, as we have
18 talked about today, the Adams administration two
19 weeks ago reached a tentative deal with DC 37.

20 Assuming this agreement is ratified, and assuming
21 it sets the wage pattern for all other municipal
22 employees. IBO estimates that the cost of the city,
23 above what is already included in the city's labor
24 reserve would be between \$16 billion and \$17 billion
25 over the five year contract period or the course of

2 the financial plan. This is not materially different
3 from what the Adams administration has estimated.

4 Apart from the estimate of one time bonuses,
5 which we calculated using IBO's current headcount as
6 of November IBO's estimate is based on 2022 city
7 staffing levels, and the impact of this agreement on
8 attrition, hiring, and retention is so far unclear.

9 When these costs are incurred depends on when
10 each of the city's municipal labor unions ratify
11 their contracts. For example, if all unions were to
12 settle for a similar pattern as DC 37's tentative
13 agreement this fiscal year, IBO estimates the
14 additional costs of the city would be approximately
15 \$2.4 billion in 23, and that would include all back
16 pay and one time bonuses, \$2 billion in 24, and
17 growing to \$4.8 billion in fiscal year 2027. This is
18 again above the funds already budgeted in the labor
19 reserve.

20 If we assume no other changes to the preliminary
21 budget, this would sap all but \$300 million of our
22 2023 projected surplus, and result in a shortfall of
23 about \$2 billion in 2024. While it's very unlikely
24 that all unions will sign new contracts this year,
25 this fiscal year (we're already more than halfway

2 through), and there is no guarantee that all unions
3 will follow the DC 37 pattern, the near-term impact
4 of what was the biggest risk when we released our
5 analysis is far less opaque today.

6 Moving from this city's municipal workforce to
7 the city's workforce writ large, i'd like to provide
8 some highlights from our latest economic forecast.

9 IBO's economic forecast is premised on slowing
10 growth in both the national and local economies over
11 the next 12 months, although we do not anticipate
12 negative growth for a sustained period of time or a
13 recession. For calendar year 2022, we expect the New
14 York City economy will have added about 212,000 jobs,
15 based on preliminary numbers which would bring the
16 city's employment back up to 97.6% of its pre-
17 pandemic level. However, the expected slowdown in
18 economic growth will substantially slow growth this
19 year and beyond. For fiscal year 23, we forecast the
20 addition of only 45,700 new jobs before bouncing back
21 to 93,000 new jobs in 2024. We now project the city
22 will recover all lost jobs during the pandemic-
23 induced recession by the third quarter of 24.

24 The most prominent change to IBO's is employment
25 forecast since our report in December is an improved

2 outlook for the leisure and hospitality sector, the
3 industry that had was hit hardest by the pandemic.
4 The recovery of the 295,000 jobs lost has been
5 sluggish until recently, but the healthy return of
6 tourism has boosted this sector, which we now project
7 will regain all lost jobs by the second quarter of
8 2024.

9 Two other sectors in which our employment outlook
10 has changed, although not as markedly as leisure and
11 hospitality, are information and financial
12 activities. Information which had the quickest
13 recovery of all sectors from its initial pandemic
14 losses is projected to remain essentially flat in
15 2023. Financial activities, including the securities
16 industry, is projected to decline this year before
17 minimal growth resumes. As these are the two sectors
18 with the highest average wages, these changes to
19 their outlook, although not particularly large in
20 terms of number of jobs, are worth noting.

21 As for tax revenue, after double digit growth in
22 may of the city's tax sources last year, revenue
23 growth is expected to slow this year, turning
24 negative in some cases. The declines are
25 particularly large in percentage terms for the income

2 taxes and the property transfer taxes. Sales tax and
3 real property tax are among the exceptions for which
4 we forecast moderate growth. The weakness continues
5 into 2024, with total tax revenues expected to shrink
6 by about 1.3%. Growth is expected to remain weak for
7 most tax revenue sources in 2025 through 27.

8 When compared to OMB, our tax forecast is higher
9 in every year by \$1.8 billion this year, \$923 million
10 in 2024, \$1.7 billion in 25, and greater amounts and
11 26 and 27. In terms of specific taxes, our forecasts
12 of business income, personal income, and real estate
13 related taxes are all higher than OMBs in each year,
14 while forecasts of sales tax revenue are lower in
15 most years.

16 Turning to spending, we also have several notable
17 differences in our estimates of city-funded costs
18 than projected by the Mayor.

19 One area where we have estimated lower-than-
20 budgeted cost is for personal services spending.
21 This exclude uniformed agencies, which I'll get to in
22 a moment.

23 Using actual personal services costs from the
24 first half of 2023, IBO estimated that spending on
25 non-uniform agencies would be about \$1.7 billion less

2 than the Mayor had budgeted, primarily due to the
3 large number of vacancies. The settlement of the
4 city's labor contracts in this year, however, could
5 erode this difference, as funds that were budgeted to
6 pay for heads would be moved to fund salary
7 increases. There are several other areas however,
8 were IBO projects higher than currently budgeted city
9 funded costs. The largest of these is for the
10 Department of Education. IBO estimates the DoD will
11 require an additional \$306 million in city funds in
12 2023 compared with the preliminary budget, the
13 additional need grows to \$905 million in 24, and
14 reaches \$1.5 billion in 26 going forward. More than
15 half of the additional funding required in the latter
16 years of the financial plan comes from the drop off
17 of federal COVID aid. IBO estimates the DOES will
18 require \$881 million in 26 and forward to fund
19 ongoing, programs funded by these relief dollars,
20 programs including summarizing 3K and Mental Health
21 For All. IBO also anticipates that charter K
22 spending for children with disabilities and charter
23 school costs will be above what the Mayor has
24 budgeted in each year the financial plan.

2 IBO also estimates additional city funding is
3 necessary to cover the cost of providing services to
4 asylum seekers. The city has budgeted \$1 billion in
5 federal funding -- this has come up a lot today -- in
6 2023 to cover the costs of providing services to this
7 population. However, we know the federal government
8 has only allocated \$800 million to this-- this issue
9 nationally, and it's unclear how much will actually
10 come to New York City.

11 As we know in the state executive budget, there
12 was proposal to help fund some of the shelter costs
13 to reimburse the city for 29% of the cost of
14 providing shelter services to asylum seekers with a
15 maximum contribution of \$1 billion over two years.
16 So without any-- without real specifics on the
17 federal allocation, IBO assumes that the city, and to
18 a lesser extent the state will have to fund the
19 majority of these costs associated with asylum
20 seekers.

21 We estimate that the bulk of city spending on
22 asylum seekers, although not all, is ongoing shelter
23 costs. Based on the rate of recent asylum seeker
24 arrivals, we project total shelter costs of at least
25 \$609 million in 23, and \$852 million in 24. I should

2 note that these estimates do not include the cost of
3 constructing HERRCs, or costs such as weatherizing
4 the Brooklyn Cruise Terminal.

5 Based on the state's proposal IBO estimates of
6 the city's spending on for asylum seekers will total
7 \$432 million this year, and \$605 million next year.
8 An influx of asylum seekers beyond our current
9 estimate would increase these costs. Any federal
10 funding that did come in would obviously decrease it.

11 IBO also projects higher-than-budgeted spending
12 on overtime for the uniformed agencies, with the
13 largest difference in our estimate being for the
14 police department. IBO estimates NYPD is on pace to
15 spend about \$825 million in overtime this fiscal
16 year, \$369 million more than is currently budgeted.
17 And we see similar trends in the outyears of the
18 plan.

19 In addition to the areas where IBO has identified
20 costs that will exceed what's included in the
21 preliminary budget, as we've heard a lot about today,
22 there are also proposals in the state's budget that
23 could put increased pressure on the city. Most
24 notably its proposal to increase the city's
25 contribution to the MTA by \$500 million annually.

2 This subsidy would consist of greater contributions
3 to paratransit costs, which we expect would increase
4 annually, contributions to MTA fare cards for city
5 students, and increased payroll tax offsets.

6 The Governor also proposed ending Affordable Care
7 Act savings to that the city has been receiving, and
8 that has historically passed on to H+H. The state's
9 proposal would eliminate city savings of \$124 million
10 in 2023 and \$343 million forward. This might put
11 increased pressure on the city to support H+H as
12 we've been passing that savings on to them.

13 To conclude the settlement of the city's labor
14 contracts will likely eclipse IBO's surplus
15 projection based on the preliminary budget, at least
16 for 2024, and increase IBO's projected gaps going
17 forward. While this does not come as a surprise, it
18 does mean policymakers may be faced with tough
19 choices, particularly in the outyears of the plan.
20 The 2024 potential gap of about \$2 billion, if you
21 include the labor new labor contracts, could be
22 substantially offset with the budgeted reserve funds
23 already contained within the budget. However outyear
24 gaps will exceed those numbers.

2 That's all for me. And so I'm happy to answer
3 any questions or refer them to my lovely esteemed
4 colleagues.

5 CHAIRPERSON BRANNAN: Thank you so much. With
6 regard to the budget stabilization account, it's
7 typical for the BSA to increase from the November
8 plan, to the prelim budget, to adoption, given recent
9 history, do you expect the BSA to end with a higher
10 balance by adoption than in the prelim plan?

11 MS. BROWN: I would say typically, I would. So
12 you do see the budget stabilization account, which is
13 where the city puts its surplus funds to pay down
14 debt, and you do generally see it increase from maybe
15 a couple hundred million in November. Maybe we're at
16 a billion by this time. Right now, I think we're
17 about \$2.2 billion, and that it does generally
18 increase towards adoption. However, the preliminary
19 budget did not account for the new labor settlements.
20 And it sounded like today that OMB will be estimating
21 out the total cost of the labor settlements, not just
22 DC 37, and the executive plan which all things being
23 equal, you would think that would have to-- it would
24 likely impact what's in the BSA.

2 CHAIRPERSON BRANNAN: How prepared Do you think
3 the city is for the next few years with economic
4 growth expected to slow?

5 MS. BROWN: Michael can talk about economic
6 growth. But I will say, I mean the City-- for this
7 year, and for next year, the City has budgeted
8 reserves that it has not used yet. So even if in the
9 very unlikely (I would say impossible) scenario that
10 the city had to pay, for example, back pay and
11 signing bonuses for every municipal employee in this
12 fiscal year, we estimate there would still be a bit
13 of a surplus that could be pushed into next year.
14 And that's even before we use anything in the general
15 reserve.

16 Next year, that gets a little more difficult, and
17 in 2025, where we see we could project a \$6 billion
18 budget gap given the labor settlement, that gets even
19 more difficult. So I think in the short term, we
20 might-- we might feel a bit better. But once we get
21 to 25, which actually isn't that far away, the gaps
22 do get less than manageable, I will say.

23 CHAIRPERSON BRANNAN: Okay.

24 MR. JACOBS: I would say something similar about
25 the economic forecast. Compared to a year ago our

2 forecast is, in a sense, it's been reduced for
3 national growth and-- and for local economic growth.
4 On the other hand, I think the possibility of a
5 recession is-- which is still very great, has
6 decreased, partly because the fourth quarter growth
7 on the nation's-- nation's economy was-- was
8 unexpectedly-- it wasn't high but it was greater than
9 expected. And there's been some attempt not-- not
10 attempt-- there's been some success in reducing
11 inflation. More needs to be done.

12 So on the one hand, you know, I think there's
13 perhaps less-- recession is less likely, but we're
14 forecasting slower growth both on the national and
15 the local level.

16 CHAIRPERSON BRANNAN: With regard to asylum
17 seekers: So my notes have IBOs estimate of costs is
18 roughly \$1.5 billion over FY 23 In FY 24. Is that
19 correct?

20 MS. BROWN: Yes. That is specifically for
21 shelter costs, I'll clarify that.

22 CHAIRPERSON BRANNAN: Right. And how many
23 asylees does that estimate?

24 MS. BROWN: So the-- I guess we put this together
25 in mid-January. At that point, we got numbers from

2 the city. I think 2,700 Asylum seekers were quote,
3 unquote, "in the city's care", which meant at DHS
4 shelters-- [background voices] 27,000. Thank you.
5 27,000. Zeros matter. 27,000, and that's includes
6 HERRCs and DHS shelters. We then projected how much
7 we saw the population might grow. And I think we got
8 up to around 35,000. We do this on an average. So
9 we say, "Okay, if there is an average of 35,000,
10 there's an average of 30,000 over the year, what
11 would the cost be?" And 35,000 was the highest we
12 got going out to 24. After 24, we assumed the
13 shelter population, at least for now, sort of stays
14 stable. It grows. But we're not seeing huge-- much
15 bigger influxes as we are right now. And that's
16 because there's so much uncertainty around what will
17 happen with this particular population.

18 CHAIRPERSON BRANNAN: Is there any information
19 that-- any additional information you've seen, that
20 might lead you to revise the estimate?

21 MR. BROWN: I mean, we've revised it several
22 times. I'll be honest. So we did an initial
23 estimate in-- published an initial estimate early in
24 November. We did another one at the-- at the
25 November plan, like two weeks later, and our estimate

2 did increase between then and now as well. So it
3 really all is driven by how many people are arriving
4 and what the population looks like. And we're doing
5 our best to forecast that. But, you know, it's a
6 difficult one to forecast. So...

7 CHAIRPERSON BRANNAN: why do you think the
8 Mayor's estimates might be so much greater than what
9 IBO has estimated?

10 MS. BROWN: So I-- Well, first of all, you know,
11 his budget only had \$1 billion in these large, sort
12 of, buckets. So, conceivably, in the executive
13 budget there might be some more detail on the
14 estimate that the Mayor has been talking about today,
15 and we could better compare it. As I mentioned, our
16 estimate is really looking at what we were calling
17 the ongoing cost of providing shelter. So that's
18 sort of the hotel-stay type cost.

19 What we don't include, because we honestly have
20 very little information on is the cost of for
21 example, building that HERRC on Randalls Island and
22 taking it down, weatherizing the facility in
23 Brooklyn. So we're looking at very specific costs.
24 We think this is most of the cost. We do think this
25 is most of the cost. But, you know, there might be

2 other costs that he's including. Also, we don't know
3 what-- how far-- how they're projecting the
4 population to grow.

5 CHAIRPERSON BRANNAN: Okay, moving on to labor
6 settlements. Uniform unions don't always follow the
7 exact same pattern as civilian unions. Do you have
8 any estimates on how different those costs might be
9 uniform versus civilian?

10 MS. BROWN: So we don't. So we did an exercise
11 where we looked at every-- every municipal employee
12 every-- we did it by Union, but every union following
13 the DC 37 pattern. Because we're not privy to what's
14 going on in the labor negotiations, we hesitate to
15 then make assumptions about how that might look. So
16 something we could try to cost out but we have not
17 done that yet.

18 CHAIRPERSON BRANNAN: And there's been some
19 mention-- I know OMB, I think, denied this, or said
20 we were mistaken, but they there had been some
21 mention of settlement pattern perhaps differing from
22 unions depending on their ability to work remotely.
23 Is IBO aware of similar issues and other cities or
24 states that might show us what's to come?

2 MS. BROWN: So yes. So we've heard about that,
3 too. And it's been in the press. The unions have
4 been talking about how you to handle people's work
5 environment that will be different than, you know,
6 what other-- other benefits that some employees would
7 get. We did take a look to see if we could find
8 this, because I assume this is something a lot of
9 cities and states are confronting. We haven't found
10 anything yet. But if we do, we can keep you
11 appraised.

12 CHAIRPERSON BRANNAN: Okay. And last question
13 from me was about the Mayor's housing plan. Does IBO
14 believe that the city has budgeted enough capital
15 funds to achieve a goal of 500,000 affordable homes
16 over the next decade?

17 MS. BROWN: So I will say, and this is going to a
18 little bit sound like I'm echoing the comptroller a
19 bit. Well, first of all, the 500,000, just to make
20 clear, that's not all affordable. That's a total
21 moonshot of housing to build. We would love some
22 more specificity on, you know, what sort of income
23 groups are targeted. Typically, mayors' housing
24 plans have had, "Okay, we're going to build this many
25 for extremely low income. This one for middle and

2 moderate." And that helps us track it and keep them
3 on their toes and say, "Are you meeting these
4 targets?" So the 500,000 is total housing overall.
5 But I don't know that the capital budget is the
6 biggest obstacle. We, you know, we've heard today
7 that HPDs housing starts are lower than they have
8 been in many years due to the staffing difficulties.
9 And this is HPD that's saying this, been facing. So
10 Wow. budgeted funds, you know, there might be more
11 needed, I think the more immediate concern might be
12 looking at what's happening in staffing.

13 CHAIRPERSON BRANNAN: Okay. Any questions from
14 my colleagues? Councilmember Brewer.

15 COUNCILMEMBER BREWER: Thank you. And thank you
16 to IBO for all your hard work, for those of us who
17 are trying to figure this out, I appreciate it. So
18 I'm worried, as I think others are, about people who
19 are on the low end of the spectrum in terms of
20 economic opportunity, and who need help from
21 government. So, of course, they're-- I want some
22 more money in some areas. Let me give you an
23 example. The papers are full of the fact that the
24 federal dollars are ending for people who need food.
25 And to me, that's a crisis. And so you know that--

2 is that something that you think should be added to
3 the budget? There are, I don't know, millions of
4 people, particularly seniors, who are not going to be
5 able to eat. And is that something that you've
6 looked at, or you think needs to be addressed?

7 MS. BROWN: So we usually don't say what should
8 be added to the budget, but it does seem--

9 COUNCILMEMBER BREWER: Sometimes you have to look
10 at that.

11 MS. BROWN: Sometimes we do. And I think it is a
12 really important concern. We were talking about it
13 today in terms of-- in fact, the asylum seeker costs,
14 and what that was doing to food pantries, and how
15 IBO, for example, you know-- We don't see the food
16 pantry budgets, but how could IBO position itself to
17 look into these sorts of questions? So I do think
18 it's a really important question. And maybe if we
19 say that there's funding that seems to be necessary,
20 somebody else could recommend this be added to the
21 city.

22 COUNCILMEMBER BREWER: Okay. Because I will
23 recommend it to you to look at it, if that's what's
24 needed.

25 MS. BROWN: We'll take it.

2 COUNCILMEMBER BREWER: Because I am extremely
3 concerned, as we all are.

4 And then the second issue along those lines with
5 NYCHA and the fact that there are gazillions of
6 people who can't pay the rent, the state emergency
7 money ran out. Folks in Albany are suggesting
8 something like \$369 million statewide, \$106 for NYCHA
9 residents. How else do we get funding to be able to
10 pay the rent and keep the buildings maintained? So
11 it's another crisis, and it does cost more money. So
12 I don't know if that's something that you're looking
13 at or not. These are concerns of mine.

14 MS. BROWN: That's a concern. And it's something
15 actually last week-- I think it was last week-- or
16 the week before, we put out a paper looking at the
17 NYCHA Preservation Trust, and this is one of the
18 issues, you know. If you're going to-- If you need
19 capital repairs, not only, you know, to do big
20 things, but do little things to make sure apartments
21 are livable, you need money to back that up, you need
22 to have money to pay the debt service on any sort of
23 capital repair. And right now that's very difficult.
24 So we know that NYCHA is exploring new financing
25 options, but I don't believe that this was as big a

2 big as an issue when they put together, for example,
3 the [inaudible] Trust.

4 COUNCILMEMBER BREWER: Right. The blueprint is--
5 I happen to support the blueprint concept, but it's
6 not tomorrow.

7 MS. BROWN: Right.

8 COUNCILMEMBER BREWER: And I worry about these
9 people today. And so I think it's something that we
10 have to look at. All right, thank you, Mr. Chair.

11 CHAIRPERSON BRANNAN: Councilmember Hanks?

12 COUNCILMEMBER HANKS: Thank you so much, Chair
13 Brannan. So hopefully you can follow along the line
14 of this question. So OMB earlier today testified
15 that there are-- that the city agencies still have
16 resources and budget authority to fill more than
17 23,000 vacant positions. However, you testified that
18 IBO's estimate-- estimated that it is lower because
19 you haven't considered-- Your amount is lower,
20 correct?

21 MS. BROWN: Yes. Mm-hmm.

22 COUNCILMEMBER HANKS: Because you're not counting
23 those...?

24 MS. BROWN: So it's not that we're not counting
25 them. So what we did is we looked-- Okay, we're,

2 what?, six months, seven months into the fiscal year.
3 If these agencies don't have staff. If they're-- if
4 they have a huge vacancy rate say,

5 COUNCILMEMBER HANKS: 100%.

6 MS. BROWN: and they're not paying people to fill
7 these jobs. That means there'll be money left over.
8 You know, they're budgeted to pay these jobs. So
9 we're saying, "Okay, if you're not paying that. That
10 money could go somewhere. Where could it go?"

11 COUNCILMEMBER HANKS: I totally agree with that,
12 but I think what-- what I was getting at is that we
13 also testified that there is-- that it's going to be
14 eroded because of the city labor contract. So all
15 I'm kind of-- I'm asking is that do we have some sort
16 of sliding number? Because the city is now looking
17 forward to filling these positions, they're taking,
18 you know, resources, and they are actively trying to
19 fill-- I mean, if they filled 23,000 we would all be
20 happy about that.

21 But is there a dollar amount that is being
22 considered in this budget for those ghost 23,000,
23 that we would have an accurate budget amount with
24 this-- with the labor contracts, and the sliding
25

2 scale of this of the administration trying to fill
3 these vacancies?

4 MS. BROWN: That's a great question. So the way
5 that I spoke about it today, when I said, "If nothing
6 else changes in the preliminary budget, this is where
7 IBO's surplus and gaps would be." Because I said
8 nothing else changes, that meant that we would still
9 consider the city would save money on these vacant
10 positions. If the city is able to hire 23,000, you
11 know, people this fiscal year. That means above what
12 I have said. So above, now I can't remember, but
13 above let's say \$2 billion-- [background voices]
14 Yeah, one-point-- thank you- the gap, that \$1.9 gap
15 would get bigger, because right now we're saying,
16 "Okay. You're not going to spend all that money on
17 budgeted headcount in 24 because you really haven't
18 in 23." So there is-- that would increase for
19 example, our gap.

20 COUNCILMEMBER HANKS: Thank you so much.

21 MS. BROWN: Thank you.

22 CHAIRPERSON BRANNAN: Questions? No? Okay,
23 thank you, IBO. Thank you so much.

24 MS. BROWN: Thank you so much.

1 COMMITTEE ON FINANCE

225

2 CHAIRPERSON BRANNAN: We'll take a 5-10 minute
3 break, and then we'll hear from Department of
4 Finance.

5 [11 MINUTE BREAK]

6 CHAIRPERSON BRANNAN: Okay Department of Finance.
7 We will swear you in and we'll get going.

8 COUNSEL TWOMEY: Afternoon. Raise your right
9 hands please. Do you affirm that your testimony will
10 be truthful to the best of your knowledge,
11 information, and belief, and that you will honestly
12 and faithfully answer councilmember questions?
13 Commissioner Niblack?

14 COMMISSIONER NIBLACK: I do.

15 COUNSEL TWOMEY: First Deputy Commissioner Shear?

16 DEPUTY COMMISSIONER SHEAR: I do

17 COUNSEL TWOMEY: CFO James?

18 MS. JAMES: I do.

19 COUNSEL TWOMEY: Thank you. Please proceed.

20 COMMISSIONER NIBLACK: Thank you. Good
21 afternoon, Chair Brannan, members of the Committee
22 and of the City Council. My name is Preston Niblack,
23 and I'm Commissioner of the New York City Department
24 of Finance. Thank you for the opportunity to testify

25

2 today. I'm joined by our First Deputy Commissioner,
3 Jeff Shear. Many of you already know, Jeff.

4 Just a quick reintroduction: This is his first
5 hearing as First Deputy Commissioner to which he was
6 appointed last fall after previously having served as
7 Deputy Commissioner for Treasury and Payment
8 Services. I think all of you have had the pleasure
9 of working with Jeff over the years will know how
10 grateful I am to have him beside me today and every
11 day.

12 I'm also joined by our Chief Financial Officer
13 Jackie James, who brings a wealth of experience in
14 basically keeps the agency running day to day.

15 So I'd like to say at the outset that the members
16 of the City Council Finance Committee might be the
17 only people in New York City who actually look
18 forward to hearing from the Department of Finance,
19 but as I look at your faces, I realize I probably
20 can't say that.

21 If city government were a popularity contest,
22 it's true that no one would bet on the agency that
23 collects parking tickets and property taxes. Yet few
24 other agencies serve as many members of the public in
25 as many different ways as the Department of Finance.

2 To give you just one example, last year 2.7 million
3 unique customers used our City Pay Page to make a
4 total of more than 9 million property tax, parking
5 violation, and other payments. And that's just one
6 of the many ways that customers interact with DOF.

7 So since millions of New Yorkers are, or one day
8 we'll be, Department of Finance customers, our
9 responsibility is to make interacting with us as
10 straightforward and effortless as possible. For
11 example, if you owe the city money, it should be easy
12 for you to pay with plenty of payment options to
13 choose from. If you get a notice from the Department
14 of Finance, it should be clear enough that you
15 understand at a glance, what action you need to take.
16 If you apply for a program administered by the
17 Department of Finance, you shouldn't have to take a
18 week off to assemble all the required documents, and
19 you should know when to expect a response.

20 The objective of all of my efforts as
21 commissioner is to continually improve our
22 interaction with the public, to ensure that our
23 customers get clear and accurate information and
24 prompt and professional service. Happily, DOF staff
25 take pride in providing the best possible experience

2 for our customers. I would love to be able to
3 introduce you to all the extraordinary people that
4 I've had the honor and pleasure to meet and work with
5 over the last year. Since I can't do that, I'll tell
6 you a little bit about the makeup of our team.

7 We have approximately 700 staff who are in
8 customer-facing roles serving the public at our
9 business centers, property exemptions call center,
10 External Affairs Division, and in the field. 190 of
11 our staff are the Property Assessment Professionals
12 responsible for valuing more than a million
13 properties worth a total of nearly \$1.5 trillion
14 every year. 150 are the hardworking law enforcement
15 professionals of the New York City sheriff's office,
16 and approximately 300 are collection staff, auditors,
17 and others responsible helping ensure that we are
18 collecting more than \$46 billion annually in property
19 taxes, business taxes, fines and other charges.

20 I can't overstate the importance of the work that
21 our staff performs day in and day out. Just under 50
22 cents of every dollar that the administration and
23 this council agree to spend annually is collected by
24 Department of Finance staff. Really the entire
25 function of the city depends in large part on the DOF

2 team. And I know I speak for all of you when
3 thanking them for their extraordinary service.

4 It's been an especially busy year for DOF as we
5 emerged from the pandemic and began to resume more
6 normal business operations, and I'd like to share
7 some highlights of our accomplishments since I came
8 before this committee at this time last year
9 virtually.

10 First, we've successfully implemented several
11 programs that were high priorities to the
12 administration and the council. In the summer and
13 fall of 2022, the Department of Finance issued
14 property tax rebates up to \$150 over 400,000
15 households, putting much-needed relief into the hands
16 of New York City's property owners.

17 Meanwhile, following the Mayor's successful
18 campaign in Albany last session to enact the
19 Childcare Center Property Tax Abatement and Business
20 Tax Credit, DOF has been working diligently with city
21 hall and our sister agencies to implement them. The
22 property tax abatement is available to property
23 owners whose construction, conversion, alteration, or
24 improvement completed on or after April 1, 2022
25 resulted in the creation of a new childcare center or

2 an increase in the maximum number of children allowed
3 in an existing center. Online applications are
4 available at nyc.gov/ChildcareAbatement, and the
5 application deadline is March 15.

6 Last month, we sent letters to nearly 200
7 property owners who may be eligible for the abatement
8 based on DOHMH issued licenses.

9 The Business Income Tax Credit for businesses
10 that provide free or subsidized childcare for their
11 employees will be applicable for tax years beginning
12 this year. Our team is working to make the
13 application available this summer, well ahead of the
14 November 1 due date.

15 The childcare center abatement and credit are
16 critical to the Administration's plan to increase
17 childcare availability citywide, and we will continue
18 to do our part to make sure that eligible taxpayers
19 can take advantage of these incentives.

20 Finally, another highlight of the past fiscal
21 year was the Fine And Interest Reduction Enabling
22 Recovery Program, also known as FAIRER. The FAIRER
23 program allowed businesses and individuals to pay a
24 reduced amount for eligible environmental control
25 board judgments. It helped more than 33,000

2 participants resolve \$144 million in debt, \$47
3 million in paid based fines, and \$97 million in
4 abated penalties and interest. In addition to
5 implementing these important programs and initiatives
6 we've focused over the past year and improving the
7 customer's experience through innovation and staff
8 excellence.

9 As I said earlier, people don't necessarily
10 choose to be Department of Finance customers, which
11 makes it all the more important that we make the
12 experience as frictionless as possible. We've
13 introduced a number of improvements toward that end,
14 with more on the way. We've recently rolled out a
15 new self-serve Payment Plan website for parking
16 tickets. This will allow most customers to set up a
17 payment plan at their convenience online without the
18 need to come into a business center. Even prior to
19 doing any marketing of the self-serve payment plan,
20 it's already proven successful. Since our soft
21 launch earlier last month, we've already had more
22 than 1800 Customers who have created online payments
23 and made approximately \$450,000 in down payments.

24 We've also added more applications to our online
25 smart file system, including the property tax rebate

2 application, primary residence self-verification for
3 the cop and condo abatement, not-for-profit tax
4 exemption applications and real property income and
5 expense filings. As a result we received a total of
6 almost 193,000 online applications in 2022, a 165%
7 increase over 2021.

8 Of course, some customers will always prefer to
9 visit us in person at our business centers rather
10 than conduct their transactions online. So we've
11 made it easier to do business at the business centers
12 by installing self-serve payment kiosks, self-service
13 payment kiosks that accept credit card, checks, or
14 cash payments for parking and camera violations.
15 They're prominently located in the centers, don't
16 require customers to create an account, and can
17 display information in both English and Spanish.
18 Staff are on hand to provide assistance as needed.
19 And beginning later this month, customers will also
20 be able to pay their water and sewer bills at a
21 kiosk.

22 In addition to working continuously to improve
23 customer experience, we also endeavor to make sure
24 that New Yorkers have the opportunity to receive all
25 of the benefits and savings for which they're

2 eligible. This past year, our public outreach
3 efforts have returned to full strength. We're fully
4 back in the field following the pandemic, and we
5 continue to offer virtual outreach sessions to reach
6 New Yorkers facing mobility or other challenges to
7 travel. We've partnered with the Mayor's Office of
8 Public Engagement and the Department For The Aging on
9 various initiatives to connect residents with the
10 rent freeze and Homeowner Tax Exemption Programs.
11 And as many of you know, we've hired a director of
12 constituent services, Rita Genn, who worked closely
13 with your offices to resolve constituent issues.

14 Once again, this year, we partnered with the IRS
15 and the New York State Department of Taxation of
16 Finance to contact taxpayers, who are eligible for
17 the Earned Income Tax Credit in previous years, but
18 didn't claim it. We mailed letters for approximately
19 2500 taxpayers to inform them that they may be
20 eligible for the EITC, and to another 54,000 non-
21 filers to let them know they may also be able to
22 receive the refundable credit even if they don't owe
23 any federal tax.

24 We've also sent letters earlier this year to
25 approximately 15,000 property owners who may be

2 eligible for Enhanced School Tax Relief or Enhanced
3 STAR. We focused on two audiences: Customers who are
4 currently receiving basic STAR, but we think are
5 likely eligible for the enhanced benefit, and
6 customers who are not receiving STAR, but are
7 receiving the senior citizen homeowners exemption and
8 therefore should be eligible for enhanced STAR.

9 Let me turn to our plans for the coming fiscal
10 year.

11 The Department of Finance's fiscal year 24
12 budget, preliminary budget is \$332 million. That
13 includes \$174 million in personal services funds to
14 support an authorized headcount of 1878 full-time
15 staff, and \$158 million for other-than-personal
16 services.

17 Let me just add my thanks and appreciation for
18 the 19 staff that were restored to the Department of
19 Finance in the most recent budget modification for
20 this year.

21 We have many initiatives planned for fiscal year
22 2024 that will help us achieve our objectives of
23 improving the quality of our web and print
24 communications, modernizing our revenue collection

2 systems, and making it easier for customers to
3 conduct their business with DOF.

4 First, we're working with the Office of
5 Technology and Innovation and a vendor specializing
6 in user experience to interview a broad range of New
7 Yorkers and gain valuable insight and data to help
8 reshape the future of DOF's website. A redesigned
9 website will be focused on human-centered design and
10 offer more user friendly experience, with an improved
11 layout intuitive site navigation and fewer clicks
12 to get where you need to go. I'd really like to
13 thank Chief Technology Officer Matthew Fraser and the
14 terrific digital services team at OTI for their
15 invaluable assistance with this project.

16 We'll also be introducing a new and improved
17 property information portal to make it easier for
18 customers to access important information about their
19 properties, including a new digital tax map which
20 upgrades the city's maps incorporate 3D floor plans
21 and interactive data tools. The improved map will
22 help customers better understand how we value their
23 properties and connect them to resources to address
24 their questions or issues at a single point of entry.

2 We will modernize our collection system, which
3 will deliver many improvements for our customers
4 including automatic payment deductions for ECB and
5 parking ticket payment plans. This will help to
6 ensure that fewer customers default and face
7 potential collection actions.

8 We're also planning to configure the business
9 center payment kiosk to accept property tax payments
10 in addition to parking, ticket, and water bill
11 payments.

12 As many customers who come into our business
13 centers do so in order to pay their taxes, having
14 additional in-person payment options should reduce
15 wait times and make the visiting experience more
16 efficient for the customer.

17 We are also redesigning our property tax
18 statement of account so that customers can more
19 easily understand their bills. This will include the
20 usage of color and industry standard design elements
21 to call attention to the most important information
22 customers need to know, including how much they owe,
23 how those charges were derived, and how to pay.

24 We plan to introduce parking hearings by video
25 giving customers another option for disputing their

2 tickets in addition to the ability to dispute tickets
3 online via mobile app, in person, or by mail.

4 And finally, we're working with the Council and
5 the State Legislature to pass a couple of bills: One
6 to improve our parking and illegal license plate
7 enforcement, to ensure that New Yorkers are able to
8 park near their homes without competing for space
9 with ghost parking plates or tractor trailers.

10 And we're also working with Albany to simplify
11 the income definition used for applications to SCRIE,
12 DRIE, and the senior citizen and disabled homeowner
13 exemptions. This will be terrifically beneficial for
14 applicants, and for us, in terms of how quickly we'll
15 be able to review and process applications. We also
16 think this will expand the number of people who are
17 eligible by about 17,000 New Yorkers.

18 In summary, we have a busy year ahead of us. We
19 will keep you informed of our progress on all these
20 and other initiatives. We share your goal of
21 ensuring that DOF provides excellent service to your
22 constituents. We remain committed to a productive
23 working relationship with the Council.

24 Thank you again for the opportunity today to
25 testify and I'll be happy to answer your questions.

2 CHAIRPERSON BRANNAN: Thank you, Commissioner for
3 outlining the new, kinder, gentler Department of
4 Finance.

5 Staying on SCRIE and DRIE, which you just
6 mentioned, as you know, the programs that protect the
7 city's most vulnerable. Why are the indicators for
8 SCRIE and DRIE been so negative during the first four
9 months of this year?

10 COMMISSIONER NIBLACK: So the primary reason, it
11 relates actually to the renewal applications. We--
12 We had two years during which renewal-- renewals were
13 automatic for SCRIE and DRIE by state law. We went
14 back to the regular cycle this year. We had a number
15 of people who, sort of, didn't renew, and we held
16 applications open longer than we normally would. So
17 normally after about 90 days-- three notices and
18 about 90 days, if we haven't heard from you, you
19 haven't renewed, or you haven't responded with the
20 information that we need, we'll close out the
21 application. We kept them open in order to allow
22 people more time. We used that time to do a lot of
23 outreach. We worked with Councilmember offices. We
24 worked with the Mayor's Public Engagement Unit to
25 make phone calls, we sent notices to landlords which

2 we'd never done before. So we used we made a lot of
3 outreach efforts to make sure that everybody who was
4 eligible for-- or we thought was eligible for renewal
5 was responding. So the-- the fact that the time went
6 to, you know, 25 to 29 days to-- to close out
7 applications was really a reflection of the fact that
8 we just held the applications open longer than we
9 normally would, given the sort of unusual
10 circumstances.

11 CHAIRPERSON BRANNAN: Okay. Have any of the--
12 the vacancies or have any of those-- have you felt
13 they-- they've really impacted revenue collection for
14 DOF?

15 COMMISSIONER NIBLACK: I don't-- I don't think
16 we've really had-- I don't think we've really seen an
17 impact on revenue collection, per se. We have--
18 We've had a terrific year, as you heard earlier, as
19 you mentioned earlier, actually, in our audit
20 division run by Deputy Commissioner Bencosme. We've
21 had-- We have a terrific collections division that's
22 run by Assistant Commissioner Pamela Parker.
23 Cortijo, are always, you know, very innovative and
24 hardworking. And I think even though headcount is--
25 is below what the authorized level is in both of

2 those divisions and elsewhere, we've managed to
3 really continue to do, I think, a great job as far as
4 revenue collection goes. Not that I'm advocating for
5 not filling those vacancies, but the staff really
6 deserves, I think, a lot of Commendation for how
7 much-- how hard they've worked and how creative
8 they've been.

9 CHAIRPERSON BRANNAN: Would you consider hiring
10 additional auditors to be a revenue PEG?

11 COMMISSIONER NIBLACK: I don't know if I would
12 call it a revenue PEG. I mean we-- were-- we have
13 vacancies in our audit division. We have just had a
14 hiring pool for city tax auditors where we picked up
15 30 new auditors, which is a fantastic result as far
16 as I'm concerned. And we have a new list for city
17 tax auditors. So we'll be going back again. It's
18 very important to continue to hire auditors because
19 you want to have a good pipeline, so more senior
20 auditors are able to take on more complex cases. And
21 that's very important to develop that skill set over
22 time. So we are constantly trying to refresh
23 vacancies at city tax auditor one level and two.

24 CHAIRPERSON BRANNAN: My notes say the average
25 salary for a city tax auditor is \$67,000. Would

2 increasing that salary increase the number of
3 applicants.

4 COMMISSIONER NIBLACK: I mean-- I assume that
5 all things equal, a higher salary will always induce
6 more applicants. I-- I'm you know-- I was happy to
7 see the DC 37 settlement. Our auditors are
8 represented by Local 1407, part of DC 37. So that
9 will raise the starting salary for auditors and make
10 us more competitive with Taxation and Finance, and
11 the IRS. We-- We have hired at a slightly higher
12 than the, you know, the base starting rate, which I
13 think helped us pick up those 30 auditors in last
14 month's hiring pool.

15 CHAIRPERSON BRANNAN: Do you think your
16 department would-- would benefit from remote work or
17 hybrid schedules?

18 COMMISSIONER NIBLACK: You know, that-- that is
19 something to be discussed and explored in the
20 committee that was established as part of the DC 37
21 bargaining-- collective bargaining agreement. You
22 know, we look forward to that. I mean, there, my
23 understanding is there were a number of options
24 including compressed schedules, remote work, et
25 cetera, that are going to be explored. There are

2 some titles and DOF that that might work for and
3 others that it won't.

4 And I think the Mayor's concern has always been
5 that we not have a two-tier system, employment
6 system, and I share that concern. So I just want to
7 make sure that we implement this in a way that is
8 fair and recognizes sort of the constraints on-- on
9 some staff's ability to work remotely.

10 CHAIRPERSON BRANNAN: Let's talk about the
11 sheriff's office. So they're under the purview of
12 DOF. Recently, I think most people have heard about
13 the sheriff's office in relation to the crackdowns on
14 the illegal marijuana dispensaries. What's the
15 headcount at the sheriff's office? How many how many
16 sheriff's do we have?

17 COMMISSIONER NIBLACK: So the sheriff's right now
18 are about-- I'm going to defer to Jackie on the exact
19 numbers, actually, if I can.

20 MS. JAMES: 259 at last headcount.

21 COMMISSIONER NIBLACK: And deputy sheriffs?

22 MS. JAMES: 150.

23 COMMISSIONER NIBLACK: About 150. There are
24 about 20 vacancies currently. So-- I'm sorry, here
25 it is. All right. 173 is our authorized headcount.

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2 We have about 150 active. So yeah, we have about 24
3 vacancies, including supervisor level. So about 14%
4 vacancy rate. Like-- Like every, you know, like
5 every part of DOF, we have, we have vacancies that
6 we're continually trying to fill.

7 CHAIRPERSON BRANNAN: Sure. Has a lot of time
8 and resources been focused on this new responsibility
9 to crack down on these illegal dispensaries?

10 COMMISSIONER NIBLACK: Yes. I think it's taken
11 up-- you know, it's taken up resources in a number of
12 agencies, and it's an interagency task force led by
13 the sheriff's office and includes NYPD, and includes
14 the Department of Consumer and Worker Protection,
15 obviously, the State Office of Cannabis Management,
16 our Office of Tax Enforcement participates. So yes,
17 it has definitely been a multi-agency, resource-
18 intensive effort.

19 CHAIRPERSON BRANNAN: We appreciate the work
20 they've been doing. I know, Albany kind of dumped a
21 hot plate of chili into our laps on this.

22 COMMISSIONER NIBLACK: And I want to commend
23 Sheriff Miranda for the excellent work he's done.
24 He's really, you know, taking the bull by the horns
25 here, and I think made the most of his legal

2 authority to really, and working with the other
3 members of the task force to-- to tackle a really big
4 problem, and one that's, you know, a very high
5 priority for the Mayor to address.

6 CHAIRPERSON BRANNAN: I have one or two more I
7 want to give to my colleagues. School bus cameras:
8 In 2019, the state passed a law allowing
9 municipalities to collect revenue from drivers that
10 pass the school buses illegally where there's a
11 camera in the stop arm. Can we talk about why the
12 administration has not gone forward with the
13 installation of these stop arm cameras?

14 COMMISSIONER NIBLACK: I cannot talk about why
15 the administration has done or not done--

16 CHAIRPERSON BRANNAN: Has there been discussion
17 around that? I'm not familiar with that. Again, you
18 know, if the Department of Finance-- we're on the--
19 we're on the back end, right? Once the enforcement
20 is-- is carried out, then we're in charge of
21 collecting. So I don't-- You know, in terms of
22 decisions about how enforcement will be conducted is
23 in somebody else's hands, not ours. So I can't
24 really speak to that.

2 CHAIRPERSON BRANNAN: Okay. FY 24, the tentative
3 roll revealed that less than 1% growth in overall
4 total market value for Class 2?

5 Could you walk us through that-- the disconnect
6 with what DOF published in the assessment guidelines
7 relative to the minimum-- the minimal growth reported
8 on Class 2 to the tentative roll?

9 COMMISSIONER NIBLACK: I'll tell you sort of what
10 we saw. I don't I don't know that I can speak to a
11 disconnect. But I'll tell you what we-- from what
12 we've seen here. So first of all, it's just
13 important to remember that we're using real property
14 income and expense statements for-- from calendar
15 year 2021, that we received in mid-2022, to value
16 properties as of the taxable status date of January
17 5, 2023. So, for fiscal year 24, just to complete
18 the confusing list of numbers.

19 So, you know, at that point in 2021, vacancy
20 rates in Manhattan and Class 2 rental properties
21 exceeded 10% for over half the year, and didn't
22 really come back down to a more normal 2% or 3% until
23 the end of the year.

24 We also-- We project-- We try to trend forward
25 income and expense information, and obviously there

2 was significant inflation last year. So that drove
3 up expenses without necessarily a corresponding
4 increase in income. So we had, you know, we had
5 lower NOIs and higher vacancies as a result. So in
6 Manhattan, at least, which is 44% of Class 2 parcels
7 citywide, assessed values-- market values were down
8 1.5%. Elsewhere in the city, they were up somewhat
9 but the-- you know, the values in Manhattan, because
10 there's such a large part of the total Class 2 value,
11 drove the overall increase to-- down somewhat.

12 CHAIRPERSON BRANNAN: Is that as puzzling to you
13 as it is to us.

14 COMMISSIONER NIBLACK: Well, I'm sorry, that
15 you're still puzzled. No, I mean, I think it's a
16 complicated process. And we have to remember also
17 that we are-- two things. One, we're looking at
18 slightly lagged information, right? So the property
19 assessment that you get reflects data that is a year
20 old. So your-- You know, your Property Assessment
21 is always kind of catching up a little bit. We're
22 not-- We're doing assessments, not appraisals. So
23 you know what-- what a property would sell for on the
24 market reflects the expected income stream in the
25 future. We're just looking at a snapshot of-- of

2 what's going on at-- at the time that the RPIEs are
3 filed. So I think just in terms of-- in terms of the
4 2021 data that we were using for this valuation, it's
5 pretty consistent with, you know, I think what you
6 would see in market reports from CBRE, or Jonathan
7 Miller, or Douglas Elliman, or whoever.

8 CHAIRPERSON BRANNAN: Okay. Let's talk quickly
9 about some technology needs. Can you describe how
10 DOF has utilized technology to support the
11 administration of the city's tax and revenue laws,
12 and how investments in technology might bolster DOF
13 revenue generation. You mentioned a little bit in
14 your...

15 COMMISSIONER NIBLACK: Yeah, we've done a few
16 things here. I mean, I did mention the self-service
17 payment plans we've been doing. We're planning to--
18 That should be completely rolled out here shortly.
19 And that is tremendously beneficial to customers,
20 because it makes it easy for them, they don't have to
21 come into a business center. It reduces the amount
22 of staff time necessary to process applications, so
23 that's also good for the customer. And it means that
24 we can handle more with the staff level that we have.

2 We've done-- We've been putting more applications
3 on smart file. We've been doing more applications
4 and documents that you can sign via DocuSign without
5 having to have a wet signature and scan and send it
6 back, et cetera.

7 So we're doing a lot of smaller steps like that,
8 but which make a big difference in terms of customer
9 experience.

10 There's some bigger projects that we have in the
11 works. One is replacing our collection system, which
12 is on a platform that is no longer basically
13 sustainable. It's mainframe based. So we have to
14 really ensure that we can have you know, a
15 sustainable 21st century collection platform. Like,
16 that will-- You know, that was just a necessary
17 replacement that will add some functionality to the
18 collection system and make it a lot easier. Right
19 now, people literally have to swivel between multiple
20 monitors at the Business Center, sometimes to
21 complete transactions.

22 We're investing a lot in cybersecurity and data
23 loss prevention, to make sure that we're in
24 compliance with federal and state mandates for the
25 protection of our sensitive, confidential tax data.

2 The current parking system architecture is really
3 antiquated and kind of built from multiple pieces
4 that have been sort of strung together with baling
5 wire and scotch tape, and are, you know, also large
6 parts of what you're reaching end of life. So that's
7 a project that we're now working on. We have an RFI
8 that will go out shortly to replace the whole parking
9 architecture.

10 So yeah, we have a number of number of-- We're
11 all-- We're a very technology-heavy organization.
12 Fortunately, we have a terrific Chief Information
13 Officer in Caroline Carney who's really leading the
14 charge in getting all this work done and keeping us
15 up to the standards.

16 CHAIRPERSON BRANNAN: Has more of these
17 operations been moved to the cloud? Are we still
18 doing--

19 COMMISSIONER NIBLACK: Yes. A lot of it is
20 moving. A lot of it has been moving to the cloud.
21 And we've been doing a lot of migration, property tax
22 system. We've been migrating all of that. So we
23 have, you know, databases that were on access that
24 we're now moving to Azure, you know. There's a lot
25 of-- a lot of work that we've been doing to make sure

2 that data is, first of all, not sitting on physical
3 servers, you know, in a DOF office or an OTI office,
4 and that it is more secure and reliable.

5 CHAIRPERSON BRANNAN: Okay, I'm going to hand it
6 off to my colleagues for at questions. Gale?

7 COUNCILMEMBER BREWER: Thank you. As you can
8 imagine, I'm a big fan of the sheriff's because of
9 what he did when I went out with him to the stores
10 that were selling illegal cannabis.

11 So my question is: Do you think, is that
12 something that, given this new role that there should
13 be a new need, in other words, more sheriffs, more
14 capacity in order to accomplish this job? And that
15 question is not just coming from me, I think people
16 have seen what he's doing and are impressed and are
17 asking me that question.

18 COMMISSIONER NISBLACK: You know, our first--
19 first step will be to fill some of the Deputy Sheriff
20 vacancies that we have. There's-- we're working off
21 kind of an old list. And we have a new exam coming
22 up in April for deputy sheriffs. We had 4000
23 applicants for it.

24 COUNCILMEMBER BREWER: Wow.

2 COMMISSIONER NISBLACK: So I'm-- You know, we're
3 ecstatic that we have so many applicants, and so much
4 interest in working for the Department. That's
5 terrific. And, you know, we-- we are constantly in
6 communication with OMB, I'm sure much to their
7 annoyance about, you know, evaluating our needs as we
8 go forward. If at some point we think we need
9 additional headcount there, we will ask for it.

10 COUNCILMEMBER BREWER: Okay. Because I have
11 people asking me. The next question is the issue of
12 parking tickets. Because I just have a question:
13 Manhattan when Governor Cuomo, to his credit, get rid
14 of the tow pound in Manhattan and made it a park,
15 Pier 76, and the tow pound went everywhere. I
16 shudder to think what happens to people, where they
17 have to go to get their car if it's towed, because
18 it's not going to be Manhattan.

19 Has that had any impact on collection? Do you
20 hear complaints? I mean we're all trying to find a
21 tow pound Manhattan because most of the cars get
22 towed in Manhattan. So I was just wondering-- I
23 don't know if that if that's something that comes up
24 in your agency.

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2 COMMISSIONER NISBLACK: I'm going to do for to
3 Deputy Commissioner Shear.

4 DEPUTY COMMISSIONER SHEAR: Hi. So that tow
5 pound is an NYPD tow pound.

6 COUNCILMEMBER BREWER: Yep.

7 DEPUTY COMMISSIONER SHEAR: And we are not using
8 it for the cars that we have booted and towed for
9 parking ticket violations. So it is not impacting--

10 COUNCILMEMBER BREWER: So you boot, which is
11 fine. You can't always boot-- I mean, that's why you
12 can't boot in a hydrant or something.

13 DEPUTY COMMISSIONER SHEAR: Right.

14 COUNCILMEMBER BREWER: So where do you tell them?
15 Or you don't tow? I don't--

16 DEPUTY COMMISSIONER SHEAR: We do tow. So if the
17 boot-- if--

18 COUNCILMEMBER BREWER: The sheriff tows? Or you
19 do contracts?

20 COMMISSIONER NISBLACK: Sheriffs and marshals.

21 COUNCILMEMBER BREWER: Yeah.

22 DEPUTY COMMISSIONER SHEAR: The sheriffs office
23 oversees the marshals.

24 COUNCILMEMBER BREWER: Right.

25

2 DEPUTY COMMISSIONER SHEAR: There are 14 marshals
3 that are our booting vehicles. If the boot isn't
4 addressed within 24 to 48 hours after it's placed,
5 then it is towed. It's not towed to an NYPD pound,
6 but it's towed to one of our pounds from tow truck
7 operators that support that operation.

8 COUNCILMEMBER BREWER: Okay. And then if it's a
9 Manhattan situation, then they're towed to Manhattan?
10 Is that the idea?

11 DEPUTY COMMISSIONER SHEAR: I don't believe we
12 have a pound in Manhattan, but we'll get back to you
13 with the location. So...

14 COUNCILMEMBER BREWER: I'm just because-- I don't
15 have a car, and I don't think people should put it in
16 a towing-- to be towed situation. But those who do
17 are traveling pretty far. So yes, if you could get
18 back to me about that.

19 DEPUTY COMMISSIONER SHEAR: Will do.

20 COUNCILMEMBER BREWER: Okay, in terms of SCRIE
21 and DRIE, I know that to your credit, Reogen[ph], and
22 also putting staff in our office to help once a month
23 is a big deal. We appreciate it. What are we going
24 to do, or what suggestions do you have in terms of
25 outreach? I know you've tried almost everything.

2 But there are still I think many, many seniors and
3 people who are challenged with a disability, or, you
4 know, the whole community, owners and renters who are
5 just not signing up. And it's a shame because we
6 want their taxes-- I mean, their rent, or their
7 mortgage should be frozen. So what other ideas you
8 have about outreach?

9 COMMISSIONER NISBLACK: I do think that the
10 legislation that simplifies the application will
11 actually make a big difference, because it will be a
12 lot easier. We get a pretty large number of people
13 who started an application and don't finish it,
14 because it's an onerous process to apply. And when
15 we have a very simple application that, you know,
16 it's federal AGI plus IRA distributions then, you
17 know, that's a lot easier for people to apply for,
18 and I think more people will be able to access the
19 program that way.

20 I am-- you know, we do a ton of outreach on this.
21 We'd be happy to-- we're always happy to do more.
22 Assistant Commissioner Jackie Gold will always send
23 out her outreach team anywhere. They're happy to go.
24 We have talked about doing perhaps some advertising.
25 You know, we do a lot of direct outreach, but maybe

2 less, more indirect outreach, as it were, through
3 advertising on bus stop shelters, or bus stop
4 shelters, or buses or whatever, it might be another
5 way. So we're open to thoughts about how to reach
6 people.

7 COUNCILMEMBER BREWER: Okay. I think we're all
8 trying. And on speed cameras, I know-- I should
9 know exactly where we are in terms of Albany. We'd
10 like more, or least I'd like more. And I was
11 wondering what the revenue looks like, what it could
12 be in the future? Does it-- Do you feel like it's
13 something that-- are you able to collect it? I know
14 we have the license plate problem, et cetera. So
15 just, if you could update me on speed cameras.

16 COMMISSIONER NISBLACK: I will have to get back
17 to you, I think with-- with numbers, but we-- The
18 numbers that I recall from the report that we did in
19 the beginning of February on parking and camera
20 violations, there were there was a significant
21 increase in violations resulting from the new camera
22 expansion. The-- They are less-- They're more often
23 upheld, and they're less often-- people come in and
24 dispute them less often, because--

25 COUNCILMEMBER BREWER: It's a picture.

2 COMMISSIONER NISBLACK: It's a picture. So, you
3 know, we do see a lower rate of people disputing
4 their parking-- their camera violations rather than
5 parking, and fewer appeals. So, you know, we do tend
6 to have a higher collection rate on those. You know,
7 ghost plates is a significant issue. One that we
8 want to address at both the city level and the state
9 level. We'll have legislation shortly on--

10 COUNCILMEMBER BREWER: It has to be on the state
11 level, I think, legislation.

12 COMMISSIONER NISBLACK: There's some-- There's
13 some steps we can take on the city level as well,
14 legislation on that shortly, I think.

15 COUNCILMEMBER BREWER: Okay. And then in terms
16 of-- maybe you said this, and I didn't see it, but
17 in terms of collection of property taxes: Are there
18 other-- What's the percentage of people who don't
19 pay? Just give me a sense of, just the general, you
20 know where we're at in terms of property taxes. I
21 know what the-- I know about assessments, I know--
22 but just in terms of where we are, like...?

23 COMMISSIONER NISBLACK: So right now, the most
24 recent numbers that I saw, and I'm going to get back
25 to you with the exact numbers, but about 3.4% is what

2 I recall, which is, you know, three tenths of a point
3 above what it was last year this time. But generally
4 not too far off from-- from where we are this time of
5 year.

6 COUNCILMEMBER BREWER: Okay. And that's-- Is
7 that something that can be addressed? Or that's kind
8 of going to stay like that?

9 COMMISSIONER NISBLACK: Well, since-- since you
10 went there, we are working on legislation that we
11 would-- we look forward to working with the Council
12 on, on property tax enforcement, that we think-- we
13 hope will meet some of the criticisms of the lien
14 sale process in the past. And, but you know, we need
15 it. We need a tool. We need an enforcement tool.
16 It's very important that we're able to do that.

17 COUNCILMEMBER BREWER: Okay. Everybody who could
18 pay, should pay.

19 COMMISSIONER NISBLACK: And everybody who can't--
20 legitimately can't pay, we want to find a way to
21 help.

22 COUNCILMEMBER BREWER: Exactly. Right. Thank
23 you.

24 CHAIRPERSON BRANNAN: A kinder, gentler,
25 Department of Finance.

2 COMMISSIONER NISBLACK: That's my middle name.
3 KGDOF.

4 CHAIRPERSON BRANNAN: This morning, I asked
5 Budget Director Jiha about looking for savings in the
6 city's tax expenditure programs. He said to ask
7 Preston.

8 [LAUGHTER]

9 COMMISSIONER NISBLACK: I actually think that's a
10 question for Jacque, but go ahead. I'm sorry.

11 CHAIRPERSON BRANNAN: Yeah, I mean-- The-- Jiha
12 said it was a question for you. Are there savings
13 you think can be found in tightening up and reforming
14 the city's tax expenditures? I was thinking-- I was
15 reading my notes about IBO did an evaluation of the
16 commercial expansion and revitalization programs,
17 which together cost the city like \$27 million
18 annually. But the IBO found that the tax break
19 didn't have any noticeable impact on the decision of
20 businesses on their investment decision? So is there
21 anything like that planned, or automatic that we look
22 over all these tax breaks?

23 COMMISSIONER NISBLACK: The Governor included an
24 extension of that program, and a couple of other
25 programs, including a couple of lower Manhattan

2 programs in her budget, and we're-- we're examining
3 those--

4 CHAIRPERSON BRANNAN: Okay.

5 COMMISSIONER NISBLACK: --to see whether--

6 CHAIRPERSON BRANNAN: But are there some you
7 think-- Do you-- Are there some that you think we
8 could do without, that we could lose?

9 COMMISSIONER NISBLACK: I can't speak to any of
10 them right now in particular. I do-- we are going to
11 take a look and see whether we think that they're
12 cost effective, and you know, how many beneficiaries
13 there are, how much they're getting, you know, and to
14 what extent we think it's influencing behavior.

15 CHAIRPERSON BRANNAN: Okay. Because the
16 Commercial Expansion and Revitalization Program
17 basically looked like the tax break was a waste of
18 money. So I'd love to know if there were others that
19 we might be able to dig into. Do we have any
20 questions from my colleagues? No? We're good.

21 Okay. All right. Thank you guys so much. I
22 appreciate it.

23 We're going to take like 5-10 minutes and then
24 we'll hear from DDC.

25 [15 MINUTE BREAK]

2 Okay, we will now hear from the Department of
3 Design and Construction after our Committee Counsel
4 swears everybody in. Thank you for coming

5 COUNSEL TWOMEY: Good afternoon. Do you affirm
6 that your testimony will be truthful to the best of
7 your knowledge, information and belief and that you
8 will honestly and faithfully answer councilmember
9 questions? Thomas Foley?

10 COMMISSIONER FOLEY: I do.

11 COUNSEL TWOMEY: Rachel Laiserin?

12 MS. LAISERIN: I do.

13 COUNSEL TWOMEY: Magalie Austin?

14 DEPUTY COMMISSIONER AUSTIN: I do.

15 COUNSEL TWOMEY: Thank you. Please proceed.

16 CHAIRPERSON BRANNAN: You may begin when you're
17 ready.

18 COMMISSIONER FOLEY: Thank you. Good afternoon,
19 Chair Brannan, and members of the Committee. I am
20 Thomas Foley, Commissioner of New York City's
21 Department of Design and Construction, and I'm
22 pleased to appear before you today, I am joined by
23 Deputy Commissioner and CFO Rachel Laiserin, on my
24 right, and Executive Deputy Commissioner Magalie
25

2 Austin on my left, and other members of our DDC
3 leadership team.

4 This is a time of growth and change for DDC. The
5 agency is moving ahead with major programs, including
6 borough-based jails, coastal resiliency, and citywide
7 green infrastructure, and pedestrian ramp programs,
8 while continuing to pursue more traditional
9 responsibilities as the city's chief builder of
10 infrastructure and public buildings.

11 At the same time, we see tremendous potential to
12 maximize public investments by planning, designing,
13 and building better for the City of New York as
14 outlined clearly in our strategic blueprint and the
15 Mayor's Capital Process Reform Report
16 recommendations.

17 As the city's primary capital construction
18 manager DDC builds on behalf of more than 20 city
19 agencies plus numerous museums, cultural
20 organizations, and other nonprofits that receive
21 funding from city sources. This January Capital
22 Commitment Plan contains over \$4.7 billion in new
23 planned investments, which include expenditures for
24 our core infrastructure and buildings programs,
25 coastal resiliency projects, green infrastructure,

2 and borough-based jails. This figure includes almost
3 \$1.6 billion for the infrastructure divisions
4 projects and \$3 billion for our public building
5 portfolio.

6 Capital spending for DDC varies year over year,
7 and it is dictated by the agencies that sponsor our
8 projects and the funding we receive from them. We
9 advise sponsors about scope and cost but ultimately
10 priorities are they are policy driven. DDC's fiscal
11 year 2024 operating budget is \$145 million. This
12 includes \$114 million for personal services, and \$32
13 million for OTPS. Our budgeted headcount is 1188.
14 Our total operating budget includes \$125 million in
15 IFA funding, and \$20 million in city tax levy
16 funding. In public buildings, we have 114 projects
17 in active design totaling \$2.6 billion, 111 in active
18 construction totaling \$2 billion. On the
19 infrastructure side, we have 125 projects in active
20 design totaling \$4.4 billion, and 87 in active
21 construction totaling \$4.1 billion.

22 I am very pleased to report our progress for
23 Design Build, which is already showing incredible
24 benefits versus the old, one-size-fits-all approach
25 known as "Design Bid Build" we have been forced to

2 use for generations. Public Design and Construction
3 are plagued with extra steps, rules that defy common
4 sense, and a lowest bid law that is supposed to
5 control costs and corruption but instead delays
6 projects, drives up costs, and forces us to partner
7 with contractors who may not be up to the task in
8 some cases. DDC now has permission to use one and
9 only one new approach called Design Build. Design
10 Build allows designers and contractors to partner
11 together as one team with shared business goals from
12 the outset, ensuring projects move faster, allowing
13 construction to begin while designs are still in
14 development, and avoiding conflicts and change
15 orders. It allows transparent value based selection
16 of vendors through an RFP process instead of just
17 accepting the lowest, quote "responsive" construction
18 bid, as well as setting MWBE goals for both design
19 and construction at 30%.

20 Our first Design Build project has been completed
21 and the results are extraordinary. The structure, a
22 community space and parking garage in Kew Gardens
23 Queens, was completed in less than half the time it
24 would have been under the old system with more than
25 10% savings. Cost savings at that. We completed our

2 first Design Build project and 22 months, saving at
3 least two and a half years in what would have easily
4 been a five-year-plus project, and brought down costs
5 as well.

6 The opportunity to use Design Build can be
7 transformational, and we are actively expanding
8 Design Build through a pilot program of public
9 buildings and infrastructure projects. We recently
10 unveiled designs for the Shirley Chisholm Rec Center
11 in Brooklyn, and the Mary Colton Rec Center in Staten
12 Island, both of which are projected to be completed
13 in less than, and at least two years faster than
14 under the low-bid-contracting model.

15 We started procurement last year, they go into
16 construction this year (and you have to love that).
17 And this spring, we anticipate awarding our first
18 design infrastructure project as well. But there are
19 many other tools and methods that we could take
20 advantage of. You see, every time we want to make a
21 slight change to how we procure we need to ask the
22 state for permission. We have to spell out every
23 permutation of how we want to procure and get
24 permission. This year, the Adams Administration
25 worked with the Governor to include language in the

2 state budget to allow more such tools. Progressive
3 Design Build, Construction Manager Build,
4 Construction Manager At Risk, approaches that yield
5 unprecedented results during the pandemic, and
6 recently at Rikers Island, where DDC is completing
7 \$200 million worth of emergency work in only one
8 year.

9 We are also seeking legislation to have DDC
10 declared a state authority with all the opportunities
11 to create a new outline for capital project delivery.
12 Our goal is straightforward: Simplify the process.
13 Give us the tools we need. And let us do our jobs so
14 that New Yorkers don't have to wait years for
15 construction projects.

16 I ultimately am responsible and I welcome that.
17 For example, a recent change in citywide procurement
18 policy brought some DDC procurements back into the
19 oversight regime of the Mayor's Office of Contract
20 Services, even though DDC has successfully executed
21 these procurements without additional review, which
22 was delegated to us years ago. This change was not
23 targeted to DDC, but it would impact us potentially
24 by adding time to our procurement process. We are
25 the design and construction experts in procurement as

2 well as project delivery. We would administer our
3 own contract services. We would ensure integrity
4 while getting the work done. We would write
5 procurement rules quickly and efficiently. We would
6 issue contract and far less time.

7 All this could be to set in place with your
8 continued support.

9 Let me be clear, this legislation would not alter
10 our relationship with OMB and the City Council in any
11 way. Our budget would look the same as it does
12 today. Our responsibility to you would be the same
13 as it is today. But we all have to acknowledge the
14 current system does not work. We're trying to change
15 that and we need help.

16 As our portfolio expands, we continue to tackle
17 major new programs including coastal protection and
18 the East Side Coastal Resiliency Program ESCR, along
19 with its neighboring project, Brooklyn Bridge
20 Montgomery Coastal Resiliency, what we refer to as
21 BMCR (very technical terms) which entered
22 construction earlier this year.

23 At a combined construction cost of almost \$2
24 billion to two projects will form a 3.2 mile flexible
25 barrier on the East Side of Manhattan. This is the

2 largest resiliency project in America. We continue
3 to make good progress on both projects anticipating
4 opening the new Stuyvesant Cove park this spring with
5 flood protection as well as recreational amenities
6 for park users.

7 DDC also continues to make great strides on the
8 city's green infrastructure program. Building assets
9 that collect stormwater for streets, sidewalks, and
10 other hard surfaces before it can enter the sewer
11 system or cause local flooding. By reducing the
12 amount of stormwater that flows into the sewer
13 system, green Infrastructure helps prevent sewer
14 overflows and improves the health of the local
15 waterways. To date, DDC has constructed over 5600
16 green infrastructure assets, bioswales, rain guards,
17 infiltration basins, and stormwater green streets.
18 We have installed over 7700 linear feet of permeable
19 pavement, and expect to add over 300,000 more by
20 2026.

21 Those green infrastructure improvements
22 represents \$250 million in registered contracts
23 another \$300 million anticipated in the next three
24 years.

2 DDC continues to represent a large percentage of
3 the city's overall contract awards to MWBE's. In
4 fiscal year 2022, our utilization rate on projects
5 local law was 19%, with contracts valued at \$515
6 million. For the first quarter of the current fiscal
7 year, DDC is at a utilization rate of 31% with award
8 contracts at \$80 million.

9 As noted, our Design Build portfolio includes 30%
10 MWBE requirements for both design and construction.
11 In May of 2022, 49 firms were selected to participate
12 in the agency's first mentoring program.
13 Participants received tailored business management
14 and growth planning support, as well as exclusive
15 opportunities to bid on designated construction
16 projects valued up to \$1.5 million. I am pleased to
17 announce that we realized significant success in
18 establishing an MWBE pre-qualified list (what we call
19 a PQL) for our small general construction
20 procurements between \$500,000 and \$3 million. There
21 are now 16 approved MWBE firms on our list. We
22 further support the state proposal to lift the MWBE
23 discretionary cap to \$1.5 million (it's currently at
24 \$1 million) and establish an Office of Community
25 Hiring and Workforce Development.

2 In closing, I want to acknowledge the incredible,
3 incredible, diverse staff at DDC, who represent over
4 60 countries, speak more than 56 languages and
5 dialects. We are proud to be among the most diverse
6 city agencies. Our talented staff are managing a
7 huge number of complex projects that touch nearly
8 every aspect of life in New York City. Our
9 portfolios continue to expand, but with this amazing,
10 dedicated team, we continue to tackle new
11 responsibilities, while simultaneously improving the
12 way we do business in fundamental ways. We
13 appreciate your support to get stuff done for the
14 city.

15 Thank you. And I'm happy to answer any
16 questions.

17 CHAIRPERSON BRANNAN: Thank you. Glad to hear
18 Design Build is working. I helped lead the charge to
19 get that passed up in Albany in the past Council. So
20 I wish-- I only-- My only wish is that other-- more
21 departments and agencies were able to take advantage
22 of it. I think it's-- Design Build is a great thing
23 and we need it across all agencies, especially the
24 parks department. In the preliminary budget, there's
25 a reduction of 123 vacant positions at DDC. It's

2 estimated to save \$5.8 million in FY 23 and \$11.5
3 million FY 24, and the outyears. At the time this
4 vacancy reduction was implemented, DDC had a vacancy
5 rate of nearly 20%.

6 Could you talk about what positions have been
7 eliminated with this reduction? And does DDC expect
8 any reduction of services as a result?

9 COMMISSIONER FOLEY: So no-- no specific
10 positions were reduced, Councilmember, and DDC has
11 discretion. We continue to recruit for all budgeted
12 positions as well as those from the vacancy reduction
13 from the-- from the PEG. When we successfully hire
14 and fill these positions, we will work with OMB to
15 restore the budget, understanding that these are
16 essentially capitally funded positions through our
17 IFA.

18 CHAIRPERSON BRANNAN: Could you talk about what
19 roadblocks you've encountered in trying to fill any
20 vacant positions?

21 COMMISSIONER FOLEY: There have been a number. I
22 would say were a very-- it really is an amazing
23 agency. We have an amazing team. It's very
24 professional. It's technical. It's been a challenge

2 in hiring engineers, architects, lawyers, and IT. It
3 has been a huge challenge.

4 We've-- I've held many hiring fairs. We
5 actually have one this Thursday. We teamed with
6 Deputy Mayor Joshi and the operations team. We're
7 going to be higher having an engineer hiring fair at
8 Gracie Mansion in May for those that have recently
9 graduated. And one of the things that we're working
10 now-- I just met with the Deputy Mayor, and one of
11 the things working with the Deputy Mayor and OMB is
12 to have some flexibility when it comes to some of
13 these hard-to-recruit titles. It's very challenging,
14 hiring engineers starting at \$59,000 a year.
15 Privately they will make over 75. So anybody that
16 has any family members or kids that are studying in
17 high school, college, I strongly recommend
18 engineering, and I they could be a DDC'er for life.
19 So handover the resume, and we'll get them hired as
20 soon as possible.

21 CHAIRPERSON BRANNAN: Have you found salary to be
22 the biggest roadblock? Or what about remote and
23 hybrid schedules?

24 COMMISSIONER FOLEY: I think that it-- that it
25 all plays into it. There are, you know-- During the

2 pandemic, my team did an amazing job out in the
3 field, that those-- the engineers and architects,
4 that field work will continue, you know, five to
5 seven days a week. But there are certain titles.
6 Our design teams have done amazing work during the
7 pandemic working remotely. Our lawyers and IT,
8 there-- there needs to be obviously flexibility there
9 to allow with the hiring. And I think that-- that it
10 all plays into it. But the-- the flexibility with
11 some of these hard to recruit titles would go a long
12 way. And this is something that, you know, that
13 we're working towards with the administration, to
14 have some of that flexibility.

15 CHAIRPERSON BRANNAN: The capital budget includes
16 nearly a billion dollars for the East Side Coastal
17 Resiliency Project for area one. How did DDC decide
18 on where to begin the project? And why was the
19 decision made to begin in Manhattan instead of one of
20 the other, better boroughs?

21 COUNCILMEMBER BREWER: [inaudible]

22 [LAUGHTER]

23 CHAIRPERSON BRANNAN: Sorry, I didn't know you
24 were still here, Gale.

2 COMMISSIONER FOLEY: I won't comment on that
3 aspect of it, but the Eastside Coastal Resiliency
4 Project, as I as I highlighted, is just that. It is
5 the East Side of Manhattan. This is a project that
6 was obviously impacted post-Sandy. This is a project
7 to protect 110,000 residents on the lower Eastside
8 28,000 of which are in public housing. The project
9 is going extremely well. This is one of our first,
10 you know-- I wouldn't say it's one of our first
11 resiliency projects. It's one of the first of that
12 scope. I was actually on, as a civil engineer
13 working for DEP, was one of the first you know, 20
14 years ago, working on the first Blue Belt project.

15 So we have a number of resiliency programs, Blue
16 Belt, green infrastructure, what have you. But
17 obviously this, you know, \$1.4 billion endeavor, as I
18 mentioned, is the biggest in the country. We are on
19 budget and we are on schedule.

20 CHAIRPERSON BRANNAN: That's great. What is the
21 expected completion time?

22 COMMISSIONER FOLEY: 2026.

23 CHAIRPERSON BRANNAN: And what's the what's the
24 estimated cost?

25 COMMISSIONER FOLEY: \$1.4 billion.

2 CHAIRPERSON BRANNAN: Okay. And could you--
3 could you provide a breakdown of where those funds
4 are coming from? I know it's a blend, right?

5 COMMISSIONER FOLEY: So there's \$335 million
6 that's coming from the federal government.
7 Everything else is New York City capital bonded
8 construction cost.

9 CHAIRPERSON BRANNAN: Got it. So the \$335 is the
10 only pot of money outside city funds?

11 COMMISSIONER FOLEY: Correct.

12 CHAIRPERSON BRANNAN: Okay.

13 COMMISSIONER FOLEY: And I'm sorry, there is--
14 there's private utility work as well. We do not pay
15 for the-- obviously the-- the private utility work,
16 the Con Edison work, Verizon, Level Three. Those
17 funds are-- they are paid by them, but they're
18 managed by us. So that's another source, but it's--
19 they're paying for their own work, as-- as they
20 should.

21 CHAIRPERSON BRANNAN: Does DDC have plans to
22 begin other coastal resiliency projects after ESCR is
23 completed?

24 COMMISSIONER FOLEY: We're delighted that we
25 recently kicked off with the Mayor. We had a

2 groundbreaking at BMCR, Brooklyn Montgomery Coastal
3 Resiliency. That project is \$350 million. And we're
4 also finalizing our design at Red Hook in Brooklyn.
5 So we're really excited about wrapping that design up
6 and getting that out to bid this year.

7 CHAIRPERSON BRANNAN: You spoke a bit about the
8 possibility of forming a DDC authority. Is the
9 administration in favor of that proposal?

10 COMMISSIONER FOLEY: Yes, it is. And we were--
11 And actually, I listened in to some of the
12 Comptroller's testimony earlier today. And we were
13 up in Albany with the Comptroller and other task
14 force members that they-- that the Mayor had
15 convened. And we're really excited about the
16 possibility for getting things done, about the task
17 force reforms. I have been up in Albany four times
18 so far this year, and really, and meeting with
19 electeds and their staff to ensure that they know
20 what the request is, what the benefits are, what's in
21 it. And it's also important, what's not in it.
22 That, you know, this is about getting things done.
23 It's about capital process reform. It's not
24 necessarily-- You know, our team will continue to be
25 DC 37 members, still have a pension. We're still

2 going to be reporting to council. We're still going
3 to have separate-- You know, we don't own our own
4 debt.

5 So it was extremely informative, and we're,
6 fingers crossed, that we're really hoping to get some
7 of these tools to get things done a hell of a lot
8 quicker.

9 CHAIRPERSON BRANNAN: How much does-- How much do
10 you think-- Would you expect to save in various costs
11 and time, if DDC became an authority?

12 COMMISSIONER FOLEY: I think just-- the authority
13 would lend itself to a number of things. It would--
14 It would be for additional tools for delivery, such
15 as progressive design build, CM build. It would
16 also-- It would also improve a lot of the-- Well, it
17 would remove a lot of the inefficiencies. So just on
18 the on the-- overlooking it, I would say at least a
19 year on each and every project. And that would--
20 that in itself: time is money. So you're looking at
21 over a million dollars on-- a normal-sized capital
22 project for the agency.

23 CHAIRPERSON BRANNAN: Okay. Question for me is
24 about the Capital Project Tracker. The tracker was
25 mandated by Local Law 37 of 2020, scheduled to launch

2 this spring. Could you give the committee an update
3 on the tracker and when it will be finalized.

4 COMMISSIONER FOLEY: So I know that we're
5 providing. Were coordinating with the Mayor's Office
6 of operations. Were providing that information to
7 them. And that's-- You know, anything else I would
8 ask that the council would go through the Mayor's
9 Office of Operations, or the Mayor's Office for that.

10 We basically provide information, then come up to
11 the to the dashboard. But their team is working on
12 the technology behind that and also the interface.

13 CHAIRPERSON BRANNAN: Okay. Is DDC still
14 advocating for the Procurement Policy Board reform?

15 COMMISSIONER FOLEY: Yes.

16 CHAIRPERSON BRANNAN: Okay. Okay, Gale?

17 COUNCILMEMBER BREWER: Thank you. I mean, as
18 Borough President, I signed off both on East Side
19 Resiliency and the jails. So I know the projects
20 extremely well. Where are we with the jails?

21 COMMISSIONER FOLEY: So we're-- Right now we
22 have, there's seven of the eleven procurements are--
23 are out. So basically seven projects, where we have
24 four contracts now with dismantling the existing
25 facilities. The one in the Bronx, we're doing site

2 prep and cleaning up the old Lincoln Hospital that
3 was impounded there. There's also the-- the parking
4 garage and community center that I referenced earlier
5 that is substantially complete in 22 months, in 22
6 months. That was a Design Build project, the city's
7 first. We are really excited about that. And
8 there's two infrastructure projects that are
9 currently ongoing, one in one in the Bronx, one in
10 Queens, and the four vertical facilities are
11 currently in procurement.

12 COUNCILMEMBER BREWER: Okay, so Manhattan has--
13 Nothing has really happened in Manhattan. That's
14 what you're seeing also then?

15 COMMISSIONER FOLEY: From-- We are in the
16 process of dismantling, but as far as the facility,
17 correct.

18 COUNCILMEMBER BREWER: Okay. And there's no hope
19 to purchase or work with the federal building next
20 door, as far as you know?

21 COMMISSIONER FOLEY: I don't know about that. I
22 know that there was talk of it, but I don't know-- I
23 know that the Mayor's office was having that
24 conversation.

2 COUNCILMEMBER BREWER: Okay. The other issue is
3 libraries. Libraries don't love you. You know that.

4 COMMISSIONER FOLEY: I know that.

5 COUNCILMEMBER BREWER: They don't like you at
6 all, actually.

7 COMMISSIONER FOLEY: I--

8 COUNCILMEMBER BREWER: Because you cost too much.
9 And so what's the story with the libraries? Because
10 we love libraries more than we love you. I just want
11 to let you know. So we love libraries.

12 COMMISSIONER FOLEY: I would say my mother would
13 probably say the same, but I'm going to leave it at
14 that.

15 COUNCILMEMBER BREWER: Alright, so how can we
16 make the-- the renovation of our beloved libraries (I
17 know all the Carnegies, for instance), less
18 expensive, or you know, can the libraries do it
19 themselves?

20 This is an ongoing discussion. It's been going
21 on for 40 years, or however long DDC has existed, I
22 don't know.

23 COMMISSIONER FOLEY: 25.

24 COUNCILMEMBER BREWER: Okay. So 25 years, I've
25 been having the same conversation. But I would like

2 to know, because it does add to their cost, and of
3 course, those of us who put in Reso A have to put in
4 more money. So just talk about the libraries: What
5 we can do differently or not, as you see it.

6 I think, and I agree, and I certainly understand
7 there, and I meet frequently-- I'm meeting with QPL
8 this week and working with them. We have a very
9 positive relationship with the library systems.

10 I understand, and I echo their frustration. When
11 a-- when one of the officials from the library had
12 said that our agency should be blown up, I totally
13 agree. We should be an authority. And there's
14 certainly-- that has resonated within the library
15 systems. We need to Design Build quicker, and having
16 the tools as an authority, such as CM build would be
17 a major, major change, and we can get things done.

18 We were-- It's not-- You know, this is it's no
19 secret that we have an amazing, dedicated team. I
20 think we have the-- the best public servants, not
21 only in the city, but in the country. And the work
22 that we were able to do during the pandemic, during
23 an emergency condition, just because we have an
24 emergency deck, that should be happening each and
25 every day. We could build out field hospitals in a

2 matter of weeks, we could build out permanent health
3 care facilities in literally in six months, \$130
4 million, that should be our standard operation each
5 and every day. So I totally echo that.

6 COUNCILMEMBER BREWER: So you're saying if you're
7 a state authority, then the libraries would not be
8 charged as much because the time would be less? What
9 are you trying to say about the libraries and the
10 state authority?

11 COMMISSIONER FOLEY: I could do-- As an
12 authority-- I could do-- We, as in DDC, can do their
13 work a lot quicker. We would have the tools that
14 they're currently using-- at that Carnegies, the CM
15 build, I can't do that. And it's absolutely crazy
16 that as an-- I'm an engineer. I say get us the
17 tools. I will be held accountable and responsible,
18 and will get the work done.

19 COUNCILMEMBER BREWER: Okay. What's-- What's an
20 example of another state authority that is comparable
21 to what you're proposing? Is it SCA?

22 COMMISSIONER FOLEY: Yes. Right. I'm over at
23 3030. I walk down the hall. SCA pays their
24 engineers and architects a lot more than (you know,
25 the secret's out, I want to make sure my staff

2 doesn't hear, but I think they know about this
3 already): SCA pays more, they can hire quicker, and
4 they have the tools.

5 COUNCILMEMBER BREWER: So they're a state
6 authorities is what you're saying. SCA.

7 COMMISSIONER FOLEY: Yeah.

8 COUNCILMEMBER BREWER: Okay. I like SCA. So
9 it's not a bad idea. I got it. But did they-- I
10 don't know that we have the same oversight. But I
11 guess that's to be discussed.

12 COMMISSIONER FOLEY: We welcome any-- This is all
13 about just getting work done.

14 COUNCILMEMBER BREWER: Okay. Now in terms of the
15 federal infrastructure money, which you know, Biden
16 deserves credit for. We just haven't seen any money
17 from it. What-- Do you have any sense? Obviously,
18 you're not the MTA, you're not, et cetera, but do you
19 have some sense of where it might land in your
20 bailiwick in terms of any of this federal
21 infrastructure money?

22 COMMISSIONER FOLEY: So we-- We're part of a task
23 force that's convened by the Deputy Mayor of
24 Operations. I know that there's work that's coming
25 out, some of the work that, you know, through DOT,

2 but there is nothing at with us at this point from--
3 from the feds.

4 COUNCILMEMBER BREWER: Okay. And then this is my
5 question, because I am very invested in the East Side
6 Coastal Resiliency. I put in a lot of effort there.
7 You work-- I mean, my opinion is, if you're working
8 in a neighborhood and you have a construction project
9 is hell on the neighbors to have the weekend permits,
10 because of all the noise et cetera. But for the for
11 the park, there is not a next door neighbor. I know
12 exactly where NYCHA is, but it's not right there. So
13 do you work weekends?

14 COMMISSIONER FOLEY: Yes.

15 COUNCILMEMBER BREWER: So they are working.
16 Because I don't see it. So I was just wondering.

17 COMMISSIONER FOLEY: Yes. There's-- there's
18 significant work that's-- that's happening. It's
19 scheduled, obviously, weather permitting. They'll do
20 a lot of the concrete pours and things like that.
21 But I totally agree with your assessment that we're
22 going and going, and as I mentioned earlier: We are
23 on schedule. We are on budget. And we continue to
24 have conversations in coordination with Con Edison
25 and others.

2 COUNCILMEMBER BREWERS: Okay. And in terms of
3 the Community Advisory Council, et cetera, is that
4 something that is ongoing with the community?

5 COMMISSIONER FOLEY: Absolutely. Dedicated,
6 dedicated meetings. We have our two-week look
7 aheads. We have our daily notifications. We have
8 permanent CCLs on these community -- I'm sorry,
9 Community Construction Liaisons -- and obviously the
10 Councilmember knows those well, but we have those
11 dedicated on each and every one of our capital
12 projects.

13 COUNCILMEMBER BREWER: Okay. And in terms of the
14 MWBE, there's always the issue of how many go to the
15 black community, how many go to white women for lack
16 of a better word? Do you have that breakdown? And
17 if not, could you get it to us?

18 COMMISSIONER FOLEY: We'll certainly get that for
19 you. It's something we've been tracking for a number
20 of years, the disparity within the disparity, but
21 absolutely.

22 COUNCILMEMBER BREWER: Okay. Thank you.

23 COMMISSIONER FOLEY: Thank you.

24 CHAIRPERSON BRANNAN: Councilmember Hanks?

25

2 COUNCILMEMBER HANKS: Thank you very much. You
3 testify, which I'm very happy about. I grew up with
4 the Cromwell Center, which was--

5 COMMISSIONER FOLEY: I used to run there.

6 COUNCILMEMBER HANKS: Yeah. I was tortured. My,
7 my brother would play ball there, and I would have to
8 stay there forever. But it was-- it was a gem in the
9 our waterfront that was destroyed. And I was really
10 happy to hear that-- that project is going to be part
11 of the Design Build Pilot Program.

12 Through your testimony, it sounded wonderful.
13 But Can you just elaborate on really what Design
14 Build is?

15 COMMISSIONER FOLEY: Sure. It's, it's a two-step
16 process. For us, it's a two-step procurement process
17 that we would-- it's quality-based selection of
18 hiring a designer and a builder all at once. It's
19 the way that-- that Capital Work used to be
20 everywhere from, you know, literally in, in Europe,
21 that's the way that work was built. We had a master
22 builder working with a designer. It was one stop
23 shop. And that's why projects were able to be
24 expedited. Through the last 120 years here in the

2 city, we were forced to use Design Bid Build, which
3 has its own challenges.

4 But what we found is that when we have new
5 capital projects, new buildings, we would partner--
6 select a team with obviously rigorous criteria, hire
7 a team. We already have a budget. We would say
8 exactly what our budget is, such as \$130 million or
9 so for Dalton. And then we would, the team would
10 then be able to work with us. And in this case, with
11 Parks, formulate the design. And then as the design
12 is progressing, the work can start immediately. They
13 could start working on the foundations, doing the
14 doing the site preparations, then the-- then the
15 foundations. All that can happen while the design
16 continues. So the work can obviously progress. And
17 you don't-- We don't have to wait, you know, three
18 years to start construction until after the design is
19 complete. And so we're seeing great savings on our
20 first Design Build project, and we're looking to
21 emulate that throughout our program.

22 COUNCILMEMBER HANKS: Thank you. That sounds
23 exciting. Very-- I'm looking forward to talking to
24 you more about that. So you-- you talked about some

2 of the benefits. What are some of the drawbacks to
3 the Design Build model that you've encountered?

4 COMMISSIONER FOLEY: Some of the draw-- I
5 wouldn't-- I wouldn't necessarily say drawbacks. I
6 mean, for us, it's-- it's selecting those projects
7 that are new builds. For us and working with the
8 libraries, it would have to be a new build. You--
9 We wouldn't be using Design Build here, in the
10 chambers here, if there was renovations necessary,
11 because there's too many unknowns.

12 COUNCILMEMBER HANKS: Like historic preservation
13 projects?

14 COMMISSIONER FOLEY: Exactly. Right. But if
15 it's a new build, and in this case, in working with
16 the community, it's a great benefit. But working
17 within existing libraries or cultural institutions or
18 old police precincts that need to be renovated, that
19 isn't that that isn't the type of model that we would
20 use to deliver a project.

21 COUNCILMEMBER HANKS: Thank you very much.
22 That's all.

23 CHAIRPERSON BRANNAN: DDC, thank you so much.

24 COMMISSIONER FOLEY: Thank you very much.

2 Okay. We'll take a 5-10 minute break and then
3 we'll hear from the public.

4 [14.5 MINUTE BREAK]

5 CHAIRPERSON BRANNAN: Okay, you want to call out
6 the first panel? I'll do it. Okay. Okay. We're
7 now going to hear testimony from the public. We have
8 Maria Policarpo, the president of local 1757 DC 37.
9 We have Shane Correia, Center for Justice Innovation,
10 we have Paula Segal of TakeRoot Justice, and we have
11 Hannah Anousheh-- I'm sorry if I'm saying it wrong --
12 from East New York CLT.

13 If you're here, you can come up to the panel, and
14 we'll do you guys all together.

15 Maria, you want to start?

16 MS. POLICARPO: Okay. Good afternoon, Honorable
17 Chair Justin Brannan and members of the City Council.
18 My name is Maria Policarpo. I am president of DC 37,
19 Local 1757, which represents assessors, and I work as
20 an assessor in the New York City Tax Commission. I'm
21 going to speak in regard to the critical need for the
22 hiring of additional assessors as a crucial part of
23 the Department of Finance budget for the upcoming
24 fiscal year. Assessors are responsible for
25 overseeing the valuation of approximately 1.1 million

2 parcels within the five boroughs, and the single
3 largest source of revenue in New York City. Staffing
4 at the Department of Finance has been at a crisis
5 level and continues to decline. There are currently
6 23%, or 39 less members, in 2023 versus 2020 at DOF.
7 And I would like to point out, in contrast to what
8 the Commissioner testified of 190 assessment staff,
9 there is actually only 134 at the Department of
10 Finance.

11 Manhattan, which represents over \$176 trillion,
12 or 61% of the total taxable assessed value, had 12
13 out of 18 Bacon districts for the tentative 2324 tax
14 roll. Frankly, this is incomprehensible. The
15 modeling system was meant to be a tool, yet
16 management continues in its attempt to have it take
17 the place of the assessor. In turn, the quality of
18 the tax roll is very poor. The loss of revenue due
19 to the lack of actual assessors valuing properties
20 versus a flawed computer modeling system run by
21 random titles is immeasurable, along with glitches
22 from the delayed rollout of updated valuation
23 software.

24 The uncollected revenue, which would be
25 sustainable, could fund vital public services. The

2 hiring of an additional 100 assessors and assistant
3 city assessors will help to fill the current
4 vacancies and create smaller, more manageable
5 districts.

6 We have been advocating for line of succession
7 and warning about attrition for years.

8 Unfortunately, both retirements and resignations have
9 outpaced any hiring efforts. We must immediately
10 hire from both current open competitive lists for
11 these titles.

12 So let us begin property tax reform now, where we
13 actually have the power to do so by staffing the
14 assessment division. Thank you for your time, and
15 I'd be happy to answer any questions

16 CHAIRPERSON BRANNAN: Maria, did you want to
17 highlight something that-- in DDC's testimony about--
18 I think there was a discrepancy in the headcount?

19 MS. POLICARPO: Correct. Commissioner Niblack
20 testified that there were 190 assessors in the
21 Finance Department. And I actually just ran into him
22 outside and asked him where that number came from,
23 and he admitted that he was working off of old data.

24 My membership run shows me that we only have 134
25 combined assessors and assistant city assessors in

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2 the Department of Finance. That's a pretty big
3 difference.

4 CHAIRPERSON BRANNAN: Yeah. Did he clarify: Is
5 190 the-- what they're budgeted for? Or we don't
6 know what that number is.

7 MS. POLICARPO: He did not. He did not.

8 CHAIRPERSON BRANNAN: Okay.

9 MS. POLICARPO: He just said he's working off of
10 old data.

11 CHAIRPERSON BRANNAN: Okay. We will follow up
12 with him on that.

13 MS. POLICARPO: Thank you. I appreciate it.

14 CHAIRPERSON BRANNAN: Thank you. Go ahead.

15 MR. CORREIA: Great, thank you so much. And
16 first, I'd like to start off by apologizing. Thanks
17 to a technical issue, you're getting just the first
18 page of a many page testimony. But hopefully you'll
19 appreciate the succinctness after a very long day.

20 CHAIRPERSON BRANNAN: Don't apologize. It's
21 5:00.

22 MR. CORREIA: So with that said, my name is Shane
23 Correia. I'm the Deputy Director of Government
24 Partnerships at the Center for Justice Innovation,
25 and I'll be discussing the justice system today, and

2 the many silos that it runs through from public--
3 public safety, to mental health, to housing security.

4 Framing this is that public safety remains high
5 in the minds of New Yorkers, and in four years, we're
6 supposed to safely close Rikers Island by reaching a
7 daily population of 3300. But currently, we've only
8 been able to reach mid 5000s, and in fiscal year 24,
9 it's projected to go up to 7000.

10 The center has ID'd several ways for modest
11 investments to build trust with New Yorkers around
12 programs that work when adequately resourced. As an
13 initial issue, supervised release provides and
14 permits appropriate defendants a chance to wait for
15 trial in community while maintaining jobs and
16 stability, rather than in jail because they can't
17 afford bail. Compared to fiscal year 22, we're
18 seeing funding contracts cut 10%. While caseload for
19 our most intensive cases have more than doubled their
20 contracted amounts. We ask for restoration to those
21 prior levels at minimum.

22 We're also seeing a need for \$2 million dollars
23 for just our organization to respond to increased
24 referrals where defendants plea into alternatives to
25 incarceration. This is a good thing, because we're

2 seeing this across all five boroughs, and we provide
3 accountability and supervision in contrast to time on
4 more expensive Rikers Island where we know
5 criminogenic risk need factors increase in mental
6 health. We request resources to sustain our
7 successes at the prior rates and to deal with the
8 incoming increases in case volume as we try to lower
9 the jail population.

10 Next, we're also aiming to expand our youth-based
11 programming in Staten Island to bring equity to the
12 borough with the Community Justice Center, and expand
13 our youth weapons diversion programs, which is a
14 hopeful-but-unfunded partnership with the law
15 department. [BELL RINGS] I think I can get that
16 done in 20 seconds.

17 CHAIRPERSON BRANNAN: Yeah, you can finish.

18 MR. CORREIA: I appreciate that. We're also
19 aiming to expand our footprint of housing navigators
20 who help clients navigate complex housing issues. As
21 an example in our Brownsville Community Justice
22 Center, a client who had an issue with FEPS was on
23 the verge of eviction. Our housing navigator was
24 able to assess them-- to help them and they then
25 received a list from the landlord of dozens more at-

2 risk-of-eviction individuals with delinquent FEPS
3 vouchers.

4 Finally many of these asks are supported in their
5 nascency by a \$500,000 Council award that allows us
6 to rapidly incubate and measure these approaches for
7 expansion, or handle lengthy contract delays that we
8 experienced with the City. But for over 10 years,
9 we've received the same amount while our organization
10 has more than doubled in size. Over the coming
11 weeks, my colleagues will dig deeper into these
12 issues at the appropriate and relevant hearings. But
13 thank you for the space to give a global view of what
14 we'll be discussing.

15 CHAIRPERSON BRANNAN: Thank you.

16 MS. SEGAL: Good afternoon. My name is Paula
17 Segal. I'm speaking today as Senior Staff Attorney
18 in the Equitable Neighborhoods Practice of TakeRoot
19 Justice. I think everybody has a packet with a--
20 with a number of attachments. I'm just going to do a
21 little flyover.

22 TakeRoot works with grassroots groups,
23 neighborhood organizations, and community coalitions
24 to help make sure that people of color, immigrants,
25 and other low income residents who have built our

2 city are not pushed out in the name of progress.

3 There's a one-pager in the packet that actually lists
4 our various practice areas and our partner
5 organizations in-- in your districts. I think it's--
6 it's the second sheet.

7 Today, I'm going to be testifying to-- drawing
8 attention to the need to adjust the preliminary
9 budget to reflect the fact that the city does not
10 have authority to sell any liens. That authority
11 expired last year, and the majority of this Council
12 has said that it will not reauthorize, and also to
13 point out the need to expand the contracting
14 allowance for the Department of Housing Preservation
15 and Development working with community land trusts.

16 I'll start with an equitable framework for
17 municipal debt collection.

18 In fiscal 24, the Department of Finance must have
19 the additional resources to bring debt collection
20 into the ambit of the city, incentivizing timely
21 payments, and allowing owners who simply cannot pay
22 to resolve their debt in a manner that increases the
23 city's supply of affordable housing. We heard from
24 the commissioner today that they're working on a
25 model and my organization is in partnership with

2 about a dozen others in the Abolish the Tax Lien Sale
3 Coalition. We've thought deeply about how an
4 equitable framework for debt collection would work,
5 and we think community land trusts are a key piece of
6 the solution.

7 Community land trusts partnering with the
8 existing network of not-for-profit developers, that
9 Housing Preservation and Development already engages
10 with through the third party transfer program can
11 create a stabilizing force across our neighborhoods
12 for folks who are falling behind on their bills, and
13 for tenants and neighbors have properties that have
14 been absolutely blighted by their landlords and
15 neglected physically and in terms of their debts to
16 the city. [BELL RINGS]

17 Do you mind if I finish?

18 CHAIRPERSON BRANNAN: Sure.

19 MS. SEGAL: Thank you so much. So we have
20 attached a detailed framework. I'm very glad to
21 bring it to you here in color, and gorgeous today.
22 It's been about a year and a half of feedback. I was
23 looking back at my testimony from this hearing last
24 year, and it was actually very similar. Our
25 framework was very similar. The proposal was very

2 similar, but we've taken the last year to really add
3 a lot of detail and really flesh out what it would
4 really look like in practice for homeowners, at the
5 request of-- of this committee staff. So very I'm
6 excited to be bringing that to you today.

7 I'm going to switch gears and just mention
8 expanded funding for the Community Land Trust
9 Initiative. We are a member of the Land Trust
10 Initiative and NYCLLI, which coordinates the
11 initiative. My organization, and me personally, we
12 actually support community land trusts as counsel in
13 their transactional needs, and as they do deals with
14 private owners, and with the city and take over
15 properties.

16 There's a little bit of a summary of the
17 initiative and of the kinds of organizations that we
18 work with. I just want to stress one point: The
19 capacity of Community Land Trust has nearly doubled
20 in the city since the initiative was first funded in
21 fiscal 20. We have-- we are 4 years in. The demand
22 for our services keeps growing. Organizing groups
23 are looking at community land trusts in different
24 neighborhoods in the city, but the budget stayed
25 pretty much the same and in various years, and I

2 think this is a theme. But we're really hoping that
3 this year the budget will catch up with the work
4 that's out there, with the needs that are out there,
5 with a number of groups that are really looking at
6 community land trusts as a solution. So we're
7 looking for an enhancement to \$3 million.

8 And on the flip side, community land trusts are
9 being used by city agencies as a way to actually move
10 forward projects that have stalled, projects like the
11 Kingsbridge Armory in the Bronx which I think was a
12 subject earlier this morning when councilmember
13 Sanchez was here, projects like the four buildings my
14 clients in East Harlem took over and are now part of
15 the East Harlem Barrio CLT, which were in the Tenant
16 Interim Lease Program for nearly 40 years, and came
17 to us with millions of dollars in physical needs.

18 The City really has to find capital budget along
19 with the expense money to support the organizing and
20 technical assistance, but capital money to put into
21 those projects when the City gives properties it's
22 disinvested from for decades to community based
23 organizations.

24 Thank you for the extra time.

2 CHAIRPERSON BRANNAN: I look forward to
3 continuing to work with you on this. Go ahead.

4 MS. ANOUSHEH: Hi, can you hear me now? Great.
5 Okay. Good afternoon Councilmembers. My name is
6 Hannah Anousheh, and I am the Campaign Director for
7 the East New York Community Land Trust, an
8 organization that's led by East New York and
9 Brownsville residents, dedicated to stopping
10 displacement and taking community ownership of land.
11 And we actually convened the Abolish the Tax Lien
12 Sale Coalition, which is made up of over 10 CLTs,
13 CBOs, and advocacy organizations from across the
14 city.

15 So I'm going to try not to repeat some of the
16 things that Paula mentioned. But I do first want to
17 reiterate the reminder that the City Council did not
18 renew the lien sale and let it expire back in
19 February of 2022. So the final city budget should
20 reflect that.

21 I also want to urge the Council to implement a
22 just replacement system that will protect homeowners
23 and also tenants, and so we've shared our proposed
24 framework with you. But I really want to emphasize
25 that the city is growing number of community land

2 trusts located in almost every neighborhood in the
3 city are ideal partners for this replacement system.
4 The city can forgive the debts of owners who
5 voluntarily transfer their land-- the land beneath
6 their properties to CLTs. And this would actually
7 allow the property owners and their tenants to stay
8 in their homes and also preserve equity.

9 Also, the FY 24 budget needs to support the
10 creation of this new system. And that really means
11 funding for the Department of Finance and for CLT and
12 CBO partners. And the budget should also include \$3
13 million in discretionary funding for the citywide CLT
14 initiative. There's a growing CLT movement across
15 the city, and we really need the funding to continue
16 to build our capacity. For example-- [BELL RINGS]
17 Can I just continue for one minute? Thanks.

18 So the-- for example, I'm the only staff person
19 for the East New York Community Land Trust, and we've
20 been able to do a ton thanks to the work of a really
21 dedicated group of volunteer members. But, you know,
22 we really need funding to hire an operations manager,
23 another organizer, as well as consultants with real
24 estate and legal expertise. You know, this work
25 around the tax-and-sale is one-- only one area of our

2 work. So as you can imagine, it takes a lot of
3 capacity. So thank you.

4 CHAIRPERSON BRANNAN: Thank you all so much.

5 Thanks for waiting. Okay, we've got a bunch of folks
6 on Zoom.

7 Okay, starting with Gloria Kim, if you're still
8 with us. I'll give you two minutes.

9 SERGEANT AT ARMS: You may begin.

10 MS. KIM: Good afternoon Chairperson Brannan and
11 members of the Council Finance Committee. My name is
12 Gloria Kim, and I'm the Senior Policy Analyst of the
13 Human Services Council. We're a membership
14 organization representing over 170 human services
15 providers in New York City. We thank the Council for
16 the \$60 million workforce investment in last year's
17 budget, but it's not a true cost of living
18 adjustment, which is important in keeping up with the
19 inflation as underpaid human services workers leave
20 nonprofits for better paying jobs in government or
21 the private sector, and it deprives New Yorkers of
22 services from the most experienced, well-trained
23 staff and jeopardizing high quality services. So
24 we're asking that you include a 6.5% COLA in the

2 budget to be included in every human services
3 contract.

4 So while human services workers advocate for COLA
5 year after year, the city asks providers to hire
6 highly trained staff to deliver services, but
7 effectively mandate wages far below the demands of
8 their roles and the value of their skills. So human
9 services should at least be supported with adequate
10 pay and a COLA.

11 During the pandemic human services workers were
12 at the frontline risking their lives to support their
13 communities, and face increased need for services
14 even when they didn't have the resources to do so.
15 And currently, providers are serving people seeking
16 asylum, in which 96% of nonprofits consulted by HSE
17 reported providing services to people seeking asylum
18 entirely or partially out of pocket.

19 So providers are overcapacity and straining to
20 meet existing needs, and yet they continue to help
21 the city create a sanctuary and meet the needs of
22 communities. Providers continue to experience
23 chronic delays in payment, underfunding, and a lack
24 of sincere cooperation to create meaningful and
25 lasting interventions, which strips away at limited

2 resources, and low wages have a sweeping effect on
3 workplace conditions and the outcome of programs with
4 high staff turnover and vacancy rates resulting in
5 heavy and unsustainable workloads. A 6.5% COLA for
6 all city 100 human services contracts is needed so
7 that this vital workforce doesn't slip further into
8 poverty. Thank you.

9 CHAIRPERSON BRANNAN: Thank you, Gloria. Now we
10 have Greg Morris.

11 SERGEANT AT ARMS: Time begins now.

12 Thank you very much for this time. Good evening,
13 Chair Brannan for your leadership and the opportunity
14 to provide testimony. I'm very grateful. Today I am
15 the CEO of the New York City Employment and Training
16 Coalition, a 25-year-old organization who's played a
17 vital role in presenting and championing policy
18 priorities that support the alignment and
19 coordination of workforce development and economic
20 development in New York City, and seeking to provide
21 every New Yorker with a pathway to the skills,
22 training, and education needed to thrive in the 21st
23 century.

24 Today, this coalition is an industry voice for
25 200-plus members focused on workforce development

2 across the city, and I think of it as connective
3 tissue, meaning it is the provider that's focused on
4 connecting the dots between employers, workforce
5 development providers, between education and
6 philanthropy, between labor, city and state
7 officials, all for the purpose of creating an
8 inclusive, equitable economy.

9 This has been a long hearing, so I'll just try to
10 check off some points for you. But I do want to note
11 some specific data that is of great concern:

12 Specifically the New York City's unemployment rate,
13 which is at 6.1. For black and brown New Yorkers,
14 it's even higher at 9.8. Unemployment rates, in
15 particular for 18-24-year-olds, hardest hit by the
16 pandemic have surged, have not bounced back.

17 And I also want to note that cash assistance in
18 the city the need for cash assistance, has surged as
19 well by 112,000 recipients. I know that because it
20 is the coalition in partnership with other
21 intermediaries which has done some work in terms of
22 policy and research priorities related to workforce
23 development in our city. We have been encouraged by
24 this mayor's ambition and effort to think about jobs
25 and a focus on apprenticeships, but the reality is,

2 we need to create a better workforce development
3 system right now.

4 And so when we hear in the preliminary--

5 SERGEANT AT ARMS: Your time has expired.

6 MR. MORRIS: budget about cuts, we worry about
7 that, and we want to fight those, and we ask the City
8 Council to step forward and to support our efforts
9 moving forward to ensure a fair and equitable
10 workforce development system for all New Yorkers.
11 Thank you.

12 CHAIRPERSON BRANNAN: Thank you, Greg. Always
13 good to see you. Now, Tory Kaso.

14 SERGEANT AT ARMS: Your time will start now.

15 Thank you. Good afternoon. My name is Tory Kaso
16 and I'm the Campaign Director for Climate Jobs New
17 York's Carbon Free and Healthy Schools Initiative.
18 Our coalition is calling for the acceleration of
19 solar installation on New York City schools to 150
20 schools per year, along with a commitment to
21 completing deep retrofits and installations on all
22 school buildings by 2030, with good labor standards
23 and is asking for the City Council support in this
24 year's budget.

2 The time is now for this investment. Climate
3 science demands urgency and we have found ourselves
4 presented with a historic funding opportunity to
5 invest at the scale needed to make a lasting
6 environmental and economic impact. Last year's
7 passage of the inflation Reduction Act has provided a
8 previously unavailable source of federal funding New
9 York City can access to meet these commitments
10 through the Income Tax Credit Direct Pay provision.
11 However, if we delay any longer, we could miss out on
12 the chance to make lasting impacts for our city and
13 communities.

14 The IRA has made this initiative more fiscally
15 sensible than ever before. In taking advantage of
16 it, the IRA can provide 40% in federal funds to
17 install solar and 20% of the cost of retrofitting
18 schools. Much more detailed testimony will be
19 submitted but the benefits of this initiative would
20 go beyond the significant energy cost savings and
21 emissions reductions.

22 Carbon Free and Healthy Schools is also a Green
23 Jobs Initiative. This initiative is not just an
24 investment in the physical structures of schools. It
25 is also an investment in economic and racial equity,

2 helping historically marginalized communities access
3 careers that provide good wages, benefits, job
4 security, and dignity. It is also an investment in
5 our students, teachers, staff, and administrators,
6 and is a physical representation of the city's
7 commitment to the success of our students, no matter
8 where they're from. That will have a lasting impact
9 for generations to come.

10 Recently, over a majority of City Councilmembers
11 signed on to a letter of support expressing your
12 commitment to this initiative, and we are deeply
13 grateful and greatly appreciative, and encouraged
14 urged by your support and we are asking that you
15 stand by that commitment in this year's budget.

16 Thank you. And as I said, more detailed written
17 testimony will be submitted.

18 CHAIRPERSON BRANNAN: Thank you Tory. Now we
19 have Debra Ack.

20 SERGEANT AT ARMS: Your time will begin.

21 MS. ACK: Good afternoon, Chair Brannan and
22 Councilmembers. My name is Debra Ack, and I am a
23 member of the East New York Community Land Trust,
24 better known as the East New York CLT. I'm also a
25 30-plus year resident of East New York. After

2 realizing that East New York, Brownsville, and
3 Bushwick have more properties on a tax lien sale than
4 any other district. We convened the Abolish the Tax
5 Lien Sale Coalition, dedicated to getting rid of New
6 York City's current predatory and privatized system
7 of debt collection. The Tax Lien Sale Law expired
8 last year, and it's up to the Council to create a new
9 system that removes the private trust from the
10 equation and protects homeowners and tenants.

11 Before the tax lien sale in December of 2021,
12 East New York sale team members knocked on the doors
13 of every homeowner in the neighborhood who was at
14 risk multiple times. People were so grateful that we
15 came to them. Some people said no one had reached
16 out or that they could not get help that they needed
17 to apply for exemptions. We know that it makes a
18 huge difference when people from our community come
19 knocking on your door offering support.

20 Through our outreach we met Marcus, a senior
21 homeowner in East New York, who is a Vietnam War
22 veteran who makes ends meet through Veterans Affairs
23 and Social Security benefits. Marcus inherited his
24 home from his father over 12 years ago, and the
25 mortgage is paid off. Marcus struggled to keep up

2 with the property tax and water bills, and several
3 liens was sold on Marcus's home.

4 So far, the lien truss has added over \$18,000 in
5 fees and interest to his bill, money with which it
6 pays only back to its investors. Even though we were
7 able to help Marcus get a COVID Hardship Exemption
8 for the 2021 lien sale, he should have been eligible
9 for numerous exemptions. However, since no one came
10 to his door to provide--

11 SERGEANT AT ARMS: Your time has expired.

12 MS. ACK: Two seconds please, Councilmember, and
13 I will be through.

14 CHAIRPERSON BRANNAN: Go ahead.

15 MS. ACK: Marcus does not want to sell his family
16 home, but he does not have \$64,000 to pay off the
17 debt. He is at real risk of being foreclosed on by
18 the Tax Lien Sale Trust.

19 Marcus's situation is not unique. We need
20 funding to do major outreach to all homeowners who
21 have property tax and water bill debt, because we
22 know it makes a difference. Through this funding, we
23 can also find other people who want to stay in their
24 homes but can't afford to pay off the liens. We may

2 be able to offer them an alternative where we pay off
3 their debt if they want to put their land in the CLT.

4 Today, I am here to ask you to make sure that the
5 budget for the for the department reflects the
6 staffing needs for co-creating a new system with
7 advocates and members of the Council and for making
8 the new system a reality.

9 Thank you for the extended time. Thank you for
10 allowing me to give testimony.

11 CHAIRPERSON BRANNAN: Thank you, Debra. Always
12 good to see your face. Now we have Guillermo
13 Salazar.

14 Yeah. Good afternoon, my name is Memo, or
15 Guillermo Salazar. I am a longtime Queens resident,
16 and I'm also the current Co-Chair of the Western
17 Queens Community Land Trust. We've been working with
18 many of the folks here that have been testifying
19 tonight on the Abolish the Tax Lien Sale Coalition to
20 revamp the way that the city collects homeowner debt.

21 And as we're sitting here discussing the city's
22 budget, and discussing whether we should allocate
23 money towards this or that, there is currently a man
24 by the name of Sugar Ray Marston who's sleeping
25 outside of the Department of Ed building in Long

2 Island City on a two-week hunger strike. He chose to
3 do this on his own no prompting from any of these
4 groups because he had hit a point of frustration in
5 seeing his community ignored and pushed to the side
6 time and time again.

7 He's not alone in that frustration. As you know,
8 millions of New Yorkers are feeling it every day as
9 the cost of living skyrockets. And we support Sugar
10 Ray in his hunger strike because it's the exact same
11 reason that we and many of our CLT partners have come
12 into existence, but currently your support is limited
13 to words. We lack the funding to help homeowners get
14 out of debt, and work with land trust's like ours to
15 stay in the homes that become permanently affordable
16 spaces for New Yorkers.

17 As you know, the City Council has allowed the
18 predatory tax lien system to sunset, and that's a
19 good thing, and it's currently developing a new debt
20 collection model. But that system will also fail
21 unless it's adequately funded. And so I urge you to
22 do both: To push forward a bold new community-driven
23 tax lien system that lets CLTs do what they do best,
24 and also to fund that system adequately so that 20
25 years from now, when we look back, we can point to

2 this as a pivotal moment in our city's history.
3 Thank you.

4 CHAIRPERSON BRANNAN: Thank you. Now we have
5 Yesenia Mata.

6 SERGEANT AT ARMS: Your time will begin.

7 I want to say thank you to the Chairman of the
8 Finance Committee, Justin Brannan, and to the rest of
9 the Councilmembers for allowing La Colmena to testify
10 today on this important hearing. My name is Yesenia
11 Mata and I'm the Executive Director of La Colmena, an
12 immigrant and worker rights organization based in
13 Staten Island, and also forms part of the Day Labor
14 Coalition.

15 Now being an immigrant rights center in Staten
16 Island is not easy due to the anti-immigrant
17 sentiment that comes out of this island. However,
18 despite those challenges, and the constant threats
19 that La Colmena receives, we continue being in
20 forefront. We have been in the forefront with the
21 city of New York in supporting asylum seekers.
22 Currently we are a satellite for the city and have
23 been added to the WelcomeNYC initiative so we can
24 continue doing this work.

2 Our centers see hundreds of people every week
3 from different types of backgrounds and ethnicities
4 because of the services that we provide. We have two
5 centers in areas that are very diverse and that need
6 much support. These are also the same areas where
7 the black and Latino communities were dying at a
8 higher rate during the pandemic. And La Colmena was
9 there to provide support. This is why this year as
10 every year it is important for La Colmena to continue
11 being funded and supported. Because if La Colmena
12 disappears in Staten Island, so do the many services
13 that the immigrant community receives.

14 We understand that La Colmena is loud and
15 unapologetic of the work that we do in Staten Island,
16 and because of that it makes many uncomfortable, but
17 we will continue doing so because for a long time the
18 immigrant community was forgotten, and now we are
19 showing that they are here. And because of that they
20 keep growing. This is why we are looking into
21 opening up our third center. And even though there's
22 a long flight ahead of us, at La Colmena we have full
23 faith that the Finance Committee will ensure that
24 Staten Island immigrants are not left behind. Thank
25 you.

2 CHAIRPERSON BRANNAN: Thank you. Thanks for the
3 work that you do. Now we have Ashley Young.

4 SERGEANT AT ARMS: Your time will begin.

5 MS. YOUNG: Good evening Chair Brannan. My name
6 is Ashley Young. I'm the Director of Legal Services
7 at the New York City Anti-Violence Project, also
8 known as AVP. AVP is the only LGBTQ-specific victim
9 services agency in the city. We operate a bilingual
10 24/7 hotline, and have introduced texting
11 capabilities to the hotline in addition of voice and
12 other online recording services. The legal services
13 department, in particular provides free holistic,
14 culturally-specific, and survivor-centered legal
15 services to survivors of all types of violence,
16 including matters from orders of protection in family
17 court to housing to immigration, and many, many more.

18 In addition to legal services, AVP also provides
19 counseling and community organizing and advocacy, and
20 much of the time, it's the same clients that are
21 involved in all of our programs.

22 We are currently operating in a hybrid model with
23 our counselors, advocates and attorneys available
24 both remotely and in person at our office. And
25 during times of crisis, economic stability, and many

2 forms of violence increase. So right now AVP's work
3 is more important than ever.

4 We work with community members who are among the
5 most marginalized and vulnerable in the city and who
6 have become more so over the last several years of
7 the pandemic and the related economic insecurity, and
8 we've also seen the rise of immigration related legal
9 cases since 2016. And over the past year, we've
10 begun to see a shift toward a wider variety of legal
11 needs in addition to the growing amount of
12 discrimination and violent rhetoric in the city
13 against the LGBTQ community.

14 This combined with the loss of our federal legal
15 assistance for victims grant has made it more
16 challenging to continue to meet the needs of our
17 clients, who are again survivors of violence. As the
18 anti LGBTQ sentiment, legislation, and harassment
19 rises across the nation so do the needs of our
20 community--

21 SERGEANT AT ARMS: Time has expired.

22 MS. YOUNG: --members here in New York, and the
23 time and effort required by our staff on our caseload
24 has increased. We appreciate the council's past
25 support of our legal services work, and we're seeking

2 restoration in general operations funding, the
3 outreach work to connect persons involved in the sex
4 trades with supported services initiatives, the
5 initiative for immigrant survivors of domestic
6 violence, the Legal Services for the Working Poor
7 Initiative, as well as hate crimes initiative and
8 partners against hate. We recently had to turn away
9 about three of our five new intakes, actually this
10 week, just because of our capacity. So we appreciate
11 the past support and look forward to working with you
12 to build a more equitable future in New York City.
13 Thank you.

14 CHAIRPERSON BRANNAN: Thank you, Ashley. Now we
15 have William Spisak.

16 SERGEANT AT ARMS: Your time will begin.

17 MR. SPISAK: Hi, good afternoon, Committee Chair
18 Brannan and members of the Finance Committee. My
19 name is Will Spisak. I'm a Senior Program Associate
20 at New Economy Project, a citywide organization that
21 works with community groups to build a just economy
22 for all New Yorkers. We're co-founders and
23 coordinators of the New York City Community Land
24 Initiative, a citywide coalition working to expand
25 community land trusts to ensure permanently

2 affordable housing and equitable neighborhood-led
3 development.

4 Since fiscal year 20, the City Council has
5 supported CLT organizing, education, and technical
6 assistance through the Citywide Community Land Trust
7 Initiative. We serve as technical assistance
8 providers for the initiative, which has helped to
9 catalyze the growth of CLTs in low income black and
10 brown neighborhoods across the five boroughs. We
11 have more than 1200 homes in CLT portfolios or
12 pipelines. According to HPD, CLTs are stewarding
13 dozens of affordable storefronts for small businesses
14 and working to develop community and cultural space
15 in historically redlined neighborhoods as well, and
16 we've made tremendous progress with the funding that
17 the council has provided so far.

18 We thank the City Council for that support and
19 ask that for fiscal year 24, we increase the
20 Initiative funding to \$3 million dollars in this
21 budget. With this enhancement, the initiative will
22 support 20 organizations including CLTs in Edgemere,
23 Queens, and Flatbush, Brooklyn, which will be the two
24 newest to join the initiative. CLT's are gaining
25 recognition as one of the most effective ways to

2 address our city's affordability crisis, combat
3 displacement, and advance racial equity in housing
4 and land use. CLTs also could play a vital role in
5 replacing the predatory tax lien sale. We applaud
6 the city for allowing legislation authorizing the
7 lien sale to expire last year, and we urge the city
8 to implement a full scale replacement of the lien
9 sale for fiscal year 24 and beyond, and put in place
10 a new system that includes using CLTs as a tool to
11 keep community residents in their homes and convert
12 neglected multifamily buildings, vacant lots, and
13 commercial properties into social housing and
14 community controlled assets.

15 By giving communities shared ownership and
16 control over land, CLTs serve as a bulwark against
17 predatory development and displacement.

18 SERGEANT AT ARMS: Your time has expired.

19 MR. SPISAK: By maintaining affordability over
20 generations, we protect public investment in housing
21 and other community development. Please continue to
22 support CLTs in this fiscal year. Thank you.

23 CHAIRPERSON BRANNAN: Thank you, Alex. Sorry,
24 thank you, William. Now we have Lucy Sexton.

25 SERGEANT AT ARMS: Your time will begin.

2 MS. SEXTON: Thank you Chair Brannan and members
3 of the City Council for hearing my testimony. My
4 name is Lucy Sexton. I'm with the Cultural Advocacy
5 Coalition, New Yorkers for Culture & Arts.

6 In addressing the FY 24 budget, we need to talk
7 about what keeps families in New York, what drives
8 local and city wide economies, what can create an
9 equitable and sustainable city.

10 Culture is central to all of those goals. If we
11 support culture and arts in every community, helping
12 every neighborhood recover economically and
13 emotionally, we will lay the groundwork for an
14 equitable and thriving city. Arts and culture have
15 led the city's economic recovery during past crises,
16 inhabiting and revitalizing the hollowed out
17 industrial spaces in the 70s, creating festivals that
18 drew people back downtown after 911, and getting
19 people back on the streets and into businesses coming
20 out of the 2008 crisis.

21 Now is the time to invest in this critical
22 economic driver. The New York City Comptroller's
23 2019 report showed the creative economy generated
24 \$110 billion in economic activity, a full 13% of the
25 city's output, generating more than 300 jobs. If any

2 other industry had these numbers, they would be the
3 first thing in every discussion of this committee.

4 It is time to acknowledge and support culture as
5 the economic heart of the city. Culture is also
6 critical solving other problems facing our city.
7 Data shows that communities with strong cultural
8 centers are safer, have less youth involvement with
9 criminal justice -- sorry, just lost my computer here
10 -- and have improved outcomes in education and mental
11 health.

12 Cultural activity drives foot traffic to
13 restaurants and other local businesses. The New York
14 State Comptroller's report found that half of the \$50
15 billion that tourists spent in New York City in 2019
16 12% of it went to arts and culture and entertainment.
17 The other 88% went to hotels, restaurants, retail
18 shops and local transportation. People come for the
19 culture and spend money in the local economy.

20 Finally, culture is an insanely good investment.
21 The city's cultural budget is less than a quarter of
22 a percent of the full budget. Now is the time to
23 stabilize and add to that investment so that every
24 neighborhood benefits from cultural programs that

2 drive the economy that increase the tax revenue, and
3 show measurable improvement--

4 SERGEANT AT ARMS: Your time has expired.

5 MS. SEXTON: We're asking that you at long last
6 increase the baseline of cultures funding, securing
7 the \$40 million added last year, and that you invest
8 an additional \$10 million to ensure that culture
9 benefits every community and builds an equitable New
10 York City. Many thanks for your attention and for
11 your support.

12 CHAIRPERSON BRANNAN: Thank you, Lucy. Now we
13 have Sarita Daftary.

14 SERGEANT AT ARMS: Your time will begin.

15 MS. DAFTARY: Thank you, Chair Brannan. It's
16 pronounced Daftary. You did a good job. Thank you
17 for the opportunity to testify today. My name is
18 Sarita Daftary. I'm the Co-Director of Freedom
19 Agenda, one of the organizations leading the campaign
20 to close Rikers.

21 This council, and particularly this committee is
22 tasked with setting budget priorities to ensure the
23 best use of our city's resources which are, of course
24 substantial but finite, and Rikers Island is the
25 worst possible use of our resources. And this city

2 budget must prioritize investments to strengthen
3 communities and improve safety while reducing
4 incarceration and honoring the city's legal and moral
5 obligation to close Rikers Island by 2027.

6 New York City is currently in the unacceptable
7 position of spending 350% more per incarcerated
8 person than comparable jail systems in LA and in Cook
9 County, Chicago, and yet people in DOC custody are
10 subjected to some of the worst jail conditions in the
11 nation. This has real and lasting harm for people
12 all over our city.

13 I'll just talk about one of our members whose son
14 has been at Rikers since he was 18, and he's been
15 there for four years he's now 22. In that time, he
16 has repeatedly missed court dates because officers
17 failed to bring him, he suffered serious injuries and
18 has been unable to get medical care, including when
19 he got a stomach infection for being placed in a cell
20 with a broken toilet. His mother worries about him
21 constantly, but is barely able to see him. DOC
22 stopped offering weekend visits during COVID and
23 still has not resumed them. And her requests to
24 schedule video calls are frequently denied because of
25 high volume. This horrific treatment comes at a

2 price tag of over half a million dollars a year per
3 person. Her son could have spent the past four years
4 of his life in college on a full scholarship with all
5 expenses paid, and it would have cost our city far
6 less.

7 To be clear, there's no staff shortage at Rikers
8 driving this problem. There's an accountability
9 shortage. New York City has the only jail system in
10 the country with more officers than people in
11 custody, but too many of them abuse sick leave and
12 when they do come to work will refuse to work in the
13 posts that are most necessary to provide services to
14 people in custody.

15 The FY 24 budget represents a \$35.5 million
16 increase for DOC while so many other agencies are
17 seeing cuts.

18 SERGEANT AT ARMS: Your time has expired.

19 MS. DAFTARY: Thank you. I'll wrap up quickly.

20 We have identified some clear and common-sense ways
21 to reduce the uniform headcount in DOC to 5760
22 officers down from their current 7000, and free up
23 \$359 million for crucial community investments that
24 could support all of the things that colleagues have--
25 - have talked about throughout the-- the evening and

2 really important priorities that have been identified
3 both by advocates and by the Council.

4 So we'll follow up with written testimony
5 outlining exactly how those cuts could be made, and
6 if the Mayor has abandoned his intention to go
7 upstream, and prevent people from-- from falling into
8 the criminal justice system in the first place, the
9 responsibility really lies with the Council to
10 acknowledge the reality that Rikers Island is the
11 most expensive, but least effective, intervention
12 that we have, and to shift our budget priorities to
13 invest in community resources. Thank you.

14 CHAIRPERSON BRANNAN: Thank you Sarita. Now we
15 have Margaret Joyce.

16 SERGEANT AT ARMS: Your time will begin.

17 Hi. Thank you Chair Brannan and Councilmembers
18 for taking the time to listen to my testimony
19 supporting the Carbon Free and Healthy Schools
20 initiative that Tory Kaso was speaking about earlier.

21 So my name is Margaret Joyce. I am a fourth
22 grade teacher at PS 35X. I'm also the mother of two
23 of my own children that attend PS 267 on the Upper
24 East Side, and today I urge you to support the Carbon
25 Free and Healthy Schools initiative in this year's

2 budget. There's a myriad reasons why I believe that
3 you should, but today I really want to focus on my
4 students.

5 I want to see our city our city do more to serve
6 the needs of my students, the students that I teach
7 in the South Bronx, and I believe that if amended
8 with fidelity, the Carbon Free and Healthy Schools
9 Initiative would benefit my students health because
10 asthma, as many of you know, is prevalent in the
11 South Bronx. There are communities, which are
12 predominantly low income black and Latino, who we
13 know are often underserved, their futures, and my
14 students, particularly their dignity, their feelings
15 of being valued and respected. And I talk about
16 dignity and respect because as the mom of two
17 attending, PS 267 on the Upper East Side, and the
18 teacher of many students in district 9 in the South
19 Bronx throughout the years, I have witnessed a vast
20 inequity in our city. Every morning my two little
21 ones walk into their school, a beautiful, well-
22 appointed modern school building that was built in
23 2010. In fact, it was one of the first schools,
24 actually the first school, to be completed in

2 compliance with the new sustainable design standards
3 mandated by the City Council.

4 Conversely, my students in the Bronx walk into a
5 building over 120 years old, falling down around us,
6 classrooms with leaky pipes, peeling paint. In fact,
7 a few weeks ago, large paint chips fell on my
8 students had during a computer class. Most of the
9 rooms and our school only have two outlets, which you
10 can imagine during this day and age where we're
11 constantly using devices a huge hindrance.

12 My school is in desperate need of an electrical
13 retrofit. Last year, in particular, the air
14 conditioner in my classroom was broken, and the
15 custodial engineer was able to install portable AC.
16 But unfortunately, every time we turn it on--

17 SERGEANT AT ARMS: Your time has expired.

18 MS. JOYCE: I'm just going to finish this one
19 little bit. -- the AC overwhelmed blew out the fuse.
20 And I just want you to take a moment to imagine what
21 it was like to be a student in my room with the
22 disruption of losing power, not just the smartboards,
23 but lights and not being able to charge those
24 devices.

2 And going without AC is not a viable option. As
3 I mentioned, asthma is prevalent and when you are in
4 high temperatures that triggers asthma symptoms.

5 I strongly urge you to fund this initiative. And
6 please consider my students' health, please consider
7 their dignity. Thank you for your time.

8 CHAIRPERSON BRANNAN: Thank you, Margaret. Now
9 we have Vanessa Marquez.

10 SERGEANT AT ARMS: Your time will begin.

11 MS. MARQUEZ: Hi everyone. My name is Vanessa
12 Marquez, Director of Development at New Immigrant
13 Community Empowerment, or NICE. We're grateful to
14 the City Council Finance Committee for your time
15 today.

16 NICE's mission is to organize new immigrants, day
17 laborers, asylees and their families in New York City
18 to build their collective power. We combine the
19 strength of workforce development training, worker
20 rights, advocacy, and programs tailored to immigrant
21 workers across the construction, food services, and
22 domestic works sectors, to name a few. We create
23 long-term pathways to stability and security for
24 workers and their families who have risked their
25 lives to be here.

2 We're here today to call on the City Council to
3 not only continue investing in organizations like
4 NICE, but to increase that investment in recognition
5 of the growing obstacles that community and our
6 organizations face.

7 Specifically, we call for increased funding for
8 the Day Labor Workforce Initiative, totaling \$4.75
9 million, as well as robust funding for the low wage
10 worker support and the construction site safety
11 training. These programs in conjunction with our
12 one-on-one dedicated support respond directly to the
13 many challenges immigrant workers face, whether
14 they've been here for 10 years, 6 months, or arriving
15 directly to our office from Port Authority with just
16 the clothes on their back as often happens.

17 In the past year and a half, we've seen a great
18 increase in people seeking our services, sometimes
19 reaching numbers higher than even the worst moments
20 of the pandemic. Our communities are experiencing
21 housing insecurity, hunger, wage theft, job
22 insecurity, and workplace injuries at alarming rates.
23 They need and deserve dignified housing, food, and
24 health care resources. And equally important they
25 need support, tools, and resources to plan for their

2 futures as new New Yorkers. They need a steady job
3 and safe income. In 2022 alone, we help workers
4 recover a quarter of a million dollars in stolen
5 wages, welcomed 1500 new members to the NICE
6 community, and trained close to 15,000 members in
7 worker rights, workplace safety, civic engagement,
8 and English as a second language. We also connected
9 thousands of--

10 SERGEANT AT ARMS: Your time has expired.

11 MS. MARQUEZ: Thank you. I'm almost done. We
12 also connected thousands of workers to the excluded
13 workers fund, 78% of which say these funds prevented
14 homelessness and hunger. This is why thousands of
15 immigrant workers are coming to us every year.

16 To put it simply, nonprofits like ours, that work
17 on the frontlines of the crisis, are running out of
18 funding space, and we need a bigger team to continue
19 scaling our work. We urge the City Council to renew
20 and expand funding for fiscal year 24 to increase
21 access to workforce development and training
22 opportunities as well as legal support for immigrant
23 workers. Thank you so much for your time.

24 CHAIRPERSON BRANNAN: Thank you Vanessa. Now we
25 have Rachel Goodfriend.

2 SERGEANT AT ARMS: Your time we'll begin.

3 MS. GOODFRIEND: Good afternoon. Good evening,
4 Chair Brannan and members of the Finance Committee.
5 Thank you for the opportunity to testify. My name is
6 Rachel Goodfriend, and I'm Co-Founder of Brooklyn
7 Level Up Community Land Trust. We fight for
8 community stewardship of land and buildings in East
9 Flatbush, Flatbush, and Flatlands. East Flatbush has
10 some of the highest rates of homeownership by black
11 New Yorkers in the entire city. At the same time,
12 our neighborhoods have experienced intense
13 speculative development over the past decade. Our
14 CLT was born out of this predicament.

15 Brooklyn Level Up CLT educates and empowers our
16 neighbors to protect and keep their homes. We're
17 also focused on securing properties for community
18 stewardship to help stabilize our small businesses
19 and provide deeply affordable rental and
20 homeownership opportunities. Brooklyn Level Up is
21 part of the citywide Community Land Trust Initiative.
22 We are also a member of the Abolish the Tax Lien Sale
23 Coalition. The citywide Community Land Trust
24 Initiative which supports the development of CLTs and
25 primarily affordable housing, commercial and

2 community spaces in low-income, and historically,
3 redlined black and brown neighborhoods is deserving
4 of all of the financial support currently requested.
5 Since fiscal year 2020, the initiative has catalyzed
6 the growth of CLTs across the five boroughs, and
7 engaged thousands of New Yorkers in education and
8 organizing. More than 1200 homes are in CLT
9 portfolios or pipelines right now, according to HPD.

10 We thank the City Council for its vital support
11 and urge you to fund the citywide CLT initiative at
12 \$3 million in the year 2024 budget. With this
13 enhancement, the initiative will support 20
14 organizations including new CLTs, and fairly new CLTs
15 like ours.

16 Since last year, Brooklyn Level Up has engaged
17 with hundreds of community members seeking Small
18 Business and Land Use support our neighbors of East
19 Flatbush and Flatlands, we do not have much city-
20 owned land in our neighborhoods. That means we need
21 to fundraise and come up with other creative
22 solutions to achieve CLT goals. City funding from
23 the CLT initiatives--

24 SERGEANT AT ARMS: Your time has expired.

2 MS. GOODFRIEND: Okay, so I'll just wrap up right
3 now. The CLT funding would help us secure the first
4 substantial pool of funding for the Brooklyn Level Up
5 CLT, which would then unlock further opportunities
6 for funding from foundations and mission-driven
7 lenders.

8 In addition to supporting the CLT initiative and
9 abolishing the tax lien sale, we urge the City
10 Council to ensure robust capital funding for the
11 acquisition, development, and preservation of
12 affordable housing, and to fight cuts to HPD, DSS,
13 DHS that would threaten the housing security of
14 thousands of New Yorkers. Thank you for the
15 opportunity to testify.

16 CHAIRPERSON BRANNAN: Thank you, Rachel. Now we
17 have Ravi Reddi.

18 SERGEANT AT ARMS: Your time will begin.

19 MR. REDDI: Hello, thank you so much for giving
20 us the opportunity to speak. I'm Ravi Reddi, the
21 Associate Director of Advocacy and Policy here at the
22 Asian American Federation. Going into fiscal year
23 2024. Our community faces a number of challenges, as
24 I'm sure you're aware, from a teetering economy to

2 continuing anti-Asian hate, so I'm just going to jump
3 right into it.

4 In terms of direct services, since the pandemic
5 strike in 2020, Asian-led, Asian-serving direct
6 service providers have been providing every kind of
7 basic needs service that our community members have
8 needed. In partnership with our organizations and
9 2021, our mental health programming resulted in
10 13,000 Asian New Yorkers gaining access to mental
11 health services in the languages they speak. In
12 2022, AAF released the first-ever online mental
13 health provider database that prioritizes providers
14 who speak Asian languages and understand our
15 cultures. There are over 100 providers now on that
16 database, and we're updating that regularly.

17 In the first three quarters of our flagship anti-
18 violence program, our Hope Against Hate Campaign, 102
19 safety trainings took place that have been organized
20 and trained almost 2500 individuals across the city,
21 especially in South Brooklyn and our ethnic enclaves
22 in Queens and Manhattan.

23 In youth programming under Hope Against Hate,
24 almost 7000 children have been reached. When it
25 comes to Victim Support Services, 3706 referrals were

2 made, and in light of the tragedy in Queens, I can't
3 emphasize enough how important it is for the city to
4 continue supporting the critical work we're doing,
5 that we're leading and coordinating with more than 30
6 organizations across our city and state.

7 The City support has been absolutely critical and
8 we couldn't ask for-- It couldn't be more urgent
9 right now, that support.

10 In terms of immigrant small businesses, as we
11 discussed last year, our small businesses continue to
12 have to deal with language access and product process
13 accessibility issues. So we're asking for continued
14 support for our expanding in-demand small business
15 service, technical assistance, and capacity-building
16 programming.

17 So we're just going to roll through our citywide
18 requests just so you have them on file. Much of this
19 is urgent work: capacity building support, technical
20 assistance and capacity building work for many of our
21 member organizations, as well as our direct service
22 programming.

23 SERGEANT AT ARMS: You're time has expired.

24 MR. REDDI: I'm just going to roll through these
25 real quick. \$400,000 from the Speaker's initiative,

2 \$250,000 from the CUNY Citizenship Now Program,
3 \$150,000 for the mental health services for
4 vulnerable populations initiative, \$200,000 from the
5 Hate Crime Prevention Initiative, and \$100,000 from
6 the Immigrant Health Initiative. We're also asking
7 for the API Committee Support Initiative to be
8 increased to \$7.5 million, and we're requesting
9 \$250,000 from that portion. We're also requesting
10 the Communities of Color Nonprofit Stabilization Fund
11 be increased to \$3.7 million, of which we're asking
12 for \$150,000.

13 Just two more bullet points: We're also asking
14 for continued funding of our worker cooperatives for
15 Asian language interpretation at \$700,000 as part of
16 a broader \$2.25 million ask-- in addition to a
17 broader \$2.25 million ask for a community interpreter
18 bank. And then finally, we're asking for \$90,000 in
19 support for the operation expansion of our small
20 business programs.

21 Now, all of you know the urgency of this work.
22 We can't emphasize it enough. But we're so thankful
23 that you gave us the time to speak and grateful that
24 you're making it through this endurance test. Thank
25 you so much.

2 CHAIRPERSON BRANNAN: Thank you, Ravi. Now we
3 have Alex Stein.

4 SERGEANT AT ARMS: Your time will begin.

5 MR. STEIN: All right, guys, thank you so much
6 for having me. Real quick. I just want to start off
7 by apologizing to Councilwoman Brewer I had called
8 her old, and let's be honest, I mean, she's no spring
9 chicken, but she doesn't deserve to be called that,
10 so I just want to apologize. She's actually, you
11 know, an okay woman.

12 And next thing I want to talk about is, you know,
13 the 134 employees at the Department of Finance
14 wouldn't be so bad, if they weren't letting go of
15 good people like myself. I was let go from the
16 Department of Finance. For two years, I was able to
17 work remote, literally the safety of my house, my
18 wife, her boyfriend, they're able to do stuff, they
19 can nap all day, I took care of the kids, I took care
20 of the cats. Now, I had to go into the office-- or
21 excuse me had to go into the office. And guess what?
22 I got adjusted to my life on Zoom. And I'll be
23 honest, it was hard to let go of some of the bad
24 habits that I have. And you know what, honestly, I
25 don't need to have it that bad. Because they fired

2 me for not wearing pants at work. And honestly,
3 these cover everything. You cannot see my butthole.
4 You can't see anything. And it's just ridiculous.
5 Like literally you can't, you can't hardly see a
6 thing. And you guys are going to fire me because I
7 don't have the proper clothes on. And look, I mean,
8 I'll be honest, I am showing some calf and some
9 thigh. But listen, more thighs, more guys. And
10 that's what I'm saying. And I'm boosted and I'm
11 boosted and I got boosted for the job. And I'll be
12 honest. Listen, I have a little pericarditis. And
13 I don't care. It's not that it's because of climate
14 change. But I just don't understand why I can't go
15 into work because I identify as not wanting to wear
16 pants.

17 SERGEANT AT ARMS: Your time has expired.

18 MR. STEIN: So please let me have my freedom to
19 go into work with no pants. I don't want to wear
20 pants any longer. So thank you guys so much for your
21 support, and Councilwoman Brewer, you're old, but
22 she's got a lot left in the tank. I love you guys.
23 God bless. Primetime Stein on Instagram if you want
24 to find me and talk to me about getting me a new job.

2 CHAIRPERSON BRANNAN: And now we have one. Juan
3 Calcutta.

4 SERGEANT AT ARMS: Your time will begin.

5 MR. CALCUTTA: Oh, can you hear me? Oh, there I
6 am. Okay, sorry. Um, that was interesting. Um,
7 anyways, so my name is Juan Calcutta. My pronouns
8 are they/them. I'm a grad student focused on
9 meteorology, with hopes of being the first
10 weatherthem. And if we're talking budgets, I think
11 we need to prioritize taking care of Ukrainian
12 veterans. Because, I mean, yeah, I know, we have a
13 lot of homeless American veterans in New York City,
14 but let's be honest, they lost to the Taliban, and we
15 should not reward losing. I mean, something I
16 learned from playing squash in high school. If we
17 lost our match, we didn't get frozen yogurt after the
18 game. That motivated us to win future games or wars
19 on the squash court. But, I'm going to be real with
20 you. You're probably going to forget this. So the
21 only real way to remember me is if I'm memorable, so
22 I'll be quick, I promise and I'm done. A 15-second
23 tribute to helping Ukraine so this can be in your
24 mind. So it's go insane for Ukraine, please let's
25 give them some cash. AOC she agrees if you don't

2 kiss my ass. Ukraine stays battalion whose face they
3 will smash go like Ukraine.

4 SERGEANT AT ARMS: Your time has expired.

5 Mr. CALCUTTA: Let's kill Russians en mass.

6 Anyways, we don't like Russia. Let's support
7 Ukraine. They are the most important people on Earth
8 right now. Thank you very much. Juan Calcutta out.

9 CHAIRPERSON BRANNAN: Thank you Juan. Okay. And
10 that's it, right?

11 COUNSEL TWOMEY: Yes.

12 CHAIRPERSON BRANNAN: Okay and with that the
13 first hearing of the FY 24 preliminary budget process
14 is adjourned.

15 [GAVEL]

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C E R T I F I C A T E

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



Date 03/15/2023