CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

Jointly with

COMMITTEE ON CRIMINAL JUSTICE

And

COMMITTEE ON PUBLIC HOUSING

And

COMMITTEE ON HOUSING & BUILDINGS

And

COMMITTEE ON OVERSIGHT & INVESTIGATIONS

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June 2, 2026
Start: 10:05 a.m.
Recess: 5:19 p.m.

HELD AT: Council Chambers - City Hall

B E F O R E: Linda Lee
Chairperson

Selvena N. Brooks-Powers
Chairperson

Chris Banks
Chairperson

Pierina Ana Sanchez
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A P P E A R A N C E S (CONTINUED)

Stanley Richards
Department of Correction Commissioner

Margaret Egan
Department of Correction First Deputy Commissioner

Jean-Claude LeBec
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James Conroy
Department of Correction Deputy Commissioner of Legal Matters, General Counsel

Charlton Lemon
Department of Correction Bureau Chief of Facility Operations

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Department of Correction Deputy Commissioner of Budget and Finance

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

James Boyd
Department of Correction Deputy Commissioner of Quality Assurance and Compliance

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NYCHA Chief Operating Officer

Annika Lescott-Martinez
NYCHA Chief Financial Officer

Dylan Baker-Rice
NYCHA Capital Management Officer

Heather Beck
NYCHA Chief Real Estate Officer

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

Lillian Harris
Senior Vice President for Leased Housing

Nadia Shihata
Commissioner of New York City Department of Investigations

SERGEANT AT ARMS: Good morning. Welcome to the New York City Council Executive Budget hearing for the Committee on Finance joint with the Committee on Criminal Justice, Public Housing, Housing and Buildings, and the Committee on Oversight and Investigations. Please silence all cellphone and electronic devices. And as a friendly reminder, do not approach the dais. If you have any concerns or questions, please see a Sergeant at Arms. Without further adieu, Chair, we are ready to begin.

CHAIRPERSON LEE: Great. Good morning everyone. Good to see you all. Welcome to the sixth day of the FY27 Executive Budget hearings. I'm Council Member Linda Lee and today hearings– today's hearings will begin with New York City Department of Correction followed by Department of Housing, Preservation and Development, and the New York City Housing Authority, and Department of Investigation. I'm pleased to be joined by my colleague, Chair of the Committee on Criminal Justice, Council Member Selvena Brooks-Powers, and we have been joined by Council Members Wong, Cabán, Restler, Majority Leader

Abreu, Council Member Brewer, and I think that is everyone right now. So, welcome to our Commissioner, Commissioner Stanley Richards, and your team. Thank you all for joining us today to answer our questions. On May 12th, 2026 the administration released the Executive Financial Plan for FY26 to 30 with a proposed FY27 budget of $124.7 billion. The Department of Corrections proposed FY27 budget of $1.26 billion represents less than one percent of the admin's proposed FY27 budget in the Executive plan, and this is a decrease of $4.7 million, or 0.4 percent from the $1.26 billion originally budget in the fiscal 2027 Preliminary Plan. This decrease results from several actions, including a vacancy reduction in uniformed savings due to the reduction of over 500 positions, civilian overtime savings and contract renegotiations. As of April 26, DOC's headcount was 1,239 less than their FY26 budgeted headcount. Throughout this year's budget process we raised concerns about the chronic overtime spending in Correction as well as a high vacancy rate due to ongoing staffing shortages and the ever-increasing population on Rikers Island. I would also like to take this opportunity to address an issue that is

very personal for me, that over 50 percent of the population- and I know that you know this, Commissioner, because you and I had in our former roles conversations about this. But 50 percent of the population has a mental health diagnosis. I'm hopeful now that contracted providers have been brought back onto the island to provide services that not only provide enrichment, education and life skills, but also programs that are vital to maintaining the mental health of the persons in our jail system as they await their trial dates. However, there is still much work to be done to ensure the custody and care of every individual within the justice system- to ensure the custody and care of every individual within the justice system. And I look forward to hearing from you, Commissioner, about how the Department will work through these challenges now and in the years to come. And I now want to turn it over to my Co-chair for this hearing, Chair Council Member Brooks-Powers for her opening statement.

CHAIRPERSON BROOKS-POWERS: Thank you and good morning. I am Council Member Selvena Brooks-Powers, Chair of the Committee on Criminal

Justice. I want to thank Chair Lee for co-chairing today's Executive Budget hearing and to thank everyone for being here. I'm joined– oh, I think you mentioned the members we're joined by. So, today's hearing will focus on the Fiscal 2027 Executive Plan for the New York City Department of Correction and the continued fiscal challenges facing our jail system. The Department's proposed fiscal 2027 budget totals approximately $1.3 billion and comes at a time when the city continues to face serious concerns regarding staffing shortages, facility conditions, safety, infrastructure, and the ongoing effort to close Rikers Island and transition to a borough-based jail system. The Executive Budget reflects significant investments in jail operations and infrastructure, including funding for cell door improvements, maintenance work across Rikers Island facilities, and the accelerated opening of the Bellevue Outposted Therapeutic Unit. At the same, the Department continues to project substantial savings through vacancy and overtime reductions, resulting in elimination of hundreds of vacant uniformed positions, despite ongoing staffing shortages and operational challenges. Today, we will examine how

the Department intends to safely manage its facilities while operating below budgeted headcount levels and reducing staffing positions. We will also discuss the impacts these shortages may have on programming, visitation, medical escorts, staff safety, detainee safety, and overall jail operations. Additionally, this hearing will explore the status of the city's borough-based jail capital plan which now totals nearly $11.8 billion through fiscal 2030. We will seek clarity regarding project timelines, construction progress, cost increases, and how the administration plans to manage continued operations on Rikers Island during the transition period. We will also discuss the ongoing issues of state ready individuals remaining in city custody, the fiscal burden this places on the city and the operational impacts associated with delayed transfers to state facilities. The committee looks forward to hearing from the Department of Corrections regarding how the Executive Budget addresses these ongoing challenges, and what additional actions may be necessary– may still be necessary to improve conditions, strengthen accountability, and ensure the safety of both staff and incarcerated individuals. I would like to thank

my staff and committee staff for their hard work: Casely Lisky [sp?], Senior Financial Analyst, Finance Assistant Director Jack Story, Chad Benjamin, Policy Analyst, Jeremy Whiteman, Senior Counsel to the Committee, Julian Martin [sp?], my Deputy Chief of Staff, and Renee Taylor, my Chief of Staff. I thank everyone who is joining us today and look forward to a thoughtful and productive discussion on the Department of Corrections fiscal 2027 Executive Budget. Thank you, Chair.

CHAIRPERSON LEE: Thank you. We've also been joined by Council Member Morano. And a couple housekeeping items. So, because of the shortened timeline for the budget hearings, we're having all of our public testimony on one day. So, Wednesday, June 10th, 9:30 a.m. we're going to have public testimony for all the different city agencies. So please make sure to sign up. For folks that are sitting here and listening actively, make sure to take notes, ask questions when you come in that day. We want to hear from you. So, just wanted to make that announcement, and we're on a tight timeline. So, you know, if we can keep both questions and answers and responses as brief as possible, because we want to

make sure to get through all the member's questions. That would be greatly, greatly appreciated. And without further– oh, and the DOI hearing later this afternoon at 4:00 p.m. is actually going to be at 250 Broadway, not here, because we're getting kicked out of this room, right? Yes. Okay. So, without further adieu, I'm going to pass it on to Brian Sarfo [sp?], our amazing committee counsel for the swearing in.

COMMITTEE COUNSEL: Good morning. Do you affirm to tell the truth, the whole truth and nothing but the truth before this committee and to respond honestly to Council Member questions? Commissioner Richards?

COMMISSIONER RICHARDS: I do.

COMMITTEE COUNSEL: Chief Rembert? First Deputy Commissioner Eagan? Senior Deputy Commissioner Claude Lebec?

SENIOR DEPUTY COMMISSIONER LEBEC: I do.

COMMITTEE COUNSEL: Chief Lemon?

CHIEF LEMON: I do.

COMMITTEE COUNSEL: General Counsel Conroy?

GENERAL COUNSEL CONROY: I do.

COMMITTEE COUNSEL: And Deputy Commissioner Zubair?

DEPUTY COMMISSIONER ZUBAIR: I do.

COMMITTEE COUNSEL: You may begin.

COMMISSIONER RICHARDS: Good morning, Chair Brooks-Powers and Chair Lee and members of the Committee on Criminal Justice and Finance. I am Stanley Richards, Commissioner of the New York City Department of Corrections, and I am joined today by members of the Department's leadership team. Thank you for the opportunity to discuss the Department's Fiscal Year 2027 Executive Budget and the work ahead of us to strengthen safety, stability, and accountability across our jail system. When I appeared before the Council in March for the Preliminary Budget hearing, I spoke about the vision and priorities that would guide my leadership. I said then that transforming a system like ours is not like turning a speedboat, it's like turning a cruise ship. That remains true today. Meaningful change in a system as large and as complex as ours requires discipline, consistency, partnership, and sustained effort. It requires a balance of bold urgency and quiet patience. In the first four months of my

tenure, I have spent a great deal of time listening and learning. I have listened to the dedicated staff who work tirelessly in the jails every day. I have listened to the people in our care. I have listened to advocates, providers, labor partners, oversight bodies, and many members of this Council. Listening and learning is quiet work, but it is not idleness. Listening matters because people closest to the work often understand the challenges best, and we cannot undo harm or hope for a better future if we do not understand the challenges that led us to the place we are in today. While listening may be quiet work, it is not static work. My team and I have been moving with urgency on issues that matter because the stakes are high every single day. Over the first months, we have taken meaningful steps toward preparing the Department for the future while addressing immediate operational needs. We opened the City's first Outposted Therapeutic Housing Unit at Bellevue Hospital, creating a new model of care for people in custody with complex medical needs and expanding access to specialized treatment in an environment designed to support health and dignity. We reached an important milestone in the borough-based jail

transition with the topping off of the Brooklyn facility and continue planning efforts with our sister agencies to prepare for one of the most significant transitions in this city's history. We also welcomed 261 new correction officers into our ranks, the Department's largest graduating academy class in nearly seven years– an important investment in rebuilding our workforce and supporting safe operations. At the same time, we have continued engaging collaboratively with the Remediation Manager and his team as they onboard and establish their operations. We view this work as complementary to our broader goals of strengthening accountability, improving operational effectiveness, reducing violence, and creating systems that are sustainable over time. Real progress requires partnership, and that includes our partnership with the court, the Remediation Manager, and the Federal Monitor. Let me take a moment to speak candidly about where we are as an agency so that our conversations today are grounded in a shared understanding of current conditions. The Department does not have control over who is in our care or for how long, but we are a critical player in ensuring that there is a strong

continuum of care before, during, and after one's incarceration. Currently, we have approximately 6,700 people in our care, which is significantly above where we were several years ago, despite having fewer staff. We need support from all of our partners to bring that number down to promote safer operations in the near term, and to get to the number we envision for the borough-based jails. Continuing to manage a population this large creates operational pressure across nearly every aspect of the Department's work, from housing and transportation to medical escorts, programming, and supervision. But population growth alone does not fully describe the challenges we are managing. Today's population presents increasingly complex behavioral health and services needs, as Councilwoman Lee described. Many individuals come into our care experiencing housing instability or homelessness, substance misuse, a history of trauma, and limited social supports. More than 4,100 people in our care, approximately 60 percent of the population, have a Brad-H designation, indicating increased interaction with mental health services. In addition, 20 percent of people in our care are identified by our partners at H+H Correctional Health

Services as having serious mental illness. These realities shape how we staff facilities, how we coordinate movement, how we deliver programming, and how we partner with Correctional Health Services and others to provide care before, during, and after incarceration. This is why I continue to say that safety and humanity are not competing values. They depend on one another. Our staff are asked every day to manage situations involving complex human needs while also maintaining and secure operations. Correction officers are not social workers, but the reality is they often find themselves operating in environments that require compassion, patience, communication, and partnership in addition to traditional correctional responsibilities. They have one of the toughest jobs in the city and we need to support them in this work. That is why one of my priorities continues to be returning to what I have called Corrections 101. Safe jails begin with the fundamentals. Housing areas must properly be supervised. Required tours must be completed. Services must be delivered consistently. Concerns must be elevated and addressed appropriately. Policies must be understood and carried out. Those

are not small. Many of the issues identified repeatedly across oversight reports, recommendations, and operational reviews ultimately point back to correctional fundamentals: communication, supervision, responsiveness, accountability, and consistency. None of this happens without a robust workforce. One of the things that has impressed me most during my tenure as Commissioner is the strength and diversity of the people who choose to work in this department. Women play a critical role throughout this agency at every level of service and make up nearly half of the uniformed workforce. Women serve disproportionately in unformed leadership as supervisors, Wardens, Deputy Wardens, and executive leaders, including our very own Chief Rembert, Chief of Department. We have built a leadership bench that increasingly reflects the workforce and the city we serve. The number of women in uniformed leadership positions is something we should recognize, not because leadership looks one way, because talent and opportunity should not. Building the future of this department means ensuring talented people see corrections as a profession where they can lead, grow, and shape outcomes. That brings me to something

I know many people have questions about, the reduction in budgeted uniformed headcount reflected in the Fiscal Year 2027 Executive Plan. I want to address this directly, because I know our staff are paying attention. Uniformed staff are not being terminated, and no positions are being eliminated to achieve this reduction. The adjustment reflected in the Fiscal Year 26 and 27 budgets are a reduction in vacant budgeted positions based on current recruitment and attrition projections, and alignment with where we realistically expect staffing levels to be. We are currently operating below our authorized staffing levels and have been for quite some time, and have been candid that recruitment and retention remain difficult not only in New York City, but across corrections and law enforcement nationally. We're grateful that Governor Hochul, with the support and advocacy of Mayor Mamdani and this City Council restored the 20-year service retirement for our uniformed staff. Our members of service deserve parity with other uniformed services, and we're hopeful that this restoration will strengthen workforce stability and improve DOC's ability to recruit and retain experienced staff. Health and

safety is more than a number. If we want people to stay, we must create conditions where staff feel supported, safe, respected, and should expect that they– and their families should expect that they come home safely at the end of every tour. That expectation is fundamental. This adjustment does not reflect a reduced commitment to our workforce or to this fundamental expectation. In fact, the opposite is true. For years, the borough-based jail transition has been contemplated gradual staffing efficiencies over time as infrastructure changes and operations modernize. But our immediate focus remains on recruiting officers, retaining experienced staff, reducing unnecessary overtime, supporting wellness, and making this work sustainable over the long term. Before I close, I will briefly turn to the fiscal year 2027 Executive Budget. For fiscal year 27, the Department of Correction budget is $1.26 billion. The vast majority of this, 82 percent, is allocated for personnel services, and 18 percent for other than personnel services. The fiscal year 27 Executive Budget decreased by $121 million compared to the fiscal year 25 budget of $1.38 billion. Some of the increases to the Executive Plan include: the Bellevue

Outposted Therapeutic Housing Unit uniformed staff meal stipends at $78.5 thousand in fiscal year 2026, and $314 thousand in fiscal year 27. It's now baselined. One time Bellevue accelerated opening funding of $2.1 billion in fiscal year 26 only, which also covered rehabilitation housing at the George R. Vierno Center and West Facility in preparation for closing of the North Infirmary Command; A one time $23.7 million increase in fiscal year 27 to replace 1,800 existing cell doors on Rikers Island with high-security doors; and a one-time $2.8 million increase in fiscal year 27 for facility maintenance and the purchase of contraband detection mattresses. This fiscal year 2027 Executive Budget also included reductions as part of the Mayor's Executive Order 12 citywide savings initiative. These savings did not compromise safety or services to the people in our care. Some of the savings include: Contractual efficiencies totaling approximately $6 million in fiscal year 26 and $3 million in 27; $5.2 million in civilian overtime reductions in fiscal year 27; and the reduction of 386 unoccupied uniformed budgeted lines in Fiscal Year 26 and an additional 200 next year fiscal year 27, totaling 586 unoccupied lines in

fiscal year 2027 baselined. These savings amount to approximately $10.1 and $32.3 million in fiscal years 26 and 27 respectively. The fiscal year– the fiscal year 26 Executive Capital Budget and Commitment Plan totals $11.9 billion, which covers Fiscal Years 26 through 36. As of the FY26 Executive Budget, the majority of capital funding is tied to the borough-based jails program which totals $11.5 billion over the 10-year plan and is allocated as follows: Brooklyn facility $1.7 billion, Manhattan facility $3.7 billion, Bronx facility $ $2.6 billion, and Queens facility $3.3 billion. We continue to work diligently to attract and retain both civilian and uniformed staff. The Department's total authorized headcount as of FY27 Executive Financial Plan is: 8,426, which includes 6,674 uniformed positions and 1,752 civilian positions. Despite the uniform unoccupied line reductions, our actual uniformed staffing levels remain well below our authorized headcount. The Department will continue recruitment at full force through investing in aggressive advertising and marketing campaigns to attract new staff. In conclusion, the Fiscal Year 2027 Executive Budget reflects the reality of operating a

correctional system in this moment: population pressures, aging infrastructure, staffing challenges, preparation for borough-based jails, and continued investment in modernization and safety. It reflects difficult choices and a commitment to operating responsibly while continuing to move this Department forward. We remain committed to closing Rikers Island and preparing for borough-based jails. And we remain committed to ensuring safe and humane conditions for staff and people in our care throughout that transition. Thank you. Thank you for allowing us to come and present to you. There are no short cuts and there are no quick fixes. But I believe progress is possible when we are honest about the challenges we face, disciplined in how we respond, and committed to keeping people at the center of our decisions. Putting people first is not simply a slogan. It means supporting staff so they can support others. It means creating safer conditions. It means investing in people and expecting excellence from one another. And when we do that, safety improves, services improve, outcomes improve, and public trust improves. Thank you for your partnership and your continued

engagement, and we look forward to your questions. Thank you.

CHAIRPERSON LEE: Thank you so much, Commissioner. We've also been joined by Deputy Speaker Williams, Council Member Salaam, and Council Member Narcisse. And I have to say, there were quite a few of us on the Council that actually went and did a tour of Bellevue Hospital and the facilities and the mental health programming there. So, I just wanted to commend you for doing that because as we all know, it's very easy for folks to fall through the cracks when they're transitioning from different parts of the criminal justice system, and so it's really crucial we have a lot of these services that are available to them. So, thank you for that. And I know they have an additional request which we're looking at at Bellevue Hospital for their mental health services. So, we'll be taking a look at that. Okay. so, really quickly, I just have questions related to four different topics and then I'll move it along to our Chair. So in terms of the outstanding terms and conditions, one of the conditions of funds in the units of appropriation 003 of the Department of Correction, and units of

appropriation 001 of the Office of Criminal Justice Coordinator. DOC and MOCJ are supposed to submit a two-year forecast or relevant plausible policy impact models given the make up of the actual observed jail population and related trends. And the first report should be- was supposed to be submitted on or before January 15th, 2026 and cover the period beginning July 1st, 25 and ending December 31st, 25. And I believe the report is still outstanding. So just wanted to get a sense of what you think the timeline would be to receive that report?

COMMISSIONER RICHARDS: Thank you for that question. And I'll turn it over to my colleague to speak more specifically about it. We understand that that report is out- overdue, and we want to report accurately the timeline and what is needed. And so we are in the process of conducting an assessment so we could be transparent to the Council and really speak to where the Department is at and what's the plan moving forward. It is important for us not to just submit a report for the sake of submitting a report. Checking boxes is not something that we want to do. So we ask for your continued patience. We appreciate your patience and your

partnership, and we will get that report to you with accuracy and detail so that you understand where the Department is heading.

CHAIRPERSON LEE: And if you could also speak to if you're- as you're going through this, what some of the challenges may be, if there are challenges?

DEPUTY COMMISSIONER CONROY: I think it- I don't think there are challenges, so to speak. I think it's just a delay. So, we will follow up with the Council as to exactly when we'll submit that, but I think we're well under way on that report, and again, we're hopeful that you'll have it soon.

CHAIRPERSON LEE: Okay, perfect. And if you could get back to us on the timeline, that would be great.

DEPUTY COMMISSIONER CONROY: Thank you.

CHAIRPERSON LEE: Okay. Contracts- following recent concerns raised by public defenders regarding privacy and data collection, is the Department reconsidering renewing its contracts with Securus? Am I saying that correctly?

COMMISSIONER RICHARDS: Yes, Securus is the right name.

CHAIRPERSON LEE: Okay.

COMMISSIONER RICHARDS: Again, I'm going to turn it over to my colleague to speak to that issue.

DEPUTY COMMISSIONER CONROY: So, the Department underwent a public RFP process-

CHAIRPERSON LEE: [interposing] Okay.

DEPUTY COMMISSIONER CONROY: and received a number of vendors. Securus was one of them, and it was selected as the vendor for the communication system that we have. We've looked at all of the concerns and the letters and we are still undergoing a review of how we could shore up and make sure that all data security within the contract and even our practices ensures that there are no issues with data, you know, privacy, security, or otherwise within the Securus contract. So, right now, we are looking at ways to ensure compliance, but I don't know that we're in a position right now of reconsidering the RFP. But we will follow up on that as well.

CHAIRPERSON LEE: Okay. And how long was that RFP contract for?

DEPUTY COMMISSIONER CONROY: The RFP was initially put out for a five-year contract-

CHAIRPERSON LEE: [interposing] Okay.

DEPUTY COMMISSIONER CONROY: with an option for five-year renewal, but we're reviewing that internally as well.

CHAIRPERSON LEE: Okay. How many other bidders did you have?

DEPUTY COMMISSIONER CONROY: I think there were five total, and it came down to three finalists.

CHAIRPERSON LEE: Okay. Yes, if you could keep us updated on that progress, if they have to go on a cap or whatever it is that they need to fix those issues, that'd be great if you could keep us updated. Okay. Commissioner, you alluded to the state reimbursement for state ready programs. At the Preliminary Budget hearing you testified that the Department receives recruitment on a quarterly basis for all the state ready individuals who are in your care for more than 10 days, is that correct?

COMMISSIONER RICHARDS: Yes, that is correct.

CHAIRPERSON LEE: Okay. And what is the current recruitment rate you receive from the state?

COMMISSIONER RICHARDS: DC– our, DC of Finance will answer that.

DEPUTY COMMISSIONER ZUBAIR: Faizan Zubair, Deputy Commissioner of Budget and Finance. We receive– I'm sorry, your question was how much?

CHAIRPERSON LEE: Oh, the recruitment rate, yes.

DEPUTY COMMISSIONER ZUBAIR: Recruitment rate, it was– so it's about $100 a day per individual in custody for over 10 days, excluding those in medical status.

CHAIRPERSON LEE: Okay. In the Council's Preliminary Budget response we recommended the state and the city enter into an agreement to make more equitable reimbursements as it costs over $400,000 to house a person on Rikers Island for one year. I'd actually say it costs more, doesn't it? But in any case, is that a conversation that has been happening, or that you would be willing to advocate for?

DEPUTY COMMISSIONER ZUBAIR: We would love to engage in conversations with our state partners about that. At the moment right now, we are under an agreement between Department of Correction

and the state, and further conversation is always welcomed.

CHAIRPERSON LEE: Okay.

COMMISSIONER RICHARDS: I think what I would really like is for the state to take the state readies [sic], and they have been- to just acknowledge their work, they have been really good since the lift of COVID when we had close to a thousand state ready people. That number has significantly come down and they continue to take people up. And so we usually hover around about 100, a little over 100 state readies, but they have been consistently taking people up, and I really just want to acknowledge Commissioner Monticello and his team for working with us to move people up.

CHAIRPERSON LEE: Okay. And how many state ready persons have been in your custody for more than- for over one year? Because you said 100, but is that for the- over the 10-day stay and then-

COMMISSIONER RICHARDS: [interposing] No, no, that's- when I look at the census on- it's usually a little over a 100 people that are state ready.

CHAIRPERSON LEE: Oh, at any given time.

COMMISSIONER RICHARDS: A combination of new sentenced, parole.

CHAIRPERSON LEE: Okay.

COMMISSIONER RICHARDS: I don't think we have anybody- do we have anybody that's been-

DEPUTY COMMISSIONER CONROY: [interposing] No, we had- when there was the state Wild Cat strikes, we had people who were here way longer than they should have been that were sentenced. Now, it's usually not longer than four to six weeks-

CHAIRPERSON LEE: [interposing] Okay.

DEPUTY COMMISSIONER CONROY: from sentencing to transfer, and that cadence is pretty consistent now.

CHAIRPERSON LEE: Okay. And have there been any reimbursements to the Department for state-ready persons held in DOC custody since last May when they stopped accepting new admissions?

DEPUTY COMMISSIONER ZUBAIR: In total we have about $5 million year-to-date. I believe our last reimbursement was around just over $2 million, approximately.

CHAIRPERSON LEE: Okay. And then, so to date there's approximately like- you just mentioned,

commissioner, 100 state-ready currently on Rikers right now?

COMMISSIONER RICHARDS: How many do we have, Chief?

CHIEF REMBERT: 231 as of today.

CHAIRPERSON LEE: 231, okay.

CHIEF REMBERT: Yes.

CHAIRPERSON LEE: Great. And I'm just going to ask a few questions about capital and then pass it off. I know you're not eligible to receive capital funding outside of the borough-based jail projects without applying through other agencies, and can you walk us through what that process entails and what projects have you applied for via the process and were they approved?

COMMISSIONER RICHARDS: Yeah. Thank you. So, as you know, we can't apply for capital funding unless the capital funding request meets the five-year useful life term which DCAS would need to certify that whatever capital project we initiate has value beyond the five years. We have asked for a waiver in 2025 for some fence repair. That waiver from the Comptroller was denied. That was the only waiver we requested.

CHAIRPERSON LEE: Okay. Are you able to calculate the total amount of expense funds that have been spent on potential capital projects? Because sometimes I know that agencies need to, you know, switch things around, and can you list those projects?

COMMISSIONER RICHARDS: Yes.

DEPUTY COMMISSIONER ZUBAIR: So, it's a little difficult to say essentially, because there's an opportunity cost when it comes to not having availability for capital funding. Essentially, any kind of facility maintenance and repair project that we would have done that would have been capitally eligible, if we had to use expense dollars to do that- since 2022 when capital funding became ineligible- would be the cost of that. We'd have to look into it exactly for what the exact numbers are and we could follow up with that. But that's the general gist of it.

CHAIRPERSON LEE: Okay. And then concerning the borough-based jail design builds, which I visited the one in Queens I think a couple years ago- there's funding budgeted for FY33 in the Capital Plan for BBJ Community Centers in each

borough with a facility. So can you just clarify what the function of the centers will be and why it's not scheduled to begin until FY33?

COMMISSIONER RICHARDS: The- in each of the borough-based facilities, as we were doing community engagement very early on, what we heard is that communities wanted some kind of community use space. So, each of the facilities will have a community use space that will be managed I believe by DYCD.

CHAIRPERSON LEE: Okay.

COMMISSIONER RICHARDS: And that space will be available and used as DYCD solicits community input for community services.

CHAIRPERSON LEE: Okay. And will it include wraparound-type services and access to services obviously for those in the borough-based jails, too?

COMMISSIONER RICHARDS: Yes. Every borough-based jail will have space for service providers. And so as people are being discharged, they will be able to engage with service providers and get services right there.

CHAIRPERSON LEE: Okay. And with the budget being so far out, have you factored in inflation, other cost increases that will most naturally happen in that time?

COMMISSIONER RICHARDS: While the borough-based jails will be operated by DOC, I think that question is probably best for-

CHAIRPERSON LEE: [interposing] DYCD?

COMMISSIONER RICHARDS: DDC. I couldn't speak to the budget projections. As you know, the cost as originally projected versus what the cost is now is both market influences over time, cost increases for materials and that sort of thing. DDC would be better positioned to answer that specific questions.

CHAIRPERSON LEE: Okay, great. The Capital Commitment Plan includes $34.3 million in funds through FY27 for repairs related to damage from Hurricane Sandy, including replacement of damaged trailers and roof construction for multiple facilities. Have these repairs happened over the last 13 years, and do they still need and require funding?

DEPUTY COMMISSIONER ZUBAIR: So, generally these are just left over federal funding, right? We're not utilizing them. We're not operationalizing these. They're essentially supposed to evaporate over time, but the City still needs to conduct reconciliation, and for that purpose they're in our budget at the moment, but we're not operationalizing them at all.

CHAIRPERSON LEE: Okay. And then- so would it be possible then to have it reallocated to some other necessary capital projects, or because it's federal it has to stay in that line item?

DEPUTY COMMISSIONER ZUBAIR: Has to stay. No, it's restricted to federal funding.

CHAIRPERSON LEE: Okay. Alright. I'm going to pass it off to Chair Brooks-Powers.

CHAIRPERSON BROOKS-POWERS: Thank you, Chair. I am going to start with staffing and overtime. The Executive Plan reduced the fiscal year 27 uniform budget headcount by 586 positions. When compared to the budgeted uniform headcount at adoption, how do you anticipate that this will affect day-to-day operations and future overtime spending within the Department?

COMMISSIONER RICHARDS: Thank you for that question. I think there are two variables that we need to pay attention to when it comes to overtime. One is we have to fill the vacancies. We are a 24-hour operation. Safety is primary, and so overtime is largely driven by asking officers to do additional shifts. And so as we hire, we will be able to reduce the reliance on overtime. The other variable is population reduction. Working with all of our partners at OCA, community-based providers, and the City Council and the investments that City Council has made in diversion programs, we begin to bring down the population. As we bring down the population, we'll be able to reallocate those staff, and so we should see a reduction in overtime. But as I said earlier, this is sort of a cruise ship moment. I think we need to chip away at it, and we have alignment right now with all of our partners to work on that. So, we are recruiting heavily. We have a class that we will be starting in the middle of June. We have another class that we're going to be starting at the end of this year in December. We have recruitment ads out. We have a test that is about to be launched, and so we're working really hard to try

to bring people into the Department so we can reduce our reliance on overtime.

CHAIRPERSON BROOKS-POWERS: And I know we've spoken before in terms of the efforts to attract applicants to DOC positions, and I like to know what changes if any are you planning to make to job descriptions, eligibility requirements, or training? Like, are you shifting the way in which you're recruiting, and also, what is being offered with these positions to make it more attractive to potential applicants?

COMMISSIONER RICHARDS: Yeah. So, we're doing a couple of things you might have seen. We really professionalized our marketing and our advertisement on commercials, really showing the diversity of the work opportunities that the Department has. We're also really elevating the Department's profile on social media. I think part of one of the challenges we getting people to sign up and to join the Department was all of the bad press and the press that was happening about the Department. That people didn't see that as a place where they wanted to build a career. We're trying to change that. We work with DCAS to try to waive the

test fee, and we're making headway there. We have a recruitment team that's going out and recruiting, talking to Commissioner Marta [sp?] from the Veterans Department about tapping into and presenting at some of the military installations close by New York to see if people who are coming out the military are interested in joining the Corrections. So we have a full court press on trying to recruit. We implemented a new strategy. Everybody who signed up for the test will be receiving a letter for me, welcoming them into the Department, letting them know that at the highest level of this agency, if you're interested in joining, wants to see you and value you and appreciate you for signing up. And we're hopeful that those efforts- with the efforts of our partners will yield the kind of classes we need to make sure that we can reduce overtime because we're bringing in new staff.

CHAIRPERSON BROOKS-POWERS: No, I like that. I like what I'm hearing around that. How many Department of Correction staff are eligible for retirement this year?

COMMISSIONER RICHARDS: I'll turn that over to my colleague.

DEPUTY COMMISSIONER ZUBAIR: As of today, there are approximately 460 individuals who can retire as of today, uniform members of service.

CHAIRPERSON BROOKS-POWERS: And does the Department expect to be able to fill all the vacancies left by retiring staff in the upcoming year?

COMMISSIONER RICHARDS: We're certainly working on it. That's part of the challenge. Like, we just had a class of 261, and we got a group of over 400 that's eligible for retirement, and when we look at how many of those take it up- take retirement up, it's about 88 percent of those who hit retirement retire. And so me and the team we're working on like how do we retain those officers? And so we're proposing a number of strategies to try to increase retention. The support from the City Council, the Mayor, and the Governor signing off on 20-year was a huge incentive. I think our officers felt respected. They felt valued. They felt heard, because you know, they've been advocating that for many, many years, and now they have an administration and City Council that has stood with them and said we believe in you and we see you. And I think that goes a long way.

And that's part of the change we're doing in the Department is that this is a rising tide lifts all boats moment. And so we need to value our staff, appreciate our staff, and when we can do that for them, they could show up in ways that value and appreciate the people who come into our care.

CHAIRPERSON BROOKS-POWERS: Thank you for that. The Nunez Federal Monitor's report offer many recommendations for better staff management while we know that the Remediation Manager will also have a role in staff management. Can you outline your strategy for how to better manage and deploy staff going forward?

COMMISSIONER RICHARDS: Yeah. So, one thing we have done that we issued a re-org- the Office of Administration which manages our staff deployment is now reporting to our Senior Deputy Commissioner LeBec in partnership with the Chief of Department. We are engaging a consultant to do a post-analysis. We're doing that both with SCOC and we're doing it with this consultant, and we're working in partnership with Nick and his remediation team. The goal really is to assess what is it we- what's the staffing structure we need to manage this

particular population, this situation, and so that work is ongoing and it's in partnership with the Remediation Manager.

CHAIRPERSON BROOKS-POWERS: The budget for Correction Academy recruits is being cut by 77 percent, a total reduction of $3.5 million. Why is this cut being proposed, and is the Department expecting to hire 77 percent fewer recruits?

COMMISSIONER RICHARDS: I'll turn it over to Senior Deputy Commissioner.

SENIOR DEPUTY COMMISSIONER LEBEC: Can you talk about the cut that you mentioned? I don't have those in my-

CHAIRPERSON BROOKS-POWERS: [interposing] Regarding the correction academy recruits. Our understanding it's being cut by 77 percent which totals $3.5 million.

DEPUTY COMMISSIONER ZUBAIR: We're going to have to follow up.

SENIOR DEPUTY COMMISSIONER LEBEC: We'll have to follow up. We don't have that as a cut in our budget.

CHAIRPERSON BROOKS-POWERS: So, it wasn't entered as an official change, but it was entered

into the report as year-over-year. So, it showed a decline by $3.5 million. But it- so you going to get back to you on-

SENIOR DEPUTY COMMISSIONER LEBEC: We'll have to get back to you. Yeah, I'm not are with that.

CHAIRPERSON BROOKS-POWERS: Okay. OMB budget documents show the following number of officers assigned to court pend [sic], 333 in Manhattan, 226 in the Bronx, 187 in Queens, and 150 in Brooklyn. Can you give an explanation for these numbers and how many people in custody are typically in each of the court pens at any given time?

COMMISSIONER RICHARDS: The Chief can speak to the number. I don't know if we have the number in court pens, but I can tell you we do about 700 court transportations every day. So, the boroughs with the most when you look at admissions, it is Brooklyn, Bronx, Manhattan, Queens, Staten Island, 700 court transportations a day. I don't know how it breaks out by borough,but that's the number that we see on the transportation. Maybe the Chief might have-

CHAIRPERSON BROOKS-POWERS: Brooklyn is showing the least amount.

CHIEF REMBERT: Good morning. Sherrieann Rembert, Chief of Department. Yesterday, it was 653, 651 court count, and the breakdown as follows: Any given day on Manhattan is 96, Brooklyn is 98, Queens is 83, the Bronx is 83, and Staten Island is eight.

CHAIRPERSON BROOKS-POWERS: Thank you. I'm going to pivot to the cell doors which is, I think, our most common topic. So, in recent correspondence, the Department has stated that approximately 2,900 doors currently need repair. Yet, expected facility closures and other efficiencies will reduce the number of doors that need to- that need repair by approximately 1,000, adding $23.7 million in this plan to repair 1,800 doors. Can you walk us through how exactly you arrived to this figure and what you believe only 1,800 doors- or why you believe that only 1,800 doors are needed to be repaired? And which housing units will be prioritized for these repairs?

COMMISSIONER RICHARDS: Yes. I'll ask our DC Doherty who runs FMRD to speak specifically to that question. But for us, this is a safety and

urgency issue to fix as many doors as we can while simultaneously reducing population and preparing the Department for the future of borough-based jails. We may over time– my hope is that the 1,800 will get us to a place where we have reduced population with our partnerships and we have begun to transition into the borough-based jails. But I think that's an ongoing assessment, but that's what we have right now. Thankful for OMB. thankful to Mayor Mamdani and First Deputy Mayor Dean Fullihan for supporting this initiative and understanding how critically important safety is for our officers and for the people in our care. So, I'll turn it over to DC Doherty.

COMMITTEE COUNSEL: Good morning. Do you affirm to tell the truth, the whole truth and nothing but the truth before this committee and to respond honestly to Council Member questions?

DEPUTY COMMISSIONER DOHERTY: I do. Can you ask the question one more time?

CHAIRPERSON BROOKS-POWERS: Sure. In recent correspondence, the Department has stated approximately 2,900 doors currently need repair, yet expected facility closures and other efficiencies will reduce the number that need repair by

approximately 1,000, adding $23.7 million in this plan to repair 1,800 doors. Can you walk us through how exactly that figure was arrived to and why the Department believes that only 1,800 doors need to be repaired, and then once you answer that I'd like to know which housing units are going to be prioritized with the repairs?

DEPUTY COMMISSIONER DOHERTY: So, as the Commissioner stated, I think very clearly and well, it's the ongoing assessment applied with, you know, the depopulation, the bringing on of borough-based jails, so on and so forth. As far as the location that's being identified, that is OBCC tower, and the thought process was that that is one of the primary locations that has the greatest identification for safety and security for- particularly for doors.

CHAIRPERSON BROOKS-POWERS: So, of the 1,800 doors, how much would OBCC account for?

DEPUTY COMMISSIONER DOHERTY: The- all of them.

CHAIRPERSON BROOKS-POWERS: Okay, so it's only- you're only focusing on OBCC.

DEPUTY COMMISSIONER DOHERTY: For- yes, for this 1,800 doors, that will be for the OBCC towers.

CHAIRPERSON BROOKS-POWERS: Now, in a perfect world, you get the money to fix these doors, is the problem solved on the door issue at that point?

DEPUTY COMMISSIONER DOHERTY: No. The perfect world we could continue on this project into GRVC and continue changing out doors as necessary.

CHAIRPERSON BROOKS-POWERS: So, then in fact the 2,900 doors is still the true number then?

COMMISSIONER RICHARDS: If everything stayed the way it is, no population reduction, no borough-based jails, yes. But we're not going to- we're not planning-

CHAIRPERSON BROOKS-POWERS: [interposing] But we know the borough-based jails is imminent, so-

COMMISSIONER RICHARDS: [interposing] Yeah.

CHAIRPERSON BROOKS-POWERS: with that in mind, is the 2,900 still something- because if we're looking at trying to support the need of the

Department, we want to know a true number in terms of the doors that's needed for the safety.

COMMISSIONER RICHARDS: So, as I said, there's sort of two variables in and SDC could respond to it. There are two variables. One is the population reduction. We reduce population, we can consolidate. We reduce population we can consolidate housing units and take units where the doors are not working offline. So, there are two things, right? The borough-based jails which you identified is some time off, but population reduction is right in front of us. If we do that, we can consolidate and wouldn't need to get to the 2,900. So, there are two sort of variables driving it, and that's why it's sort of an ongoing assessment.

CHAIRPERSON BROOKS-POWERS: Thank you for the clarity. The Preliminary Plan baselined $2.5 million for the door replacements, and the Executive Plan added $23.7 million for fiscal year 27 only. What is the total funding amount that the Department has budgeted to repair doors in fiscal 27? And also, what's the cost to improve or replace one door?

COMMISSIONER RICHARDS: DC Doherty could talk about the cost per door, and- DC? Finance can talk about the budget.

DEPUTY COMMISSIONER DOHERTY: Yeah. The cost to repair one door system is roughly around $14,000. If I had to give you an exact amount, I could get back to you to give that to you, but it's just a little over that.

DEPUTY COMMISSIONER ZUBAIR: So, the budget for next year, it was the $2.5 million that we received was absorbed as part of the $23.7 million that we received, but we are still baselined in 28 and 29 to continue this replacement as-needed. The objective is to focus on the facilities that require the most. Right now it's OBCC, but we will continue ongoing assessments and figure out which facilities need it the most and in hopes to service the facilities that will potentially be open for the longest period of time before the borough-based jails are online again. Over time, as the borough-based jail facilities come online and we consolidate housing areas, we will be able to repurpose the doors that are in those facilities. Therefore, we will not require the total 2,900 that we were anticipating

which is why we only requested 1,800 doors total, which is I think what you were looking for.

CHAIRPERSON BROOKS-POWERS: Thank you. In the same vein, but pivoting in a sense to the borough-based jails, have you made you progress with City Hall concerning next steps of transferring land parcels over to DCAS per Local Law 16 of 2021?

COMMISSIONER RICHARDS: We are constantly assessing what we could do to turn over property to DCAS, working with DCAS and our partners on that. We will be turning over NIC once it gets decommissioned, and we're looking for every opportunity as population reduction happens to strategize what other places we can consolidate so we can continue to turn over properties to DCAS. And so those are ongoing conversations, and I think we have demonstrated our commitment to closing Rikers and moving off the island. We opened up the outposted beds and now we'll be turning over NIC to DCAS.

CHAIRPERSON BROOKS-POWERS: I'm just going to ask one more question and then I'm going to yield to round two so my colleagues can ask questions. On average daily population- Commissioner, you've spoken about your intention to

better utilize the 6A Early Release program and you've testified that you've assigned more staff to review people for potential release. The Board of Correction made recommendations in July 2025 to update the eligibility requirements for the 6A program. Do you agree with those recommendations, and are you planning to implement them?

COMMISSIONER RICHARDS: Our commitment is to assess everyone who comes in city sentence to see if they could safely be managed in the community. 6A, as you know, is not a diversion program. It's a work release program. So, ensuring that people both are eligible and/or connected to services, when that's appropriate, we're going to use 6A. But the reality of it is, I think, is we have a little over 500 city-sentenced people in our care. We have 6,700 on average people in our care. 6A is not the tool to help us do population reduction. It's a tool, but it's to help people transition from our care into the community with appropriate services. I think as we look at population reduction, City Council has been amazing partners in supporting ATI, Alternatives to Incarceration, supervised release, and the city's been building out the transitional housing. I think

those are the tools that with the court's partnership could help us safely reduce population.

CHAIRPERSON BROOKS-POWERS: Noted. Commissioner, how many people have been released via 6A since you started in this position?

COMMISSIONER RICHARDS: Our DC of Programs.

COMMITTEE COUNSEL: Good morning. Do you affirm to tell the truth, the whole truth and nothing but the truth before this committee and to respond honestly to Council Member questions?

DEPUTY COMMISSIONER COLON: I do.

COMMITTEE COUNSEL: You may begin.

DEPUTY COMMISSIONER COLON: Okay. My name is Nell Colon. I'm the Deputy Commissioner for Programs and Community Partnerships. And I want to answer this and kind of cushion it in two ways. One is that there's been approximately 10 people, but that is not- we have offered it to more than 10 people; 10 people have accepted.

CHAIRPERSON BROOKS-POWERS: How many were eligible to that point?

DEPUTY COMMISSIONER COLON: Eligibility is- well, we review every person. So, we have

approached approximately 15 people, five of those have refused, 10 have agreed. But with that, and I just want to- where I'm cushioning this is that there has been ongoing conversations under this administration of how we utilize 6A, and that is currently- there are options that we're exploring of how we're using it to the best of our ability and looking at what supports people need in the community to make sure that before we start to put somebody out on 6A, on a work release program, that they actually have all of the support that they need that we would like to see them have.

CHAIRPERSON BROOKS-POWERS: Do you find that housing is a factor in access- like, in being eligible in this? Like, are there people who would be good candidates for the program, but lack stable housing and are therefore not released?

DEPUTY COMMISSIONER COLON: No, housing is not a factor in not releasing, and I say that because we work closely with the Mayor's Office of Criminal Justice and all of our community-based providers like the Fortune Society who actually have been able to secure housing, transitional housing for people, so it is not- or has not appeared to be a

barrier for us, because every person that has identified that they need housing has received housing through these partnerships.

CHAIRPERSON LEE: Okay, great. We've also been joined by Council Member Epstein on Zoom. And we will start with our Deputy Speaker, followed by Council Member Cabán.

COUNCIL MEMBER WILLIAMS: Hello, good morning. I've been asking all the agencies questions about the racial equity plans that they submitted. So, DOC's racial equity plan states that the Department will develop new training courses related to conflict resolution and appropriate use of force, and ensure all uniform staff complete a training by the end of 2026. Have these new training courses been developed? If no, when does DOC anticipate beginning implementation, and if yes, how many staff have completed the training so far?

COMMISSIONER RICHARDS: Thank you for that question. I'll get my colleague to answer specifically, but let me just frame it. It's that racial equity, as in the equity plan, is something we are committed to. As I said earlier in my testimony, nearly half of our officers are women, and when you

go above the rank of captain, it goes up to 60 percent. And so ensuring that our officers are trained with the appropriate skills to manage the current population– we have 60 percent with Brad-H designation, 20 percent seriously persistently mentally-ill. It's important for them to be trained.

DEPUTY COMMISSIONER CONROY: So, with respect to the specific program that you're referencing, the training curriculum is under development. You know, we're working on that. So, no one has been specifically trained yet on that, but I think we're still optimistic that we'll be on pace by 2026 to complete that training.

COUNCIL MEMBER WILLIAMS: And to have all uniformed officers complete the training?

DEPUTY COMMISSIONER CONROY: That's what we endeavor. I mean, we do have, you know, thousands of officers. We still hope we can do that, but you know, again, it's complicated because we have to make sure that the jails are secured. We move the officers into the training, you know, in batches.

COUNCIL MEMBER WILLIAMS: Okay. DOC states that it will track violent incidents disaggregated by race. Has the Department already

identified racial disparities in violence, use of force, or disciplinary actions within facilities?

COMMISSIONER RICHARDS: We track uses of force. I don't we believe we track it by the lens you described. But we track use of force in multiple ways. That's one of the Nunez requirements, and so we look at by facility. We look at it by incident, and we look at it multiple ways. I need to get back to you on whether or not it's tracked as you described.

COUNCIL MEMBER WILLIAMS: Okay. Thank you. Yeah, you all said that you were going to start tracking it disaggregated by race. So you, DOC, set that plan, so–

COMMISSIONER RICHARDS: [interposing] Yeah, I need to get back to you on where we're at with that.

COUNCIL MEMBER WILLIAMS: Okay. One strategy identified in the plan to improve staff retention is the development of an employee satisfaction survey, and I know you talked a lot about employee satisfaction and supporting employees. And I actually found that I think I have the highest number of correction officers in my district. So,

this is important to me. So, how far along is DOC in developing and implementing that survey?

COMMISSIONER RICHARDS: So, we have already implemented a survey in OBCC, and we have– we're developing sort of teams of leaders, officers, in each of the facilities that will be sort of the credible messengers about getting feedback from what the officers need. Staff wellness and staff support are really important to me. That's why I am out there. I tour. I talk to the officers. I don't want to just collect data for the sake of collecting data. I want to collect data and hear what officers are experiencing so we can take action on it. And so we've done it in OBCC, and we're going to be running it through the remaining facilities. The other thing that we've started doing, we have a wellness center where our care staff operates, and we provide hot meals. And when I came they were providing hot meals in the wellness center where officers really can't get to, because they're on post. My senior advisor who now oversees cares [sic] understood that we're missing something. And we've created rotating food delivery. So when care, when they make breakfast, they deliver it to the facility to make sure the

officers who can't get off the post, that can't get out the facility, have a hot meal to eat. And that has been received very well.

COUNCIL MEMBER WILLIAMS: Just one more question in terms of how your racial equity plan may or may not be, I'd say, referenced or included in the FY 27 Exec budget. So, two things. There were several goals in your plans requiring new technology systems to improve data tracking and reporting. So, just wanted to know if any of that is reflected in the FY27 Exec Budget. So, different things such as new data systems to support historical data tracking and digital log book system to track compliance and minimum standards, a new programming tracker system. And then DOC said that they plan to expand a therapeutic housing unit in partnership with Correctional Health Services. So, just wanted to know if there's any funding reflected in the FY27 Exec Budget to support those facilities and services.

COMMISSIONER RICHARDS: I'll have our DC of Finance talk about the budget and our DC of programs can talk about what we've done with programs in terms of substance misuse and the partnership with Correctional Health Services.

DEPUTY COMMISSIONER ZUBAIR: So, yes, we've been implementing many, many projects that are aimed at that specifically. The largest project we have is our JMS project, our Jail Management System project, which is a combination of both capital and expense funding. It's close to- I want to say it's over $60 million, and on the Bellevue therapeutic housing unit, we were allocated approximately $2.1 million as part of the 2026 plan for the accelerated opening, so.

DEPUTY COMMISSIONER COLON: Yes, and I'll answer to the programming question. So, just if we dive a little bit deeper into that specific goal, the first kind of strategy with that is the Correctional Health services expansion which does reference or is referenced to us of the Bellevue therapeutic units which did open up, and we have been working in close partnership with Correctional Health Services to make sure that our programs are supportive and supplementary to the clinical work that they're really providing. And then as we move along into how we're expanding program opportunities across multiple facility sites, I'm going to use the example of our substance misuse services, challenge-based

procurement, that was implemented in the last six months. Since that has been implemented, we have opened up a sober living community and one of our facility sites with the opportunity to expand, we hope shortly. We have also expanded substance misuse education courses as well as peer-related groups similar to AA across multiple housing units throughout the agency and multiple jails. And so we're fortunate to bring- while not the clinical treatment that is done by Correctional Health Services- additional therapeutic access and support, and that's from the lens of substance misuse services. We're also partnering with the Osborne Association on a trauma-informed care contract and in the last six months have on-boarded the majority of the staff associated with that contract. We have them now at two sites providing groups to people in our care. So we are ensuring that we're expanding again therapeutic access and over the last six months have been very intentional about where we're having this access.

COUNCIL MEMBER WILLIAMS: Thank you. That sounds great. But given this is a budget

hearing, can you share like how that's reflected in the FY27 Exec Budget? Is it reflected there?

DEPUTY COMMISSIONER COLON: Yes. so, if we look at the division of Programs' budget, it's approximately about $27 million. Now, about 85 percent of that is contracts. So, that's roughly about $23 million is associated with contracts and how we articulated that in the specific racial equity plan is that we identified about $22 million worth of those contracts are associated with advancing the racial equity plan.

CHAIRPERSON LEE: Thank you. Council Member Cabán followed by Brewer.

COUNCIL MEMBER CABÁN: Thank you. Good to see you, Commissioner. Thank you all for being here. So, I want to kind of pick up where Chair Brooks-Powers left off on the conversation on 6A. I appreciated that y'all said, hey, this is not the strategy to de-carcerate. We got a long ways to go. The census is historically high, unfortunately, and it is true that, you know, you don't get a say in who goes through those doors, but you do have a responsibility once they're there. And it was interesting. Yesterday, we had the Public Safety Exec

Budget hearing, and the NYPD Commissioner testified that everyone on Rikers was there on a felony, which we- I mean, we know is demonstrably false. You started talking about the population a little bit. And so I know that you said as of today the population is a little over 6,700, right? About that, yeah.

COMMISSIONER RICHARDS: About that.

COUNCIL MEMBER CABÁN: So, it's about that, and then a bit over 5,000 of that are people who are held on pre-trial detention so they can't afford to meet the conditions of their bail. There are- these are the numbers as of the 31st. I didn't check this morning, but as of a couple of days ago, over 370 incarcerated for misdemeanors, over 100 incarcerated on technical violations, and then I thought this was disturbing- there's seven people as of a couple of days ago that are there on violations, not even crimes. They're incarcerated on violations. So, there's room- like, there's room to de-carcerate and de-carcerate pretty heavily, and we've done it before. My question for you, Commissioner, is do you agree that in order to reverse this trend we're seeing of up uptick in the census- like, do NYPD, do

prosecutors, do they need to be partners in ending– in working to reduce the census? Because like you said, I mean, 6A alone, that's a fraction. What are your thoughts there?

COMMISSIONER RICHARDS: Yeah. I think this is– as Mayor Mamdani said, for all of these entrenched problems that New York has been dealing with, it's going to take an all of government approach. And so yes, it's going to take partnership. When I framed out the strategy for my administration and said it's people first. There are four pillars to the people first. Number one is safety, and that's making sure that we get contraband out of our facilities. Two is program innovation. I think, as you said, we don't have control of who comes in, but when they come in we have an obligation to provide care for them and an opportunity for them to build a new life, and so creating program innovation. And then the population reduction is diversion and ATI and SRP. The First Deputy Commissioner and I and my team have talked about creating a second look opportunity with OCA and prosecutors and defense. We need to take a look. Are there people in our system that we could safely

divert to have their cases managed in the community, and I'm willing to be in those conversations. I'm willing to convene around those conversations, because when we reduce population, we could then begin to consolidate population. We could then begin to address our overtime issue and our staffing issues, our challenges. When we get the people who could be served in a better situation, like the people with serious persistent mentally-ill, then that means our officers don't get splashed and our officers don't have to be social workers and clinicians when they're not. And so this is an all of government, all of city moment that requires that partnership you described. So, yes, I agree that we need to have all hands on deck.

COUNCIL MEMBER CABÁN: Thank you. And Chair, I just want to summarize for the record. It's a multipronged approach. We need everybody, including NYPD and prosecutors, to rethink how and when they're utilizing or setting somebody down the path of ending up in Department of Corrections custody. You're acknowledging that there's just an overwhelming amount of Brad-H designees in the jail system, meaning people who struggle with mental

health issues that need a different kind of care. And I appreciate that's the approach. I'm really proud and grateful to have your leadership. I was just concerned when the Chair asked the really good question yesterday of the Commissioner of like, hey, do you see a role in helping with the census on Rikers, and she said no, I don't know where we come in on that. So, I really, really appreciate the holistic approach you're taking, and thank you, Chair.

CHAIRPERSON LEE: Great. Thank you. Council Member Brewer followed by Restler.

COUNCIL MEMBER BREWER: Thank you very much. Congratulations on everything. One question- Bellevue. I know- I've been there a couple of times. How many people are there now approximately?

COMMISSIONER RICHARDS: Chief?

CHIEF REMBERT: 96.

COUNCIL MEMBER BREWER: Okay, that's great. Because there's like 104 beds, I think.

CHIEF REMBERT: Yes, that's accurate.

COUNCIL MEMBER BREWER: I have good memory. Next question is, food. I mean, I'm a nut on this topic. So, as you know, James knows and

Chelsea knows, we visited the cafeteria. We ate the food. We met with the staff. We gave them awards. But the food budget has been cut from $19 million to $18 million, and obviously we want good food. So how are you going to rationalize that given inflation, but also the need? I think as you're talking about programming which is important, so is health in my opinion. And also supporting local farmers.

COMMISSIONER RICHARDS: It's a great question, and I'm going to turn it over to our Senior Deputy Commissioner who can talk to you about food and nutrition. He oversees it. And I can tell you we heard you and we appreciate your comments, and we are looking into the food that we provide-

COUNCIL MEMBER BREWER: [interposing] From Grow NYC, and a little salt just once in a while. Thank you.

COMMISSIONER RICHARDS: We heard you on the salt.

SENIOR DEPUTY COMMISSIONER LEBEC: Yeah, so with the respect to the salt, we do have standards that are-

COUNCIL MEMBER BREWER: [interposing] I know. I know. I know. I heard those stupid standards. Go ahead. Let's talk about the food.

SENIOR DEPUTY COMMISSIONER LEBEC: Okay. So, you know, we follow the standards for the health of the people in custody and for the food that we serve. With respect to the budget, we don't have any shortfalls there, and we were not cut in the most recent financial plans or recently to impact our food budget by any means. In fact, the whole team at Nutritional Services is looking at ways that we can deliver more and better food every day. So, over the last two weeks, we tried out a pilot where we're getting a sense of what is everybody's favorite meal, and can we roll out more of that. And so we're adding more of those meals to our menu right now. We're actively putting out a survey on food and we're developing a new tech system to develop a new menu and to make sure that that menu is in accordance with our food policy and standards.

COUNCIL MEMBER BREWER: Okay. so you haven't been cut as I-

SENIOR DEPUTY COMMISSIONER LEBEC: [interposing] We have no budget issues there. We're able to roll out-

COUNCIL MEMBER BREWER: [interposing] And what is the food budget? What is the food budget, do you know?

SENIOR DEPUTY COMMISSIONER LEBEC: $19.9 million.

COUNCIL MEMBER BREWER: Okay. Thank you. And then I assume you'll work with Grow NYC because your staff knows how to do that, because that would mean fresh fruits and vegetables. If you ever fix that damn pier, then the boat could go from the hub across the river right to Rikers Island. I'm just saying.

SENIOR DEPUTY COMMISSIONER LEBEC: Yes.

COUNCIL MEMBER BREWER: Voter registration, we did talk about that when I was last at Rikers. So, I'm wondering if you are inviting a campaign, [inaudible] Board, or the Board of Elections? And are the tablets updated to be able to talk? We do have a big election- I don't know if they'll make it for the primary, but we have a big one in November.

COMMISSIONER RICHARDS: DC of Programs can answer that.

COUNCIL MEMBER BREWER: She's very good, that DC of Programs.

DEPUTY COMMISSIONER COLON: Oh, thank you. But we did- so we were last year in April talking about voter registration. Actually in the month of May we piloted at our jail sites doing a congregate voting effort so that every person that had signed up for an absentee ballot was brought in to do their absentee ballot in a congregate space, socially distanced and set up. So it felt more like a true voting experience. We piloted it in May with our goal and intention that as it comes up in October when we receive our absentee ballots for the larger election, not just the primary, that we're able to actually utilize that system with the Campaign Finance Board as well as with the Board of Election so that we're bringing a truer voting experience for those who have signed up for their absentee ballots?

COUNCIL MEMBER BREWER: Do you know how many people signed up? Do you have the data yet?

DEPUTY COMMISSIONER COLON: So, for the primary, I'll have to get back to you on the next number, but it- because for the primary you have to be registered for the specific party.

COUNCIL MEMBER BREWER: No, I know.

DEPUTY COMMISSIONER COLON: It was just over 100- I think it was close to 120 people- had absentee ballots given to us, provided to us at this time, but I do just want to highlight and note that voting is still occurring into June.

COUNCIL MEMBER BREWER: Yeah, I know. Quickly, other- DOI report noted that worker's compensation for employees exceed those for all other city agencies, and when they get their workers' comp, what category of leave are they designated to? I remember this report from DOI. Is it sick? Is is medical incompetent sick, or something else? This has been something that the press has picked up on, as you know. So, what progress have you made towards implementing DOI's recommendations?

COMMISSIONER RICHARDS: Chief, can you speak to that? Do you know?

CHIEF REMBERT: Good morning. We have to get back with you on what exactly we are implementing from DR and recommendations.

COUNCIL MEMBER BREWER: Okay, because–

DEPUTY COMMISSIONER CONROY: [interposing] Yeah. Council Member, I'm sorry, I'll jump in on that. So, the policy adjustment is ongoing. We're working on how to adjust the policy. It's one of the recommendations. And the second recommendation of a person responsible for that.

COUNCIL MEMBER BREWER: Correct.

DEPUTY COMMISSIONER CONROY: We already have an individual who is overseas as part of her function. The work is compensation, claims, and otherwise. We're assessing whether or not it is worth creating a new position or expanding that portfolio or contracting her portfolio to just cover the workers' compensation. So, we're still under an assessment for that, and the policy considerations are under development.

COUNCIL MEMBER BREWER: Okay. It would seem to me that's an important issue because it does come up quite a bit. Alright, thank you.

CHAIRPERSON LEE: Thank you. Council Member Restler followed by Wong.

COUNCIL MEMBER RESTLER: Thank you so much to the co-chairs today for your tremendous leadership. I just want to start by saying Commissioner, of all the meetings I've had in the first five months of the year, going out to see your and your team at Bulova [sp?] was among the very best, and felt like we're just experiencing a tremendous C change at the Department of Correction, leadership that really cares about delivering much better outcomes for the people who are incarcerated, the people who work at Rikers Island, the families of the people at Rikers Island, for everybody who's connected to our criminal justice system. And the care that you bring to this work, the experience you bring to this work is tremendously urgently needed, and I am really excited about everything that you and your team are going to accomplish in these next few years. The- I'm grateful that it sounds like we're making good progress at Bellevue, and I want to thank the Deputy Speaker and Council Member Brewer for their questions there. At your Preliminary Budget hearing, I asked- I mentioned that at your Executive

Budget hearing I was going to come back for an update on Woodhall and NCB which are the next phases of our Correctional health, therapeutic bed facilities. These were all fully-funded by the de Blasio administration. Money never went away. We just didn't have the will or commitment from the Department of Correction to move them forward over these last four years, which was disgraceful. And I just want to say that very plainly. Can we get updates on the timing for the planned, you know, 150-odd beds at Woodhall and the 100-odd beds in North Central Bronx?

COMMISSIONER RICHARDS: I'll have our First Deputy Commissioner speak to it, but I can tell you what we've done differently from the last administration where the last administration used an intermediary to talk with SCOC and Correctional Health Services. We have now stood up standing meeting with SCOC, Correctional Health Services and DOC to make sure that we're all in a room and we're walking through the decision points we need to make and the steps we need to take with everybody being in the room as opposed to having the conversations with a few and then trans-

COUNCIL MEMBER RESTLER: [interposing] What a difference it makes when somebody actually wants to solve the problem rather than being a barrier to it.

COMMISSIONER RICHARDS: Exactly.

COUNCIL MEMBER RESTLER: So, we get it. We appreciate it, but would love– so tell me, how are we doing on– the money's there. This is a budget hearing. But we're keen to understand what the timing is.

COMMISSIONER RICHARDS: Yeah. We– here we go.

FIRST DEPUTY COMMISSIONER EGAN: Hi, Council Member. So, we're– as the Commissioner said, we're working in an all-hands-on-deck way with H+H, CHS, SCOC, and the Department. We're going through final designs now.

COUNCIL MEMBER RESTLER: Okay.

FIRST DEPUTY COMMISSIONER EGAN: And Woodhall will be a little bit faster. We're looking at likely 2029, but trying in every way we can to move that up as much as possible.

COUNCIL MEMBER RESTLER: And do you have an update on NCB's timing?

FIRST DEPUTY COMMISSIONER EGAN: Both are- sorry, both are along the same timeline. Woodhall would likely come first and then NCB.

COUNCIL MEMBER RESTLER: Okay. Just for the record, when these were announced it was anticipated that Woodhall would open in 2023, NCB would open in 2025. There are hundreds of people that will suffer on Rikers Island because of the failure of the Adams administration here. Appreciate you all getting this back on track. And then I think what I'll just ask as my final question- it's a big one, so I'll just leave it as open-ended for y'all to respond. We're three years away from Brooklyn opening. There are more than twice as many people from Brooklyn and Staten Island in your custody today that can be accommodated in the Brooklyn jail. What are the specific things that we can point to in this budget? What are the things that we need to be prioritizing and investing and moving forward to actually drive the population down so that everybody from Brooklyn and Staten Island- Frank, I'm looking out for you- can be accommodated in our facility? And then secondly, the Adams administration sliced in half the number of therapeutic beds that were planned

for the Brooklyn facility. Have you begun to identify strategies for how we can provide alternative therapeutic care models to serve more of the people, recognizing as you did in your testimony that nearly 60 percent of the people in DOC custody today have a Brad-H designation?

COMMISSIONER RICHARDS: I think the strategy is population reduction, and City Council's been amazing in supporting the ATI diversion. So, the more we can expand that, expand that capacity, the more we can expand SRP, the more we could bring online housing, and Mayor Mamdani has committed to doing that and rolled out his housing plan. Those are the kinds of resources people in our care need when they come home. We have strong partnerships with service providers like Fortune and Osborne, CASES, and others.

COUNCIL MEMBER RESTLER: You know anyone at those organizations?

COMMISSIONER RICHARDS: I know a little something about one of them. All of them, actually.

COUNCIL MEMBER RESTLER: Yeah, I just- this is- look, the Mayor and this Council, we need to start prioritizing significant expansions in those

investments or we're not going to hit our population reduction goals.

COMMISSIONER RICHARDS: That's how you do it.

COUNCIL MEMBER RESTLER: And so we don't have the money in the budget right now to actually get on track, and all of us together need to start getting real serious real quick. So, thank you very much.

COMMISSIONER RICHARDS: Thank you.

COUNCIL MEMBER RESTLER: Really appreciate you.

CHAIRPERSON LEE: And something we're looking out for in the budget as well. Council Member Wong followed by Morano.

COUNCIL MEMBER WONG: Thank you, Chairs. Commissioner Richards, the original cost of the borough-based jails was about $8 billion, and today at the- when we look at the OMB budget, the cost has ballooned to $11.47 billion, and the completion dates have been slipped to 2031 to 2032. At what point do we, everybody in this room, acknowledge that closing Rikers is no longer fiscally or logistically

credible, and what are we doing to face that reality? Can you talk about it?

COMMISSIONER RICHARDS: Yeah. I think as I said in my opening remarks, I think we have to continue to focus on population reduction. As a department we're doing everything in our power to expedite the borough-based jail process. We are committed to closing Rikers Island, and every step we take, every decision we make, we hope that we're demonstrating as an administration our commitment to closing Rikers Island. I can't speak to the 2027 deadline. I think that is City Council conversation, but we are committed, make no mistake. We are committed with closing Rikers Island. And if we can begin to do population reduction, and that's something that DOC can't do, but in partnership with community partners and the courts, we could begin to do it. I think in the last Lippman report, there's a blueprint on what we can do to bring down population through case processing, through increased diversion, housing stability. The question is whether or not this is the moment, and I believe it is, where we can work in partnership to make that happen.

COUNCIL MEMBER WONG: Yeah. I read the Lippman myself. I also read the legal analysis published by City Journal earlier this year which says the current jail plan, the borough-based jail plan violates State Correction Law which requires Rikers to be remained the city's jail until new facilities are operative and funded. So, if that means that would– if that is true, then potentially it requires the Council to amend Local Law 49 before any closures can be legal proceed. Do you agree with that, or that's something you have to look at, look into?

COMMISSIONER RICHARDS: I think that's probably a question for Law, the Law Department, in terms of how that law would work. I think my role and my commitment to City Council is that this administration is going to work every single day to pull the levers that we can pull to expedite the borough-based jails and reduce the population in partnership with City Council and our providers. What we– we don't have control over who comes in. We do have control over how we treat people when they come in, the kind of resources we leverage to ensure that when they leave they don't come back, and to

connect them to our community partners. That commitment I give to you right now and to the City Council.

COUNCIL MEMBER WONG: Thank you. Can I have time for round two later, or- thank you.

CHAIRPERSON LEE: Okay, Council Member Morano followed by Narcisse.

COUNCIL MEMBER MORANO: Thank you, Chair. Thank you, Commissioner, for your testimony. Appreciate you being here. You testified that DOC currently has approximately 6,700 people in custody and that we need support from other stakeholders to get that number down for the borough-based jail system. What population level does DOC believe is necessary for the borough-based jail plan to function as designed, and what specifically gives you confidence that we can get from 6,700 to that number, whatever number that is?

COMMISSIONER RICHARDS: Thank you for that question. I think the number is what we're building to which is 4,100 beds in the borough-based jail system. So we need to bring that number down around that- to that number. I think what gives me hope is what we did when we all pulled together in

the midst of a medical, medical crisis with COVID, where we saw the population go down to I think was like 3,700 or 3,600, because we all pulled in the same direction, and we knew that leaving people in our jails and trying to place people in our shelters was not a safe and healthy place for them. And so we pulled together and we leveraged city resources and community partnerships to bring the population down safely. Safely we brought the population down, and I think that's the kind of effort we need to have right now where we don't see our opposition as the thing to focus on. We see our partnership as a thing to focus on, because this is New York City, and this is a moment where New York City can do big things. We can show the country that in New York City of over 8 million people that we could safely reduce our reliance on incarceration, make sure communities are safe and thriving, and making sure people who were incarcerated can build a new life. We've done it before and we can do it again.

COUNCIL MEMBER MORANO: You spoke eloquently about the importance of a robust workforce and noted that staffing shortages remain one of DOC's biggest challenges. Yet, the budget reduces 586

uniform positions. I know you alluded to this earlier, but just to reiterate, if staffing is essential to safety, why is the city reducing authorized uniform headcount?

COMMISSIONER RICHARDS: My colleagues can speak more specifically to that, but I can tell you what we look at is what is our hiring projection. We have had vacancies for many, many years, and like other correctional jurisdictions, they're dealing with staffing shortages as well. And so the number that we put in there is a number that we feel that allows us to hire up so we can have safe jails and be able to reduce the vacancies because those would be positions that we wouldn't be filling because we couldn't.

SENIOR DEPUTY COMMISSIONER LEBEC: I would just add that the budget still allows us to hire over 1,000 correction officers today if we wanted to. So, we have the resources to hire the staff we need to bring down all of our overtime issues. This is a very thoughtful process to think about what are our true operational needs, but we can still hire.

COUNCIL MEMBER MORANO: Chair, may I get in one more, or you want me to wait for round two?

Got it. Thank you. Thank you, Chair. Sorry. So, you said one of your priorities is– I think you call it Corrections 101, which I think is a great term and a great philosophy, proper supervision, completing tours, accountability, responsiveness, consistency, everything. If you had to identify the single greatest obstacle preventing DOC from consistently getting those fundamentals right today, what would it be?

COMMISSIONER RICHARDS: I think it's a couple of things. One I think is morale. People have been at work, our staff come to work, and they have not felt valued and part of the process. They've felt isolated, just like the people in our care, and I think when people feel diminished, they show up in ways that reflect that diminished value they feel. And so part of what we're doing is saying as we look at population reduction and safety, we have to also look at how we value our staff and appreciating our staff. So that when they show up to do their job, they show up with their full selves. They show up doing exactly what they need to do. And so morale is a big piece of it. The other piece of it is we have, I think, tried to punish our way into compliance, and

if we learned anything over the decades, it doesn't work. And so how do we create teachable moments for our staff where people who are coming and want to do the right thing and may not do the right thing- how do we use those moments as opposed to a punishment moment, a teachable moment where we're giving the staff the tools and the support necessary to show up and do the job as needed. And that's what this administration is doing right now.

COUNCIL MEMBER MORANO: Thank you.

CHAIRPERSON LEE: Great. We've been joined by Council Member Feliz and we have Council Member Narcisse followed by Salaam.

COUNCIL MEMBER NARCISSE: Good morning, Commissioner and your leadership, and thank you, Chair. Thank you for your work. As a matter of fact, it's a new approach. Lived experience which is very important, and my question is lived experience as a registered nurse for doing re-entry programming, visiting folks. DOC's own report showing over 17,000 missed medical appointment in June 2025, up roughly 35 percent from earlier in the year. What is this budget is funded to reverse that? And what monthly target are you committed to?

COMMISSIONER RICHARDS: I will allow DC Boyd to answer specifically about that. But let me just frame it by saying I agree that every person in our care, when they need medical or they request medical should receive it. There's no question about it. The question is how do we get there? And part of it is around staffing. Part of it is around creating efficient systems to allow us to track it and monitor it and address it in timely way. But I'll have DC Boyd talk specifically.

COUNCIL MEMBER NARCISSE: And I believe he probably going to have to answer the following question, too. How many escort and transport posts are currently unfilled on a typical day, and how many of that year's missed appointments are attributed to no officer being available to transport the person?

DEPUTY COMMISSIONER BOYD: So, James Boyd, Deputy Commissioner for Quality Assurance and Compliance, and good to see you again, Council Member. I'll have to circle back- oh, yeah.

COMMITTEE COUNSEL: Swear you in. Do you swear to tell the truth, the whole truth and nothing but the truth before the Council Members today?

DEPUTY COMMISSIONER BOYD: I do.

COMMITTEE COUNSEL: You may begin.

DEPUTY COMMISSIONER BOYD: So, medical and access to care, as you know, remains a top priority for DOC. As you see everyone here at the dais in some way or some fashion we are contributing to that conversation with our partners at Correctional Health Services to make sure we're finding innovative and creative ways to make sure we are supporting people who have high medical needs. As the Commissioner alluded to in his testimony, we are dealing with a population who needs a higher level of care and higher level of needs. I have to go back and look specifically at the snapshot that you're referring to when it comes to missed medical appointments, but just overall in calendar year 2025, there were just over 773,000 scheduled appointments. Of that, 5,500 instances of missed medical appointments were due to no escort, accounting for less than four percent of nonproduction and less than one percent of scheduled appointments. And I don't say that as a measure of success or acknowledgement of success, but that there's more work to be done. And so I think there's an opportunity to work with CHS to look at what is the forward-facing solution,

and I do think that's leveraging technology and system integration. And for the longstanding partnership we've had with CHS, there's been a reliance and at no fault of no one's own of operating- relying on paper and emails. And so just last year we launched a pilot to use a clinic production dashboard which was a first for CHS and DOC to have this shared application that allows us to track the universe of clinic production, regardless if people are scheduling it, unschedule requests, and walk-ins, and that was a game-changer, because these applications allow for transparency. So everyone knows if someone are getting access or whatever level of care that they're supposed to receive in a facility regardless if they're even being transferred to another facility. And so while that was a success at one facility, we are hopeful that we're going to be rolling this out at a larger facility hopefully this month. And I do think that is somewhat of the hope and optimism of improving access to care for people in custody. So, everybody knows what's happening. I just think that if we're just relying on paper and lists and emails, it's ripe for inefficiencies and I think just having more data and

documentation in a more efficient outlet allows us to tackle this problem a little bit more clearer.

COUNCIL MEMBER NARCISSE: And about the staffing, you working on the staffing to make sure we get the support?

DEPUTY COMMISSIONER BOYD: I don't have that staffing metric, but we can certainly circle back. I don't know if the–

COUNCIL MEMBER NARCISSE: [interposing] The escort to get those folks to the destination.

CHIEF REMBERT: Still good morning. Good morning.

COUNCIL MEMBER NARCISSE: Good– still morning.

CHIEF REMBERT: For the staffing, staffing is assigned to the clinic as part of the escort purpose. But we have taken it even a step further. Anyone can escort a person in custody to their available appointment. So, we have taken it a step further that we're not just relying on the clinic staffing for that. Anyone can assist by taking the person in our care to the clinic, period.

COUNCIL MEMBER NARCISSE: Okay. I like that. Just making– thank you.

COMMISSIONER RICHARDS: Let me put that in an operational context. There's always challenges. As you know, we have staffing shortages. So, when it comes to priorities, the priority is safety first. So we make sure that all of our housing units are fully staffed. So, when the warden is looking at where the warden needs to assign people, priority is safety first. So, it's the housing units, and then we do the staffing for escorts and other activities.

COUNCIL MEMBER NARCISSE: Chair, I have one more question I'm interested in. May I? If the jail population was lowered, right, or was able to be consolidated, what jail would you close first, and what plans if any do you have to spend money on the physical infrastructure at Rikers? How much money do you plan to spend during fiscal 2026, fiscal 2027? Is that- if that money, if so, would be included in the Executive Budget and under what line? It's loaded, but if you want me to repeat, I'll-

COMMISSIONER RICHARDS: [interposing] No, no, we got it. So, DC Zubair can answer the budget question, and then the Chief can answer what facility she would want to close if we was able to reduce population.

DEPUTY COMMISSIONER ZUBAIR: So, on the budget side– we alluded to this earlier– due to the off Rikers that we are not eligible, capitally eligible to do any kind of infrastructure repair in our facilities themselves. So, any sort of repair would have to be done through the expense budget of what already exists, right? So, there isn't anything necessarily carved out within the budget structure, specific– because it's all encompassing for the entire island. But exactly where we would, you know, designate that or where we would allocate those funds for which facility, that assessment is always ongoing. It's where which facility needs it the most. But in terms of– just speaking purely on capital side, we cannot utilize capital funding for the repair of our facilities themselves. So, we want to be clear about that.

COUNCIL MEMBER NARCISSE: Okay. And I'm still worried about the care of the officers that working at Rikers, as well, so I'm leaving it with that. Their wellness is very important as well. Thank you. Thank you, Chair.

CHAIRPERSON LEE: Thank you. Council Member Salaam followed by Feliz.

CHIEF REMBERT: I was going to answer the question, the part B of it. I would look to close- not because of the name- RNDC. I know that's where we house our young adult population, but we can repopulate them in another facility. I would look to follow RNDC followed by EMTC, followed by GRVC, followed by Rose M. Singer.

COUNCIL MEMBER NARCISSE: Thank you.

COUNCIL MEMBER SALAAM: Thank you, Chairs, and great to see you. Just a few questions. In terms of state readiness in terms of the persons, the Council identified $66 million in unclaimed state reimbursements for incarcerated state-ready persons in city jails which the Executive Plan did not reflect. What is the status of recouping those funds and how many people are currently held in city jails awaiting the state transfer? And I know part of that question may have been answered earlier in terms of the people being held, but-

COMMISSIONER RICHARDS: Yeah.

DEPUTY COMMISSIONER ZUBAIR: So, well, we sort of alluded to this earlier. Right now, I don't exactly know how those numbers were derived, right, the $66 million, but because we have a very

prescribed way of how we get reimbursement from the state. It's $100 for each individual in custody who has been in our care for over 10 days after their declaration day, meaning the day that we tell the state that they're ready to be transferred. So, $66 million seems to be a high amount, so we're going to need a bit more detail on that. But yeah, did that answer your question?

COUNCIL MEMBER SALAAM: Sure. Yeah, we can get the details to you all as well.

CHIEF REMBERT: I apologize, sir. Can you repeat the second part of it, please?

COUNCIL MEMBER SALAAM: The second part was what is the status of recouping these funds and how many people already currently held in city jails- how many people are there currently being held in city jails awaiting state transfer?

CHIEF REMBERT: State-ready is 231.

COUNCIL MEMBER SALAAM: In terms of the investigation capacity- the plan creates a Senior Deputy Commissioner for Investigations to oversee the Criminal Intelligence Bureau trials and adjudication. How will this position improve accountability for use

of force and in-custody incidents, and what reporting will be made available publicly?

COMMISSIONER RICHARDS: Yeah. So, underneath the new org chart that we submitted, the Remediation Manager will oversee all investigations. So, that's the ID Unit, the Investigations Division, that is the CIB which is the Gang Investigations Unit, Trials and Litigation which is where members of service get their charges adjudicated, informal charges which are charges that are handled on the facility level, and adjudication which is part of how the people in our care get their infractions adjudicated. And the idea is to consolidate those units under one Senior Deputy Commissioner who the Remediation Manager hired and started yesterday, to really streamline the process, create efficiencies, because one of the things we want to do is have procedural justice. I look at cases now that have been going on since 2024, and that's not fair to our officers. That's not procedural justice that officers who have an infraction and is having their case adjudicated is taking two years or three years to get their case adjudicated. And so, this role is to create those kinds of efficiencies. This role is not

to have more punishment. Accountability is going to be part of it, it always has been, but it really is about creating efficiencies so that members of service can have the procedural justice to get their cases heard, adjudicated, and finalized, and they can move on with their career as opposed to having infraction or a charge hanging over their head for two or three years. And I look forward to working with Nick and his team and the Senior Deputy Commissioner to create those efficiencies, both by way of policies and workflows and outcomes.

COUNCIL MEMBER SALAAM: Thank you. And I just have one last one. In terms of condition spending, records maintenance funds covers mold removal, painting and contraband detection mattresses. What measurable improvements in housing unit conditions does the Department expect and how will progress be tracked for facilities serving residents from communities most affected by incarceration?

COMMISSIONER RICHARDS: Yeah. Thank you for that question. Our whole approach is building out what I call, "Everyone starts with an A." Traditionally in Corrections, you have to earn your

way into honor housing or into some extra privilege. And what I want to create is everybody starts with an A, and that gives people something to hold onto, as opposed to trying to earn something that they don't believe that they would receive. And so we're building out. We've hired an associate commissioner to help us build out a young adult program. We're working with Nick, the Remediation Manager, to build out a pilot program for restrictive housing that will help us pilot how we do- restrictive housing meeting the Local Law requirements, and we're building out program services in the facilities to ensure that people when they come into our care, they have something to hold onto as opposed to something that they feel like they got to earn that they don't believe that they will ever earn.

COUNCIL MEMBER SALAAM: Thank you.

CHAIRPERSON LEE: Thank you. Council Member Feliz?

COUNCIL MEMBER FELIZ: Thank you. Thank you so much, Chair. Good morning everyone. Good to see you all. Thank you for being here and thank you for all the work you do on the issue of public safety in our city. I have a few questions about overtime

and also mental health-related issues. I'll guess I'll start with the mental health questions. What are the top mental health-related issues facing people at Rikers Island? What are the top issues that people generally seek help for?

COMMISSIONER RICHARDS: I couldn't speak to that. I'm not a physician. Correctional Health could speak to that. What I do know is when I look at the health indicators, Brad-H- 60 percent of the folks are Brad-H, and I know Correctional Health Services have very specific criteria to hit that eligibility. I don't know what that is other than having multiple health sessions with a mental health provider while in our care. But so I would defer to Correctional Health in terms of what are the primary diagnosis of the people in our care.

COUNCIL MEMBER FELIZ: And what is the average wait time for mental health-related services, when someone seeks services?

COMMISSIONER RICHARDS: I don't know can- I don't know if we could answer that. Probably- again, I think that might be a Correctional Health Services response. We could speak to them and get back to you, but we would need them to answer that.

COUNCIL MEMBER FELIZ: Okay. Alright. And on overtime or headcount, what is the current vacancy rate for COs?

COMMISSIONER RICHARDS: Finance can answer.

DEPUTY COMMISSIONER ZUBAIR: So, our current vacancy on the uniform side is approximately 15 percent. Yeah.

COUNCIL MEMBER FELIZ: 15 percent. How much in overtime was spent or is projected to be spent this year, and how does that compare to last year's overtime spending? Sorry, if we already covered that.

DEPUTY COMMISSIONER ZUBAIR: Give me just a moment. So, as of- our overtime projection for- we're tracking to spend approximately $364 million total. That's both civilian and uniform, and that- and last year was approximately $340 million we spent.

COUNCIL MEMBER FELIZ: $340, okay. Last question. Payroll records released by the City Comptroller in October revealed that 58 of the city's top 100 users of overtime are DOC employees, each of whom recorded at least 1,800 hours of overtime in the

fiscal year of 2025. Just curious, how is that possible?

SENIOR DEPUTY COMMISSIONER LEBEC: Sorry, can you say which exactly part how is that possible, or?

COUNCIL MEMBER FELIZ: So, 1,800 hours of overtime in the fiscal year 2025.

SENIOR DEPUTY COMMISSIONER LEBEC: Yeah, I'd have to work with you to understand those exact numbers that you're referencing, but with respect to what we're doing about it, is beginning to put in strict restrictions on people that are coming up as having excessive overtime. And so we have processes going into place now to do that.

COUNCIL MEMBER FELIZ: And what are some of those measures that we're taking to decrease overtime and make sure that if there is overtime that people are actually working those overtime hours?

SENIOR DEPUTY COMMISSIONER LEBEC: There are certain individuals that will not be allowed to receive any overtime whatsoever based on the hours of overtime that they've worked fiscal year to date. And then we're also adding a number of new approval processes on overtime. So, in some cases it won't be

an immediate supervisor that can even approve overtime. It would be someone like myself.

COUNCIL MEMBER FELIZ: Alright, thank you so much.

CHAIRPERSON LEE: Okay. And then Council Member Wong really quickly round two.

COUNCIL MEMBER WONG: Thank you, Chair. Actually, the figure I get was that Department of Corrections projected to spend approximately $370 million on overtime on fiscal year 26, and that's larger than the budget of DOI or HPD enforcement. So, just that's the number I get, and if you could explain that, that would be great. But that was not my question, but you can go ahead- my question is that your headcount is budgeted at 6,474 with a 16 percent vacancy rate. So that's a vacancy rate of 1,036. And isn't this- your budget cuts 586 budgeted uniformed positions, so isn't your budget- you're ratifying a failure of recruitment or something else is going on? That's my question. Can you talk about it?

DEPUTY COMMISSIONER ZUBAIR: Sure. I'll ask- answer your first question. So, due to the efforts that Senior Deputy Commissioner LeBec just

mentioned about overtime reduction, even though that was initially- our overtime was budget for $370, we're doing everything in our power to reduce that to the extent possible, and using the measures that he just mentioned. So, even though 371 was initially- that was as a prelim. The current projections are lower than that. Okay. So, and in terms of the headcount reductions, we want to- again, just to state that this will not have any impact on hiring. It will not have any impact on the posts. It will not have any recruitment, and the reason for that is we still have over 1,000 unoccupied vacant lines that we could still hire up to. And the Department will take every measure to aggressively hire, and not just that, but to retain as many uniformed members of service as possible, and so like it's not going to have any material impact on hiring at all.

COUNCIL MEMBER WONG: Okay, thank you. I have one minute left. My district is right next to the Kew Gardens Community Jail, and as of today I don't see any shovels. I haven't seen any construction, and I haven't seen any infrastructure redesign, rerouting, roads widened, more lights. Do you have update or do you have a timeline on that,

because again, I haven't seen a single shovel at the site. Thank you.

FIRST DEPUTY COMMISSIONER EGAN : I will ask our Associate Assistant Commissioner Alex Maldonado to address timeline. On the borough-based jails we are- Brooklyn obviously is the furthest along, and we're finalizing the design on the remaining facility. So, first we go through the design phase and then we move to construction.

COUNCIL MEMBER WONG: This is the same for Manhattan, Chinatown, but again-

FIRST DEPUTY COMMISSIONER EGAN: [interposing] Correct. Yep, exactly.

COUNCIL MEMBER WONG: not single shovel.

FIRST DEPUTY COMMISSIONER EGAN: Queens, Manhattan and the Bronx.

COUNCIL MEMBER WONG: Okay, thank you. Thank you. Thank you, Chair.

COMMITTEE COUNSEL: Do you affirm to tell the truth, the whole truth and nothing but the truth before this committee and respond honestly to Council Member questions?

ASSISTANT COMMISSIONER MALDONADO: I do. Thank you. My name is Alex Maldonado. I'm the

Assistant Commissioner overseeing the borough-based jail project on behalf of the Department. I can confirm what FDC said, that we are working with our partners at DDC to finalize the designs for the Queens and Manhattan facilities. Bronx is almost done as well for the design, and you should see shovels as it were and some street closures in your neighborhood, in particular, this summer related to the construction activities.

COUNCIL MEMBER WONG: Thank you.

CHAIRPERSON LEE: Okay, thank you. I'll hand it back to Chair Brooks-Powers.

CHAIRPERSON BROOKS-POWERS: Thank you, Chair. I am going to talk briefly about the Lightning Law. At the Preliminary Budget hearing in March when asked about the status of Lightning Law installation and compliance, you responded that you were in the final stages citing legal and technical issues. Can you provide an update on where you are with this today, and has the staff completed their training in the usage of this technology?

DEPUTY COMMISSIONER CONROY: Yeah. We testified exactly as you said that we're at the finish line. We are dancing at the finish line right

now. What we've done is we're engaged with the defender organizations who are going to be the end users of the product and MOCJ. The finalizing terms of use which we flagged as quite onerous for the persons in custody, so we wanted to make sure that that was fair and reviewed by their attorneys. That's what's occurring right now. As soon as that is finalized which I have kind of directed and anticipated this will be done this week, we'll be ready for immediate implementation to start rolling out identifying the users and getting it onto the tablets for the individuals in our care teams.

CHAIRPERSON BROOKS-POWERS: Alright. Last few questions with the final stretch. How is DOC facilitating connections to community-based programs, both when a person is in custody and at the point of their release? What changes have you made from the prior administration?

COMMISSIONER RICHARDS: DC Colon can speak to that partnership. Thank you.

DEPUTY COMMISSIONER COLON: Well, I think one of the biggest things that has occurred really robustly since March is the onboarding of Fed Cap [sic] and the Fortune Society team members for

transition planning and transportation services, as well as the beginning of the subcontract with 100 Suits for Men which has allowed for us to provide transportation for people directly to the location that they need to go such as a service provider upon getting released from custody. So, those services have occurred across multiple sites. Almost all of our jails have a transition provider employee who is going and increasing the number of discharge plans completed with people in custody, but then also ensuring that we make sure they have the supports and the referrals needed for community-based services. And I think just to highlight on that of like what's happening inside and what's happening outside, most of these providers also have very strong linkages, obviously, to community-based services, whether it's somebody coming to their specific site or they're doing referrals to a location that's closest to where they live. So, if for example, somebody has been working with the Fortune Society while they are in our care, and it is determined that there might be a different location or a different nonprofit that they might be better served with based on where they live, that they will do those referral services through the

Community Reentry Network that is in partnership with the MOCJ contracts.

CHAIRPERSON BROOKS-POWERS: And what other steps are you taking to help safely reduce the jail population?

COMMISSIONER RICHARDS: Yeah. Like, as I said, unfortunately, like we don't have control over like who comes in the front door or when people leave other than those who are sentenced to city time. What we've been doing is working with our partners to make sure that they're engaging with our population and leveraging of resources that's in the community and through our partnership to try to get cases processed faster, trying to get people who are appropriate for diversions diverted. And so with our service providers, Fortune and Osborne and other service providers, leveraging their ATI and supervised release, working with Center for Justice Innovation on supervised release. We can't control like who comes in or who goes out, but we can leverage the partnerships we have and that's what we're doing, and every opportunity I get to say we need to work together on population reduction, I hope motivates

people, engages people to seize this moment to reduce the population.

CHAIRPERSON BROOKS-POWERS: And my final question is- as the population in custody increases, does the Department believe that funding for services like food, clothing, and bedding are accurately budgeted?

COMMISSIONER RICHARDS: You know, the budget we presented is based on the population we have and we anticipate population going down. But if the population was to increase and we needed to increase our budget, we'll work with OMB and our city partners to make sure that we're able to meet the basic needs of the people who are coming into our care.

CHAIRPERSON BROOKS-POWERS: Thank you, Commissioner. Chair?

CHAIRPERSON LEE: Okay. I'm just going to ask two really quick questions, on behalf of the Deputy Speaker since she had to leave, about the racial equity plan. So, the plan includes goals related to improving safety accommodations and programming for transgender, nonconforming, non-binary individuals in custody. Have the DOC

LGBTQ+ Affairs coordinated weekly and monthly meetings? Have they been occurring regularly, and what concerns or disparities prompted the initiative?

COMMISSIONER RICHARDS: DC Colon can speak to that. Thank you.

DEPUTY COMMISSIONER COLON: Hello. So, I want to preface with I don't have the exact frequency of meetings that are being held, so I don't want to misrepresent the number of meetings that are being held or how frequent they are being held, but what I can say is that we do have an LGBTQ Affairs Unit that is a team of about three coordinators that work for the Department led by one Executive Director. That team has been doing work alongside various partners. We actually in this last fiscal year on-boarded a partnership through a small contract with Destination Tomorrow so that we can begin to expand our access to services for our transgender, non-binary, non-conforming population.

CHAIRPERSON LEE: And DOC's long-term goals include developing a racial equity rubric for Department of Programming in collaboration with people who are in custody. And so how will incarcerated individuals participate in that process?

DEPUTY COMMISSIONER COLON: Thank you. Well, I think there's a few avenues of how we're working to address this. One, it was mentioned there's a new Associate Commissioner that is assigned to work with emerging adult populations, and her entire work is centered and grounded on hearing from people who are in our care, whether that be through focus groups, whether that be through large scale surveys, and whether that be through various talk sessions as we're implementing various programs. The work that's being done specifically for the emerging adult population is likely work that can be scaled to all of our populations. And so we're evaluating that as we move forward with this plan to see how we actually ensure. Because I will say, annually we do conduct surveys and focus and groups with people in our care, but how we do that in a more effective way so that we are guiding our program rubrics and guiding our evaluations of our programs in a way that's a little bit more meaningful.

CHAIRPERSON LEE: Thank you. Okay, and I think with that, we are done with this portion of today's hearings. And so I just want to thank you again, Commissioner and to all of your team members

for being with us today. So thank you. And I think we're just going to quickly transition, because we have HPD up next.

[break]

CHAIRPERSON LEE: Okay. I think we're all ready. So, good afternoon and welcome to the second FY27 Executive Budget hearing for the day focusing on the Department of Housing Preservation and Development. Council Member Linda Lee and I am pleased to be joined by my colleague Council Member Pierina Sanchez who is the Chair of the Committee on Housing and Buildings. And I want to recognize we've been joined by Council Member Wong, Council Member Zhuang, and Council Member Salaam, and I think that's it for now. So, welcome, Commissioner Dina Levy and your team, and thank you all for joining us today to answer our questions. On May 12th, 2026, the administration released the Executive Financial Plan for FY26 to 30 with a proposed FY27 budget of $124.7 billion. The Department of Housing and Proposed fiscal 2027 budget of $1.15 billion represents less than one percent of the administration's proposed FY27 budget in the Executive Plan. And this is an increase of $60 million or 5.6 percent from the 1.08

billion originally budgeted in the Preliminary Plan. This increase results from several actions, mostly stemming from the SPEED report and mayoral housing plan including code enforcement expansion, housing vacancies survey reallocation, supportive housing, third-party transfer legal fee reimbursement, collective bargaining staff adjustments, asylum-seeker reallocation, and increase in funds for Home First. As of April 26, HPD's headcount was 366 less than their fiscal 26 budgeted headcount. In the Council's preliminary budget response, the Council identified several areas related to HPD where the city could re-estimate revenue to claim as savings and to claim a combined $56.8 million in additional revenue from fines and fees collection for fiscal year 26 and FY27. While we appreciate the inclusion of the finds and fees in the Executive Budget plan, the $27 million accounted for by the administration is well below what the council had presented. And I now want to- Oh, we've also been joined by Council Member Wilson. And now I want to turn it over to my Co-chair for this hearing Chair Pierina Sanchez for her opening statement.

CHAIRPERSON SANCHEZ: Thank you so much, Chair, and good afternoon. We meet today at a moment of real possibility. Since becoming Housing Chair in the Council, I have called for our city to confront the housing crisis in its full complexity, not just a crisis of affordability, but one of housing quality safety and ultimately survival. Mayor Mamdani's first housing plan reflects that reality, and HPD is a critical component of achieve those goals. I'm encouraged by the ambition released last week. You're embracing an all-of-the-above approach that this moment demands, building new housing, protecting tenants, supporting homeowners, preventing homelessness and confronting distressed buildings when neglect is putting lives at risk. This is a great frame and the work begins. The plan sets a goal of constructing and preserving for 100,000 homes over the next decade and includes a serious focus on preservation, housing compliance, homeownership, and all the rest. But rightly it names the Bronx, and to to us matters, because the Bronx is hurting. 10 percent of households or homes or families are facing an eviction filing each year, and 26 percent of Bronx households reporting three or more violations,

deficiencies within their homes. Families in our boroughs are calling 311 again and again for complaints and feel that repairs never come. This is personal but also this is tragic, because we're seeing that in older buildings and across the outer boroughs, Fires have doubled in the last two years. This is due to proximate causes like self-closing doors that are not closing, people leaving doors open behind them, missing smoke detectors- but fires are displacing facilities, fracturing communities and taking lives, like a one-year-old that we lost just a few weeks. These tragedies are the result of decades of deferred maintenance, disinvestment and systems that too often respond after the harm has already happened. Major building systems should be replaced. On roughly 20-year cycle reports say but for decades we know that in New York City this has not been the reality, and the bill collector is here. That is why the preservation work ahead of us must be sharper, more targeted and more accountable. Programs like Article 11, J51s, every single preservation tool that we have in the City of New York must be evaluated through the simple lens of whether they are stabilizing buildings, protecting tenants, improving

conditions and saving lives. The central question before us today in my estimation is whether the housing plans ambition is met in the proposed Executive Plan Budget for fiscal year 27. The fiscal year 27 Executive Plan proposes a budget of $1.14 billion for HPD which excludes NYCHA PACT funding, and that's approximately $80 million less than HPD's fiscal 2026 Adopted Budget of $1.22 billion. The Executive Capital Commitment Plan also totals $16.9 billion for HPD, excluding NYCHA PACT funding. The plan also identifies new needs of $1.2 million in fiscal 26 and $50.6 million in fiscal 27 which are critical investments that include additional code enforcement staffing, tenant interim lease repair funding and new mortgage assistance program financing, as well as incentives for basement ADU conversions, and 17 additional positions related to the SPEED report to streamline and expedite development. We're also pleased to see an increase of $5 billion across the Executive Capital Commitment Plan, including approximately $500 million for- nevermind. It's a good investment. We understand that this increase is intended to account for new requirements under the Construction Justice Act, as

well as to supplement additional production and preservation. I want to highlight that there is important work already underway, and we look forward to your partnership in implementing that work. Billions in housing and infrastructure commitments that we secured through City of Yes, which I will continue asking about– we're also advancing the Safer Homes Act together to go after the worst landlords, and that will need to be reflected ultimately in the budget upon passage. We're continuing conversations around COPA. Speaker Menin's Small Lots and Big Impact work is also underway, and we're working to better support aging deeply affordable housing including struggling co-ops and Mitchell-Lama's before they reach crisis. So, just to highlight before wrapping, that we are– the central questions we're looking at today are does the Executive Budget match the ambition of the housing plan? Does HPD have what it needs in order to deliver? How will preservation dollars reach the buildings and communities most at risk, and how will we move faster from commitment to completion? I'm excited to be here today, excited for your testimony, and before we begin, I want to thank the Finance staff, especially

Finance Analyst, Carla Naranjo [sp?], Assistant Director Daniel Krup [sp?], Deputy Director Chima Obicheri [sp?], and Percy Sutton, fellow Catherine McMahon [sp?] for their work on this hearing, as well as Legislative Committee staff, Austin Malone [sp?], Billy Eck [sp?], Jose Conde [sp?], Dirk Spencer [sp?], and Reese Hirota [sp?], Noah Slazberg [sp?], and Mohammad Shaheed [sp?]. Finally, I'd like to thank– take this opportunity to thank my team, Chief of Staff Maria Vijalobos [sp?], Deputy Chief Ben Rattner [sp?], and Gerard Fernandez [sp?], Kim Cacianos [sp?], and Dylan Campos [sp?]. Thank you. Thank you, Chair.

CHAIRPERSON LEE: Great. And we've also been joined by Council Members Maloney, Avilés, and Feliz. And with that, just a couple logistic announcements. So, I've been saying this at every hearing, but we're consolidating all the public testimony into one awesome long day on Wednesday, June 10th, starting at 9:30 a.m. So, for those that are sitting here listening to the hearing, please come back on June 10th with any questions that you may have and sign up for testimony. So, again, June 10th, Wednesday, starting at 9:30 a.m. And also,

just to quickly announce, the DOI hearing that's scheduled for later today at 4:00 p.m. will be across the– I was going to say hall– street at 250 Broadway. So, that's where the hearing will be. And with that, I will pass it off to our amazing Committee Counsel Brian Sarfo [sp?] for the swearing in.

COMMITTEE COUNSEL: Good afternoon. Do you affirm to tell the truth, the whole truth and nothing but the truth before this committee and to respond honestly to Council Member questions, Commissioner Levy?

COMMISSIONER LEVY: I do.

COMMITTEE COUNSEL: Deputy Commissioner Caphart?

DEPUTY COMMISSIONER CAPHART: I do.

COMMITTEE COUNSEL: And Chief of Staff Pristin?

CHIEF OF STAFF PRISTIN: I do.

COMMITTEE COUNSEL: You may begin.

COMMISSIONER LEVY: Chair Sanchez, Chair Lee, members of the Committee, thank you for having me back. Two months ago I testified here for the first time as HPD Commissioner and described my priorities for leading New York City's Affordable

Housing Agency. Then I outlined four primary areas of focus. First, is my commitment to making sure that HPD fixes what is within our reach, from completely revamping the Housing Connect lottery and marketing system to ensuring that our partners get clear and timely communication about projects in our pipeline. I remain committed to simplifying over complex procedures and replacing them with common sense reforms. Second was my promise to build more housing faster and more efficiently, because this housing crisis will not abate unless we build significantly more housing of every type and in every neighborhood, more housing for seniors, those earning the lowest income, homes for people with special needs, for unhoused people still living in shelter, and for those looking to become first-time homeowners. I also spoke about the need to maintain the affordable housing that we have worked so hard to create, because housing growth without preservation will leave us standing in place. Almost half a million New Yorkers live in HPD-regulated housing, and we must ensure that our homes remain safe and affordable for decades to come. And finally, I reaffirmed our commitment to protecting tenants, because our work

does not matter if people do not feel safe and secure once inside their homes. Since March we've begun the work of advancing those commitments. Under the leadership of Mayor Mamdani and in partnership with other agencies across the city, we have laid out a plan across three documents, the SPEED report, the Executive Budget, and our 10-year Housing Plan Block by Block. Together these outline a housing agenda that is unprecedented in its ambition and scale and they tell a story of how we will fund and execute a housing transformation over the next decade. Building 200,000 affordable homes while also preserving 200,000 existing units of housing is a monumental, yet vital task. We will work with our partners at City Hall and OMB to ensure that we have the resources needed to achieve these goals while continually employing cross-cutting and time-saving efficiencies in every facet of our work. The ramp up will take time, but with more than $22 billion for housing across HPD and NYCHA programs and Five-Year Capital Plan we have put forward a major downpayment on that promise. That capital investment is matched with expense funding to build out our capacity, including funding for 41 new HPD staff lines in

fiscal year 2027, 14 new positions for our code enforcement and litigation teams, and 27 new hires for our Development Division. In Block by Block we outlined HPD's commitment to finance approximately 16,000 deeply affordable homes over the next two years, a 35 percent increase compared to fiscal years 24 and 25. 50 percent of those units will serve very and extremely low-income New Yorkers, and 5,700 of those units will provide new homes to households coming out of shelter, a 40 percent increase over the previous two fiscal years. The plan also calls for an expansion of funding for supportive housing by 57 percent with a dedicated $1 billion over the next two years. And for seniors, we will build 2,000 new homes, a 20 percent increase in fiscal years 27 and 28. This includes a pilot that will mix senior restricted apartment alongside family units, intentionally creating intergenerational communities. Critically, HPD will address the often asked question, affordable to who? By changing the way we serve the lowest income New Yorkers, deepening affordability levels for HPD finance projects that serve households at 30 percent of the area median income. Through new investment in the Executive

Budget, we will reduce initial rent burdens for these households down to 25 percent of their monthly income. For a household who earns just under $46,000 the rent will drop from roughly $1,150 to $950 per month. That household saving of $200 may go towards buying groceries, to paying an electric bill or towards saving for the future. This new initiative will serve approximately 2,500 extremely low-income New Yorkers over the next five years. Growing our housing stock will be game-changing for neighborhoods across the city, but as I stated, it will only be impactful if we preserve the housing we have already built. Block by Block commits to preserving and stabilizing 200,000 homes over the next decade, an investment on par with our new construction goals. The Executive Budget provides more than $2.5 billion in capital for the preservation for- I'm sorry, for preservation for fiscal years 27 and 28, more than 35 percent increase compared to the last two fiscal years. This will set HPD on a path to finance roughly 15,000 units over the next two years, and in direct response to advocacy from our partners, we will also launch a new supportive housing preservation program to ensure that our most

vulnerable renters continue to have access to decent, safe, and affordable housing. In addition, we have dedicated hundreds of millions of dollars specifically to preserve and improve our Mitchell-Lama housing stock, some of the most important housing the city has ever built. Most of these buildings are more than 50 years old and in desperate need of capital investment. In addition to the 15 Mitchell-Lama projects that are currently in HPD's preservation pipeline, this dedicated funding will enable us to reach an additional 2,800 Mitchell-Lama units over the next two years. Block by Block also commits to preserving our distressed rent-stabilized housing stock. Using discretionary tax exemptions such as the update J51 program and other preservation tools, HPD will work with grassroots organizations and the Mayor's Office to protect tenants to beat back speculative investment in rent-regulated housing, instead transferring these distressed buildings to community-controlled stewards including tenants, community land trusts, and joint venture partnerships between residents and developers. The plan also includes a new interagency initiative with a particular focus on the Bronx where

so many of the city's housing challenges are most acute. Ten percent of households in that borough are subject to an eviction filing every year, and 26 percent report three or more maintenance failures inside their homes. These challenges are a product of historic patterns of racial discrimination and segregation. In the past decade, HPD has financed over 42,000 affordable homes in the Bronx, but it is clear that it is time to take a holistic approach that considers more than just housing and that relies heavily on deep community engagement. We look forward to working together with our partners at the Department of Health, the Mayor's Office to Protect Tenants, residents, and leaders across the borough to execute this long overdue initiative. Our investment in preservation will also be critical to advancing the Safer Homes Act and the Community Opportunity to Purchase Act. These two pieces of proposed legislation will enable distressed buildings to be transferred to responsible landlords and in some cases to the tenants themselves. We would like to thank Council Member Sanchez and Council Member Nurse for your leadership in advancing these critical preservation proposals. Our commitment to protecting

renters also extends to our homeowner community and those seeking access to that opportunity for the first time. For too many New Yorkers, homeownership remains out of reach, particularly in Black and Brown communities which have historically been undeserved. The Mayor's Executive Budget marks a serious effort to change that. Funding for homeownership has increased by 12 percent in the Executive Budget which will allow us to create and preserve approximately 5,700 units of affordable homeownership over the next two years. This includes increasing funding for the Open Door program, allowing HPD to finance 600 new homes and funding for our downpayment assistance program, Home First, which will reach more than 350 first-time homebuyers in the coming two years. And with the launch of our new program, Our Home, we are reviving New York City's celebrated tradition of providing dedicated resources to convert rental buildings into resident-controlled affordable cooperatives. Our Home will aim to finance the conversion of 300 new affordable coop units in fiscal years 27 and 28. We are also doubling down on our commitment to assisting existing homeowners who are struggling to maintain their homes. We will raise

the Home Fix loan cap from $60 to $100,000 to facilitate badly-needed home repairs, and we are relaunching the New York City Mortgage Assistance Program, or MAP, an affordable loan product which provides a lifeline to homeowners who have fallen behind on their mortgage, preventing additional foreclosures and preserving generational assets. Lastly, I would like to highlight the significant commitments outlined in Block by Block, dedicated to improving our code enforcement system with a focus squarely on holding negligent landlords accountable. A key component is a new initiative called Fix the City, a dedicated enforcement effort targeted to the city's worst landlords. We will use all of our enforcement tools in strategic combination, roof to cellar inspections, removing negligent owners from day-to-day management with aggressive use of 7A, and coordination with law enrollment to pursue criminal charges where appropriate. We will not relent until buildings are made safe or transferred to responsible new owners. We will also launch a new effort partnering with organized tenant associations to schedule interagency enforcement days, coordinated portfolio-wide inspections that will take a

comprehensive look at chronic maintenance issues. These building-wide sweeps will enable our litigation and Anti-harassment Units to identify pervasive non-compliance and move quickly to pursue legal action wherever it is warranted. This summer we will also work with the City Council to identify strategic improvements to the Housing Maintenance Code based largely on feedback received from tenants during the rental ripoff hearings. This will include a review of underlying conditions, exploring expansion of the types of violations that justify rent withholding, and creating processes for tenants to schedule appointments for follow-up code inspections. Before closing, I would like to take a moment to express HPD's extreme concern regarding the tragic fires that have affected many of your districts and your constituents in recent months. These devastating fires are happening far too frequently and it is simply unacceptable. We are committed to working alongside our partners at the Department of Buildings with the FDNY and with Emergency Management to better understand what is driving this pattern, to determine whether landlord noncompliance is a contributing factor, and to working closely with members of this

council to identify strategies to curve this citywide emergency. I will my end my testimony with a reminder that while the investments outlined in the Executive Budget and the 10-year Housing Plan are truly historic, our success will hinge on how effectively and efficiently we deploy these resources. Much of that is within our control. Whether it's coordinating among agencies to make government more accessible or modernizing outdated environmental reviews, the time has come for us to get out of our own way. At HPD I am proud to work alongside 2,500 dedicated public servants who spend every day working to create and protect housing affordable to all New Yorkers. The Housing Plan in many ways is a meaningful expansion of that hard work, but it is also the acknowledgement of the need for continued coordination between HPD and this City Council, not just in oversight but through action. Because tackling New York's biggest challenge depends on our ongoing collaboration. We will not achieve it all at once or in a single budget cycle, but steadily, relentlessly, block by block using every tool we have. I look forward to our future

partnership and I'm happy to answer your questions. Thank you.

CHAIRPERSON LEE: Great. Thank you. We've also been joined by Council Member Epstein on Zoom as well as Council Member Joseph. And two thing I want us to just note before I go into my questions is that I'm excited to hear about the senior affordable housing, more specifically as someone who ran senior centers and Homebound meals of those programs, and the intergenerational aspect of that which I think is amazing. Because so many of our communities across the city, especially immigrant communities, we do have multigenerations living in one home. So I'm really excited to hear about that program. And then also just the affordable home ownership. I have parts of southeast Queens and I know a lot of my colleagues in southeast Queens, we always talk about how affordable home ownership is not discussed enough, and so I'm glad that this is also included in the plan which we're excited to see. Okay, so just have a few questions before I pass it to the Chair. In terms of the Executive Plan, we saw a vacancy reduction of 56 positions baselined into FY30 as part of the administration's mandate to identify savings.

When accounting for the 41 budgeted positions added to the Department as new needs, HPD has a net decrease of 15 position in the Executive Plan. So, are all 56 positions that were removed and claimed as savings going to be eliminated?

COMMISSIONER LEVY: Yes, that's right. So, the vacancy reduction was an attempt to sort of look back at all of the vacancies, some of which, to be frank, are very, very old. Some of those positions have been absorbed by other staff. Some of them have been consolidated. So, yes, those will be permanently removed positions. We are still working through with the leadership of the agency to figure out exactly which positions will comprise that 54. However, I do want to say that in addition to the 41 new heads, this actually is a path to allow us to start hiring all of the remaining vacancies that are still open, over 300 at the agency, and so we do expect to be growing the staff significantly and quickly as a result of completing the vacancy reduction.

CHAIRPERSON LEE: Okay, great. And then also getting rid of the two for one I'm sure makes it easier as well.

COMMISSIONER LEVY: Much easier.

CHAIRPERSON LEE: Okay. The largest savings is $750,000 baselined starting in FY26 for the removal of two positions in the Housing Education program. Please provide an overview of this program and how New Yorkers interact with the program.

COMMISSIONER LEVY: Okay. Why don't you- okay.

DEPUTY COMMISSIONER CAPHART: Thank you, Chair, for that question. So to qualify for the vacancy reduction, what we did was that we took headcount and there were dollars from various budget codes [sic] where they were available, and now we're going through the process of determining the specific positions that will be eliminated permanently. For that line in question, it's actually just a headcount from where it was available in one of our budget codes under our Economic Opportunity and Regular Compliance Division. But that did not eliminate a specific position. It eliminated a headcount. We're just taking available funding for now as we go through the process of determining what specific positions to eliminate.

CHAIRPERSON LEE: Okay. That's good to know. Which department did see the largest vacancy reduction, or division?

COMMISSIONER LEVY: Yeah. So, because we have not- I'm sorry, Council Member. We have not yet completed the process of identifying-

CHAIRPERSON LEE: [interposing] Got it.

COMMISSIONER LEVY: the 54 positions, we haven't sort of- we can't say which unit in particular will feel it, but we are trying to sort of look at actually where the vacancy- the older positions, again, have been absorbed either by existing staff or through, you know, consolidation. So, as soon as we've completed that exercise, we'll be happy to report back out on which positions.

CHAIRPERSON LEE: Perfect, thank you. Yes. And then also the types of positions that were eliminated as part of the vacancy reduction as well, whether it's- you know, inspection positions, legal, clerical, administrative, that'd be great if you could include those as well.

COMMISSIONER LEVY: Of course.

CHAIRPERSON LEE: So, I just want to- because I know that we definitely don't want to see a

decrease in service which I know, so I just want to clarify for the record– so, as these positions are baselined into the out-years, we do not anticipate any sort of decreases in services, correct?

COMMISSIONER LEVY: That is correct.

CHAIRPERSON LEE: Okay. And then my last question is just something that came up, because I've been– we've been having roundtables with a lot of the nonprofit providers and one of the things that was expressed to us was for the nonprofit partners that do build affordable housing, they go through this really rigorous process with HPD and it takes quite a long time to get all the checks and balances in order. And then separately, they have to go through another separate approval process with OMB. And I'm just wondering from your perspective– I know you're relatively new in the role– but are there ways that we can sort of streamline that and have some of it at least be simultaneous instead of sequential, if that makes sense? Because as we know, as these projects get delayed, it just keeps increasing the cost. And so when you think about tax dollars and things like, I feel like if we could streamline that process it

would save on cost as well as put more money into the project itself.

COMMISSIONER LEVY: We completely agree, and as you know, the SPEED report is all about how to go more quickly in terms of what we're building and also how to sort of de-dupe, right, not have duplicated agencies passing things back and forth. So, I think that's a big part of the work that we're working toward. I think in terms of the process between HPD and OMB, really that comes just down to whether or not, like, projects are coming in on term. So one of the other things we're working on is really a prioritization for a pipeline so that folks really understand what the agency is prioritizing. One of the big things we'll be prioritizing is cost efficiency, as well as whether or not units are getting built, both in terms of programs that we care about, the typology of housing but also where that housing is getting built. But I do think as we start to tighten that process, we will be able to move projects between us and through OMB to approvals much more quickly.

CHAIRPERSON LEE: Okay. Fingers crossed. Okay, great. Chair Sanchez?

CHAIRPERSON SANCHEZ: Thank you. Thank you, Chair Lee. I think this is the first hearing we've chaired together. Yeah. Well, thank you. I'm excited. This is exciting. It's an exciting moment, and there's a lot of ambition going around and I completely agree that it's going to be up to us to take what is on paper and what is written down and moving that into reality. Also, Commissioner, thank you. Thank you for just acknowledging and recognizing what is happening in the Bronx and Queens and the outer boroughs. Even as a Council Member I still often feel like I'm yelling into the void, and so it's really heartening to hear you acknowledge us. So, that's my first question. It does feel like the Bronx is burning again, and it feels like we are seeing– it's not a feeling. It's a doubling of the number of fires in the Bronx and Queens in the last two years. It is a dramatic increase in the number of fatal fires, the number of New Yorkers we're losing to these fires. And so just to pick up on the last bit of your testimony, can you highlight the ways in which FDNY's data on where fires are happening, the risk factors that they believe to be the most important, where is this information

featured in HPD's preservation and code enforcement work?

COMMISSIONER LEVY: Yeah. I appreciate the question and share all- all of what you said is true. It's been pretty devastating to witness the number of fires and severe fires and fatalities as a result. I'd say at the moment we are still trying to understand if there's a causal or like a specific things that is causing the fires, and to be frank, I don't think we know the answer to that just yet. We have started conversations with DOB, with Emergency Management and with the Fire Department to see if there are patterns in the data, if there are things we need to do from a housing maintenance code or compliance perspective. We already do a fair amount, as you know, of outreach and coordination with FDNY around self-closing doors and the importance of that and also having smoke detectors. But I do think your point is correct, to be preventative we need to understand what's causing the rash of fires, and I think- you know, I don't want to speculate about that. We don't yet know, but I think it is really key to figure it out in order for us to then come up with solutions that we would propose.

CHAIRPERSON SANCHEZ: Thank you, Commissioner. I am going to push back, because FDNY testified yesterday in no uncertain terms that it is the electrical systems within buildings that is the primary cause of the uptick in fires. And so happy to hear that conversations are happening, but you know, the question is where– apparently it wasn't happening before, but where is HPD incorporating these findings, and it should not just be when fires are increasing the way that they are right now, but it should be in general code enforcement agencies– there's so many of them. Housing lives across so many agencies in the City of New York as is reflected in the plan. We want to see these programs speaking to each other and this data speaking to each other. Moving towards the housing plan itself and this potential disconnect that we're seeing in our analysis of the housing plan versus the Executive Budget. There is a lofty goal of 400,000 units created or preserved in the next 10 years. The plan is also setting out an ambitious vision for preservation and code enforcement. I am concerned, and we in our review are concerned, that there is a lack of new staff to carry out these proposals. How

does HPD intend to meet the ambitious goals of the housing plan without a significant infusion in new staff lines? And to make this very concrete, there is this example from the report. The city commits to investigating every heat complaint as an individual case starting October 1st of 2026. However, in the budget we're seeing only seven new inspectors in FY27. So, how can you achieve that really increased inspection goal in the plan's vision of robust code enforcement with such a modest staffing increase?

COMMISSIONER LEVY: So, a couple of things. First, looking back- we've looked back at the last five years, and it is worth nothing that the staff for ENS for- that oversees code enforcement has actually increased 11 percent, even during the two-for-one and the hiring freeze. They have continued to grow that staff, and as you saw there are 14 new positions that have been dedicated specifically to increase our enforcement capacity for enforcement days for fix the city and for the commitments we've made regarding heat. So, I do believe those things are going to be critical. The other thing worth noting is there are 23 hires of inspectors specifically that have now been cleared.

As I said earlier, having completed the vacancy reduction we can now move to fill all of our vacancies. That will take some time, but 23 are already in process. So, we will continue to grow our code enforcement appropriately so that we can meet all the commitments they have in the housing plan.

CHAIRPERSON SANCHEZ: Thank you. Thank you, Commissioner, for clarifying that. Are HPD's unfilled positions exempt from the last administration two-for-one hiring rule? Can you confirm whether the rule has been eliminated within the agency?

COMMISSIONER LEVY: Yeah, that's exactly right. So, once the 54 positions that we are going to eliminate have been identified, and that is complete– which we're very close to completing– we will both share with the Council what those positions are, but it will also free us up to hire over 300 vacancies across the agency that will no longer be subject to two-for-one. Sorry, 56, 56.

CHAIRPERSON SANCHEZ: Yeah. Okay, thank you. That's helpful clarification. So, moving from the vacancy reduction– the reduced vacancies of 56 positions, I am encouraged to see areas where the

agency is making targeted additions to its headcounts. In addition to staff added as part of the SPEED initiative which we'll get to, HPD is adding 10 new positions in the Office of Development. Can you share where within that office what titles are going to be added? And then within the office, where does HPD see the greatest needs?

COMMISSIONER LEVY: Great. So, I do want to clarify that between the Housing Plan and the SPEED report together, it's actually 27 new heads that will be coming on for the Development Team. So, in the SPEED report they make pretty significant designations for how those staff will be allocated. They're for environmental approvals, for permitting. And then for the Housing Plan hires there's a little bit more flexibility. We probably will be focused very heavily on project management in order to keep the pipeline moving. We will also be probably working to increase a little bit of our staff in our Office of Neighborhood Services where all of our public sites through and then ultimately go to development. So, I think specifically, right, it will be environmental permitting, project managers, preservation, and public sites. A lot of P's.

CHAIRPERSON SANCHEZ: Preservation and public– okay. Thank you. Just two more for me, and then I want to move over to colleagues. The Executive Plan claims $925,000 in fiscal 2026 savings from the Tax Lien Sale Outreach due to contracting delays on HPD's end. Although the 2026 tax lien sale– sorry, my device is being very glitchy and just jumped away from my question which is not helpful. Okay. Although the 2026 tax lien sale was paused, the Council was not consulted on this reduction. Has the administration determined if the tax lien sale will resume in fiscal year 27? If it does next year or in a future year, can the City commit to restoring this vital funding for outreach to ensure homeowners know the payment options available to them?

COMMISSIONER LEVY: Yes, Council Member. So, as part of– I think it's EO 12. Yes, EO 12, right, where we look to find important savings. One of the places we identified was this $2 million contract for outreach for the lien sale. Primarily that felt logical because the lien sale, as you know, is paused. We remain– so half of the contract, about $1 million for 2026 remains available to the vendor,

the Center for New York City Neighborhoods, and they are going to begin outreach now. And then all future funding, so $2 million a year starting in fiscal year 27 and the outyears is untouched and remains available.

CHAIRPERSON SANCHEZ: Thank you. Then my final question and I'll come back for more if we have time, because we do have a hard out at 2:00 p.m. My final question is around the AMI's being targeted with the new- with the plan. I am heartened to see that there is 50 percent of the goals or 50 percent of what is going to be produced is targeting ELI and VLI households, extremely low-income and very low-income households, over the course of the plan. Can you give us a sense of how many new ELI units HPD expects to finance over these- over the next two fiscal years? Where, if you've gotten there? Probably not, but where, as specific as you can get, geographically is HPD planning to put these projects? And can you give us a sense of the other 50 percent of the plan's goals of what income targets do you foresee for those?

COMMISSIONER LEVY: Absolutely. So, again, the portion of the new construction which is

what I think we're talking about right, the units that are going to come online, so that's 16,000 units over two years. So, roughly 8,000 units a year. So, 50 percent of that each year, so 4,000 a year or potentially a little more will serve ELI and VLI households. The remainder, you know, are going to be subject to our term sheet. So, 2,000 of the units will be for seniors. Those tend to be very low-income units. We don't yet have a final count on supportive, but we do have a big commitment specifically for supportive. That will be within that number as well. And then most of our financing programs including LIHTC serves an income range that has to average to 60 percent AMI.

CHAIRPERSON SANCHEZ: Thank you. Just an add-on and then going back to colleagues. How much new funding is dedicated for neighborhood pillars for fiscal year over the next five years?

COMMISSIONER LEVY: So, we're going to look up to sort of get the- I want to make sure we give you the right answer. Pillars has been a little bit slow-going, as you know. We have not closed a project in fiscal year 2026, but we are trying to revamp it through the lens of, you know, there's a

number of portfolios of rent-regulated housing out there that are now transferring either through voluntary sales or through foreclosures. So we hope to see Pillars getting more legs. I think we have a project right now that is getting close to the end of the pipeline. And maybe Gardea needs a minute to look up the exact allocation for Pillars for the next five years, or you found it?

DEPUTY COMMISSIONER CAPHART: No, I'm not finding it, but we'll keep looking and I will get back to you on it.

CHAIRPERSON SANCHEZ: Alright. I will remember. Thank you. Thank you so much, Commissioner.

CHAIRPERSON LEE: Okay. Sorry, my back is killing me, so I have to stand up. Okay, we've been joined by Council Member Restler who is somewhere here, as well as Council Member Hudson, and we're going– oh, she's not here. So, we're going to start off with Council Member Wong followed by Wilson.

COUNCIL MEMBER WONG: Thank you, Chairs. My first question is about the budget. The Capital Commitment Plan for HPD jumped from $1.93 billion in

the preliminary plan to $3.92 billion in the Executive Plan. That's 102.8 percent increase in a single revision cycle. What specific projects drove that doubling? Can you answer that?

COMMISSIONER LEVY: Are you asking what projects will we finance with those new funds? So, that's sort of what we just covered in terms of the projections for what we intend to do over the next two years, 16,000 units.

COUNCIL MEMBER WONG: Okay. Well, let's talk about the 6,200 vacant NYCHA units, and how many of them will get renovated in this budget cycle?

COMMISSIONER LEVY: So, that would be a question more appropriate for NYCHA. As you know, HPD doesn't oversee the vacant units for NYCHA.

COUNCIL MEMBER WONG: I'll ask NYCHA. Thank you. Thank you.

CHAIRPERSON LEE: Council Member Wilson followed by Maloney.

COUNCIL MEMBER WILSON: Thank you, Chairs. Good morning- or good afternoon, Commissioner. Thank you. I have some questions about artist housing. So over the past decade, American cities have been creating or just housing

nearly 3,000 units, but in what- well over a thousand more on the way, but in New York for the first time ever we've seen a decrease in artist and cultural workers. So, you know, in my district affordable housing like West Beth [sic] and Manhattan Plaza, extremely successful, very popular anchors in our community. So, what role does artist housing now play in the city's affordable, livable, and cultural vibrant- culturally-vibrant future, and how is HPD coordinating with DCLA to ensure that artists are part of the bigger picture of our housing plan?

COMMISSIONER LEVY: Thank you for the question. So, we've been meeting with the advocates and the guilds that are actually advocating very strongly for more artist housing. I obviously know both West Beth and Manhattan Plaza, Mitchell-Lama that I used to actually work in. So, we understand that there's a need, and we understand. Particularly, I think we're sensitive to the fact that the way artists are compensated makes it challenging for them. Sometimes, right, like to qualify for Housing Connect we've heard that there's challenges because some months that haven't- they don't have flat income, right, so the income fluctuates. We are

sympathetic. We are trying to determine like what can be done in terms of designated artist housing. I think there is some tension there if I am to be fully frank about whether as in artist housing is- serves all communities equally or whether- right- that doesn't tend to work out. So, I think we are just cautious about the fair housing lens there, but we are continuing conversations to determine whether or not HPD needs to do more in that space.

COUNCIL MEMBER WILSON: Hear you on the affair housing, but you know, of course there are artists in all communities that could be served by that. Could HPD issue clearer guidance on the artist preference housing, like using data from a dedicated artist survey that reflects the diverse economic and cultural makeup of those communities?

COMMISSIONER LEVY: Can you just clarify your question? The question is could we produce data on that question or publish data on that question?

COUNCIL MEMBER WILSON: Yes, and then perhaps use that for-

COMMISSIONER LEVY: [interposing] Oh, in order to-

COUNCIL MEMBER WILSON: [interposing] Yes.

COMMISSIONER LEVY: sort of guide our work. If there are data sets on this question- and again, having met recently with a coalition dedicated to this very question, you know, we did get into some of the statistics. More so we were getting into the sort of definitional change that they seem to be adopting around artists- what do they call it? Art as work, but not necessarily folks who are like employed daily in the artist space. So I think we are very open to continuing the conversation, and if there are data sets that you would like to share with us that you think could inform what policies you're advocating for, we would be very happy to sit down and talk about it.

COUNCIL MEMBER WILSON: Excellent. Thank you.

CHAIRPERSON LEE: Member Maloney followed by Council Member Avilés.

COUNCIL MEMBER MALONEY: Hi. Thank you for being here. My questions are around 485X tax reforms which requires developers of buildings with over 100 apartments to pay construction workers a minimum of $40 per hour. According to HPD, just one percent of developments have- of proposed

developments have 100 units or more and are registered- that are registered to take that tax break. So, my question is if this is incentivizing shift to smaller projects and if you've analyzed the impact on the total volume of affordable housing units?

COMMISSIONER LEVY: So, I would start by saying that we are looking at the question of 485X, but I think it's also worth pointing out that we do have over 300 registrations currently in our pipeline for 485X. I think it's also worth mentioning 71 projects this fiscal year have closed, producing 521 affordable units. We are talking both internally and with DOB as to whether or not we are seeing more projects tend towards the 99 or less. And there are some certainly, but we have not found anything, you know, in that space that looks unturned or, you know, outside of what is allowed. So, we will continue to monitor it. We do want to see this program take off, and we will continue to explore whether or not there are issues with folks not building or leaving. Certainly, we don't want anyone leaving developable space on the table.

COUNCIL MEMBER MALONEY: So, of that 300 how many are over 100 units?

COMMISSIONER LEVY: so, we would have to look. I haven't done analysis–

COUNCIL MEMBER MALONEY: [interposing] Okay.

COMMISSIONER LEVY: of what's in the pipeline, but we could certainly do that for you.

COUNCIL MEMBER MALONEY: We'll follow up.

COMMISSIONER LEVY: And get it to you.

COUNCIL MEMBER MALONEY: Thank you. And how does HPD determine whether or not a project development is a separate– truly separate buildings or one project? And adding to that, what indicators, like if the buildings have unified design or if they have a shared financing model or common ownership do you use to indicate this is one project, or truly multiple separate projects?

COMMISSIONER LEVY: So, that determination actually is not made by HPD. It's first made by DOB and then ultimately by DOF as it relates to tax lots. So, that's why I say we've been meeting with DOB to understand how they do the analysis of what is legitimately one building or two

buildings. They have looked deeply at the applications that have come through, the ones that have closed and, again, they think it follows history that, you know, what has been classified as two separate project meets the legal definition. But as I said, we will continue to look at it and happy to get you the information on the 300 registrations that have not yet closed.

COUNCIL MEMBER MALONEY: Great. And I would be curious what those numbers are and then how HPD can incentivize the development of larger apartment buildings which presumably would have more affordable housing units.

COMMISSIONER LEVY: That is true.

COUNCIL MEMBER MALONEY: Alright. Thank you very much. That's all my questions.

COMMISSIONER LEVY: Thank you.

CHAIRPERSON LEE: Okay. Council Member Avilés followed by Council Member Joseph.

COUNCIL MEMBER AVILÉS: Thank you so much, Chairs. Thank you for your testimony and the work you do. I was curious if we could talk a little bit about the SARA funding for senior housing? It is one of the most important things our city needs to do

for our aging population. Can you tell me what the current funding for this current fiscal year is for this program?

COMMISSIONER LEVY: Yeah. So, I can talk to you about what we have projected we will produce over the next two fiscal years, and I will ask Gardea to pull up and sort of set aside if we have it specifically. So, again, the goal right now is to do a thousand units a year over the next two years. So, 2,000 units of senior housing. One of the challenges, to be frank, is almost all of our senior housing requires Section 8, and because there is limits to- the federal government is abandoning their obligations in that space, we are looking for more creative ways to make sure that we keep producing senior housing. So one of the ways to do that, as I mentioned, is through mixed projects that are both set aside for seniors, but also allow for family units which then create a cross-subsidy enabling the project. But also, I think, you know, we are enamoured by the idea of creating intergenerational communities.

COUNCIL MEMBER AVILÉS: Absolutely. As so many of our families are intergenerational, it

would be great to support that. So, currently my understanding is that SARA projects are on hold given the federal cuts, is that correct?

COMMISSIONER LEVY: No, so I'm happy to report that is not correct. We have, I think it's about a dozen projects already in the pipeline that have an allocation of project-based Section 8. So, those projects have not yet been counter- moved through our pipeline, but will continue to move. And then as I said we are using other sources that we can access in putting like NYCHA vouchers, right, where possible to make sure that we continue to take projects. So, the 2,000 units that I mentioned going forward are new commitments to keep- to ensure that SARA keeps moving.

COUNCIL MEMBER AVILÉS: And for those that are currently in the pipeline, do we have an understanding of how much units those are expected to produce?

COMMISSIONER LEVY: I'm going to check with a colleague. Do we know? Yes. Do we know? Oh, he's just waving it over. 2,000 in pipeline now. 2,000 units that are- that's not to be confused with

the 2,000 prospective. That's retroactive in the [inaudible] pipeline.

COUNCIL MEMBER AVILÉS: And is there an estimated of when those 2,000 will come to fruition? So, again, we are working to expedite the timeline it takes to have projects move to closing through our pipeline. I think we could get you sort of a detailed projection of how many projects that is and when they're expected to actually go to construction closing.

COUNCIL MEMBER AVILÉS: Thank you. I know these are challenging. And one of my biggest heartbreaks is the consistency of having our seniors, having nowhere to live and tripling up in apartments in very unsafe conditions. Yes? Okay. One thing about– oh, I think I got those numbers. I just want to flag, we have a property on 68 Nelson Street in Redhook that was found court-ordered corrections and well over a year remains outstanding with conditions significantly worse. I will talk to the team after that, after the hearing. Thank you.

COMMISSIONER LEVY: I just want to get you the number that you aksed for on the funding for SARA if I could.

COUNCIL MEMBER AVILÉS: Great. Thank you.

COMMISSIONER LEVY: Do you have it there, Gardea?

DEPUTY COMMISSIONER CAPHART: Yeah, yeah.

COMMISSIONER LEVY: And that's for this year. So, it's $158 million for SARA.

COUNCIL MEMBER AVILÉS: In this current fiscal year, right? Thank you so much. And I'm sorry– so the $158 million, I guess I'm trying to understand how these investments, what their equivalent production value is. Like, $100 million gives us 50 units. I– can you give me a sense of like how these investments are kind of leveraging how you equate like what the production value is of it?

COMMISSIONER LEVY: So, production, right, is based on term sheets and like how much subsidy and how much, you capital needs to go in to build each unit. So, you know, I don't want to– I know now Patrick, if you have more to say here. But the $158 million is what we would be using to produce the 2,000 units that are happening right now.

COUNCIL MEMBER AVILÉS: Okay, that's helpful. I know it's not a well-forumated question, but-

COMMISSIONER LEVY: [interposing] No, I understand.

COUNCIL MEMBER AVILÉS: It helps me. Thank you.

CHAIRPERSON LEE: Great. Council Member Joseph followed by Restler.

COUNCIL MEMBER JOSEPH: Thank you, Chairs. Good seeing you, Commissioner. I'm over here. Thank you. You came to the district a couple of weeks ago and you saw and you heard and you seen a lot. So my questions are what would need to change about the way HPD does enforcement to stop landlords from neglecting the buildings? What we saw, what we saw was deplorable, dilapidated, older adults living in the worst conditions I've ever seen.

COMMISSIONER LEVY: So, a couple things I would like to say, alright. So, in the Housing Plan there are two initiatives that are really meant to address exactly that type of housing and we want to do it in a very targeted way. So we're calling it Fix the City, whether you like the name or not. The

intention there is to really go after really chronic landlord neglect, right, where there has been a willful refusal to comply with the law. We do have obviously tools, litigation. We have a whole unit dedicated to bringing litigation. One of the challenges is that even when we bring cases, right, they sometimes languish in court. So, one of the things I'm happy to report, and I think there was reference to this in the Housing Plan, is we've gone proactively to meet with the Office of Court Administration to work on an initiative in which they will issue a directive to all Housing Court judges that will create an expedited calendar for certain types of cases. So there are four types of cases that we're talking about. One is 7A. Another is for vacate orders where we're bringing case against landlords who have a fire, the units are vacated, everybody's displaced, they never bring them back. The third would be for HPD brought comprehensive cases, and the fourth would be for any type of C violation that affects essential services throughout the building, so no heat, no gas service-

COUNCIL MEMBER JOSEPH: [interposing] No stove-

COMMISSIONER LEVY: [interposing] Exactly I saw the no stove. So, what we saw was- you are correct- unacceptable and requires strong action, and I think the whole point of Fix the City and the enforcement days initiative is to really step up how we're going after landlords who have just allowed tenants to live like that.

COUNCIL MEMBER JOSEPH: I have a quick follow-up. So, are the penalties for violations priced appropriately to make landlords comply? Because I think some of them would say I'll take the penalty versus fixing the apartments, and we saw that in several units that we walked into.

COMMISSIONER LEVY: Yeah, I think it's a question of whether or not the penalties are severe enough, right? So, again, part of Fix the City is to step up not only our legal enforcement, but also potentially criminal enforcement. And so we have been talking to the DAs and to the Attorney General's office where there are potentially much more serious consequences for continued non-compliance. I would argue that many of the cases where we see the kind of distress that you're talking about, they don't pay the fines.

COUNCIL MEMBER JOSEPH: So, a quick question then. Of the violations the city issues, what percentages actually are being collected when you do fine these landlords?

COMMISSIONER LEVY: So, I have some of those statistics. I would say in our ERP– do I keep going?

COUNCIL MEMBER JOSEPH: No, keep going.

COMMISSIONER LEVY: Okay. In our ERP program we have probably the highest collection. So this is where the agency is making repairs that– right, we're doing repairs when the landlord refuses to do it. So, in– I think this is for charges that occurred in 2025, there was about $26 million and a collection rate of about 70 percent.

COUNCIL MEMBER JOSEPH: Wow. So, what percentage of that landlords pay on time?

COMMISSIONER LEVY: On time, I don't know. The money goes– unfortunately doesn't come to us. It goes to DOF and into the general fund, so I don't have a clear sense of exactly how quickly, but I think, again, ERP is probably our best collection. And again, I sent this last time and I want to repeat it. Our goal is not really extracting penalties,

it's getting the housing fixed, right? And so we do need to step that up and if fines are not compelling enough, I think we need to take stronger action.

COUNCIL MEMBER JOSEPH: And 311, how do you plan on working with 311 to better fix the system so when I call my case is now closed, but I've never seen an HPD inspector?

COMMISSIONER LEVY: So, one of the things I think we spelled out in the Housing Plan is also how to do better coordination not only when a person calls and lodges a complaint with 311. Often what happens, as you know, is inspectors go out. The homeowner is not there. They don't gain access. And so one of the things we are proposing to do going forward is to create a system where when we miss a tenant trying to inspect a unit after a complaint has been filed, we will then schedule an appointment. Starting out we will be using text messages to do that, and then ultimately we will upgrade our technology so that can actually be done online, allowing both the homeowner and the code inspector to agree when- at an appointed time they will come back out.

COUNCIL MEMBER JOSEPH: Great. Thank you. Thank you, Chairs.

CHAIRPERSON LEE: Great. Council Member Restler followed by Zhuang.

COUNCIL MEMBER RESTLER: Thank you so much. I firstly just want to say how lucky we are to have Chair Sanchez leading this committee, and thank Chair Lee for her remarkable endurance on hearing two of four of the day. I think everybody should bring pastries and cupcakes and other nice things to Chair Lee. And thank you, Commissioner, for joining us. So, a few things I just want to jump into. First is legislation we passed at the end of last year with great help from HPD. I want to especially thank Deputy Commissioner Santiago. Our indoor cooling bill, landmark legislation, Local Law 23 of 2026- I guess technically it passed into law this year- to require all tenants have access to indoor cooling during the summer months. While full implementation does not take effect until 2030, there are certainly areas, technology, analysis, planning where HPD can begin to prepare for this massive shift in New York City. Were there new needs request submitted to OMB relating to this law for this year?

COMMISSIONER LEVY: No, we didn't make any requests for new needs, though we have begun the process of starting planning for rule-making which I believe we will put out in 2027, and so I think right now the rules are particularly focused on the inspector qualifications for going out and ensuring that the hardware that's put into the unit as part of the cooling bill requirements is up to standard. I think, you know, we have not yet anticipated additional costs that the agency would incur as a result of enforcing the new law.

COUNCIL MEMBER RESTLER: But there will be significant additional costs. When you say you have not yet anticipated it, it's just you haven't done that analysis as of yet, what those costs will be?

COMMISSIONER LEVY: We have not yet identified a full picture of what the cost would be. Right now, the focus has been creating the rule-making and then over time we-

COUNCIL MEMBER RESTLER: [interposing] Just because technology projects, as you know well, can be such a bear and take years to actually complete, I just want to make sure that we're planning ahead appropriately. And so if there are

new needs, we want to champion them with you. It sounds like none were submitted for this year, but I can't imagine that we wouldn't need them for next year, and if we need to begin that planning process now, we just want to make sure that we're all organized. This was of course part of the platform for Mayor Mamdani during his campaign, and I know we all want to see it successfully implemented. Agency electronic notifications- we have legislation to- that could save significant cost for HPD and other agencies to allow for electronic notifications of landlords and other stakeholders that you engage via email rather than everything going through paper mail in the year 2026. Just wondering if HPD is working toward kind of an electronic notification system? Is this something that you've identified as a priority? Are there cost savings that you've identified here as well?

COMMISSIONER LEVY: Yes. But to your point, there's also cost incurring, right? So one of the challenges for us implementing exactly what you're talking about which is this online notification is it would require additional technology. So, that is something we've started to

cost-out and are working with OMB to sort of figure out what the final budget for that and other technology upgrades that we need to do for code enforcement, including inspecting vacant apartments. So, there is a fairly large, sort of, series of questions that we're asking about like what upgrades do we need. I think at least partially we've identified a vendor for some of those and are just trying to finalize those.

COUNCIL MEMBER RESTLER: Okay. Final question as my time expires. Excited to dig in on the Housing Plan with you and your team more. Excited about a lot of expansion of new construction. On the preservation side, something that we've raised with you previously and I think we owe you some details that we'll get to you imminently- we're very concerned about expiring 421A buildings that have no good cost protections. And just wondering as you're thinking about the preservation expansion that was significant, you with the $4.5 billion additional dollars in funding that HPD received in the Capital Plan, is this an area that you think we can target? Any thoughts you could offer there?

COMMISSIONER LEVY: Yeah. This has been also very much on our minds. So, you know, right now there is about 8,000 units or about two-thirds of the eligible projects that are expiring. So these would be affordable units as part of the 421A that have opted into the 421A 17 program, right? So, that extends the affordability as long as the developer can add an additional five percent affordable unit. There are more expiring, obviously, and that will continue happening year over year, and so we are, you know, exploring is there more outreach we need to do? Is there more resources we need to sort of bring to bear? But we are also very committed to making sure that we do not lose the affordable set-asides in the-

COUNCIL MEMBER RESTLER: [interposing] We appreciate that and want to work together on that. I just- and I'm over time, but for 10 seconds just really want to underscore, I don't think it's just about the affordable units. The market rate units have been subject to rent regulation over these years, and in districts like mine they can triple or quadruple in rent, and so we really need to focus on how to keep those units as units that middle income families can live in today, but will only be

available to extraordinarily rich people if we don't protect them.

COMMISSIONER LEVY: I agree, and I live in one, so you know.

COUNCIL MEMBER RESTLER: Half a block outside the district–

COMMISSIONER LEVY: [interposing] Yes, and I would just– I would also point out, right, that we do understand that those units remain stabilized during the tenancy, right? So, they wouldn't lose stabilization protections while the tenant remains in place, but we agree when the tenant leaves it would become fully market. So, understood.

CHAIRPERSON LEE: Great. We've been joined by Council Members Morano and Riley. And next we have Zhuang followed by Hudson.

COUNCIL MEMBER ZHUANG: Thank you, Chairs, and also thank you, Commissioner. I'm here.

COMMISSIONER LEVY: Oh, good. Hi.

COUNCIL MEMBER ZHUANG: I love about intergeneration housing. I want to know what the percentage for senior if it's intergeneration housing.

COMMISSIONER LEVY: It's an excellent question. I don't know that we've actually gotten to a finalized term sheet. So, right- but the question of how many units would be restricted for seniors and how many would be family-sized units will really come down to making sure that the cash flow for the project works. We'll be, you know, doing some modeling and some underwriting to create a term sheet. I'm going to just look to see- nope. Looks like nobody wants to add to that. So, I think it would be a mistake to commit right now to how many of a generational building are senior and how much are family, but we would find the balance that way-

COUNCIL MEMBER ZHUANG: [interposing] So, our senior doesn't know how much housing they going to get after the SARA not able to build anymore?

COMMISSIONER LEVY: No, SARA will continue to build, as we said. I think we also have a clarifying point about how much money there is in the budget for the SARA. But there's 2,000 units that are currently in our pipeline and an additional 2,000 units that we're committing to for senior housing, specifically for seniors over the next two years.

COUNCIL MEMBER ZHUANG: And your team just said $158 million for SARA?

COMMISSIONER LEVY: I think that's where we want to make a correction.

DEPUTY COMMISSIONER CAPHART: Yeah, that's for the current fiscal year. The question was for the current fiscal year FY26.

COUNCIL MEMBER ZHUANG: For how many units?

DEPUTY COMMISSIONER CAPHART: In-

COMMISSIONER LEVY: [interposing] 2,000 units.

COUNCIL MEMBER ZHUANG: 2,000 units. Each units only cost $79,000? What kind of units will be that?

COMMISSIONER LEVY: I'm not aware of any unit that you can build for $79,000.

COUNCIL MEMBER ZHUANG: I did the math. I'm very sensitive with numbers. $158 million dollar divided by 2,000 units, that's $79,000 each unit.

COMMISSIONER LEVY: So, that is the subsidy that we have to contribute to make the projects go, but I'm not sure I understand your

questions. I thought you were saying it's less expensive to build NYCHA units.

COUNCIL MEMBER ZHUANG: No, no, no. For me it doesn't make sense for $79,000 we can build senior units, SARA units for seniors.

DEPUTY COMMISSIONER CAPHART: So, also let me just clarify quickly on the fiscal year. So, the question was about the current fiscal year FY26 which was the $158 million. For the new fiscal year coming up which is FY27, the budget is $300- about $280 million-

COUNCIL MEMBER ZHUANG: [interposing] $300 million dollar addition?

DEPUTY COMMISSIONER CAPHART: for the SARA program.

COUNCIL MEMBER ZHUANG: Okay. How much units for this year? How much money going to cost?

COMMISSIONER LEVY: 1,000 units.

COUNCIL MEMBER ZHUANG: 1,000? Even 1,000, it's around $160,000 [sic]. It doesn't make sense.

COMMISSIONER LEVY: I think we've gotten this a little confused, so I'm just going to ask- if you would like an accounting of how much money and

how much subsidy goes into each SARA unit for the current fiscal year and for the upcoming two fiscal years, we would be happy to get all of that to you in an easier to follow report and then to sit down and talk about it if you have concerns about what it's costing.

COUNCIL MEMBER ZHUANG: Sure. Because it doesn't make sense for me. 200,000 affordable housing and also it's only $22 million. For city build each apartment, average is $600,000. It just doesn't make sense to me, $22 million dollar to build 200,000 affordable housing. I this number correct?

COMMISSIONER LEVY: Yeah. Well, the goal for the Housing Plan is 200,000 units of new units and 200,000 preservation units. This is- you know, $22 billion is a huge downpayment towards getting towards getting to that goal. I think we're going to be in a ramp-up period, and as we said in the Housing Plan the goal is to be producing over 20,000 units by 2031.

COUNCIL MEMBER ZHUANG: Okay. So, over 200,000 units, and by what time? By 10 years, or how many years?

COMMISSIONER LEVY: So, right now as the plan lays out we will be producing about 14,000 units this year and another- a little bit more than that in the next year. And as we continue to ramp up, the goal is to be producing over 20,000 units per year by 2031.

CHAIRPERSON LEE: Okay.

COUNCIL MEMBER ZHUANG: Okay, thank you.

COMMISSIONER LEVY: You're welcome.

CHAIRPERSON LEE: Okay, Council Member Hudson followed by Morano.

COUNCIL MEMBER HUDSON: Thank you. I want to apologize because I did steal Council Member Restler's cushions with the hopes that it would give me a boost, but I know you can't really see me over Council Member Morano.

COMMISSIONER LEVY: I can see you.

COUNCIL MEMBER HUDSON: Okay. I appreciate the lean. You mentioned in your testimony hundreds of millions of dollars specifically to preserve and improve our Mitchell-Lama housing stock, and I'm wondering how specifically those funds will be allocated, and can

you share the 15 Mitchell-Lama projects that are currently in HPD's preservation pipeline?

COMMISSIONER LEVY: We absolutely can. I don't have them sitting here today, but we'll happily send you a report of all the Mitchell-Lama's. I know Tivali [sic] in your district is among them.

COUNCIL MEMBER HUDSON: Yes. It's among the 15?

COMMISSIONER LEVY: I believe it is among the 15.

COUNCIL MEMBER HUDSON: Okay, great.

COMMISSIONER LEVY: And so your question is how will the funds be distributed. We obviously have an asset management role for the New York City overseeing Mitchell-Lama portfolio, and so we will be targeting those funds to the projects that are most in physical and financial distress. There is a list. I have, you know, some of them in front of me, but there are, you know, a fair number that need attention and so we are very, very happy to have a dedicated source specifically for Mitchell-Lama preservation. Which will sit incrementally on top of what we already dedicate in a given year or a typical year through our normal preservation pipeline.

COUNCIL MEMBER HUDSON: Okay, great. Would love to continue that conversation offline. THank you.

COMMISSIONER LEVY: Sure.

COUNCIL MEMBER HUDSON: And then with regards to emergency housing vouchers, in response to the elimination of the emergency housing voucher program at the federal level, HPD announced a stop gap program of two years for the 2,500 emergency housing vouchers the agency currently administers. Can you provide more insight into what the stop gap entails?

COMMISSIONER LEVY: Absolutely. So, this actually started long before I got to the agency, so I just want to give a shout out to the team. Sorry, I don't know which way to lean down.

COUNCIL MEMBER HUDSON: I know, because Council Member Morano keeps switching his lean.

COMMISSIONER LEVY: Yeah, you lean right, I'll go left.

COUNCIL MEMBER HUDSON: Thank you.

COMMISSIONER LEVY: So, the team worked really hard knowing that the federal government was sort of retreating from this program which is

terrible to transition all of our EHV holders to our home program. So these are federal funds, and one of the things home allows for is something called tenant-based rental assistance, TBRA for short. It is a two-year time-limited program. So, it is a bridge, but it does apply- it is eligible to every one of the 2,000 EHV holders who are in our pipeline and they started well in advance of the funding running out to basically re- you do have to go through a new application process, a new signing up. It's a different federal source, but we have made huge progress in transitioning virtually all of our work. We haven't completed it yet, but like have reached out to all 2,000 and have started the process of converting them over to his TVRA funding.

COUNCIL MEMBER HUDSON: That's great and good news. Thank you. Does the program incur additional costs at HPD?

COMMISSIONER LEVY: Just time and staff, but we are- we're muscling through it.

COUNCIL MEMBER HUDSON: Alright. And then how do you plan to support impacted households after the two years of the program?

COMMISSIONER LEVY: I think we'll have to continue looking for all available resources. I mean, there is a hope that the federal government might decide to reinvest in housing sometime between now and then. That would be the best option, but short of that, you know, we will potentially get new home funds in out-years, and so we'll have to look, you know, at least with more than a year in advance to see if we continue to going. You can extend TVRA, but that is contingent on the funding being available from the federal government.

COUNCIL MEMBER HUDSON: great. Thank you so much. And thank you. Council Morano-

COMMISSIONER LEVY: Council Member Morano followed by Riley.

COUNCIL MEMBER MORANO: My apologies to my colleague for the inconvenient leaning. It's not the first time my lean to the right has gotten me in trouble in this body. Commissioner, your testimony discusses financing 200,000 new units and preserving 200,000 existing units, right? While the Capital Commitment plan increases by billions of dollars, what is the average public subsidy per unit on this plan and what specific steps are you taking to reduce

that cost over the next five years. And I'm not trying to be duplicative of my colleague's question. I'm just trying to get at if we're spending substantially more money, how do we know we're getting more housing rather than simply paying more for housing?

COMMISSIONER LEVY: Yeah. So, a couple of things to say on that front. I appreciate the question. The first is what I described earlier which is this prioritization framework that we're doing with our pipeline. So this will really be a message out to our development partners that we want cost efficiency of as one of our top priorities. That will solve some of it, but obviously not all of it. So, the second thing I would point to is the work that we've just done through the SPEED initiative. So, while that's a lot of time- as you've probably heard time is money, and so creating these efficiencies in the way housing gets built and the time is takes to build- having, just as an example, the SECRE [sic] free com- thanks to the the governor and the legislature, that is a huge, huge cost savings to projects. Right? It could cost more than a million dollars for- we've heard significantly more

than that– just get through an environmental review many, many, many of which don't have any findings. So anyway, these efficiencies through speed we think will help really drive cost savings in production. And then lastly, we are exploring– and I think the plan talks about this are there sort of innovations in new construction that we need to sort of really take a harder look at, particularly modular. So, in what they call industrialized housing, housing not built on site. We have seen some significant savings in total development costs through modular. We'd like to see more, and we've held a roundtable recently to sort of determine are we missing something, is there more to do here? But I think it's going to be sort of a culmination of factors that help drive the development costs.

COUNCIL MEMBER MORANO: Towards the end of your testimony you said the time has come for government to get out of its own way, which is right up my alley. Can you identify one or two specific rules, review processes, or approval requirements that currently add substantial costs and delay to housing projects without providing a meaningful public benefit?

COMMISSIONER LEVY: Well, not to be redundant but C-Grow [sic] is a very good example. We did a look back- I'm going to get the numbers wrong, so somebody will hold me truthful. But we looked back at, you know, dozens and dozens of projects that had gone through a very lengthy SECRA [sic] review and looking back, like less than one percent had any findings of any kind. So, the thinking- and again, it's really millions of dollars and months and months of time. So that was a perfectly very logical common sense reform that will change, you know, the total cost of development and the time it takes to bring housing to the market.

COUNCIL MEMBER MORANO: Thank you.

CHAIRPERSON LEE: Council Member Riley?

COUNCIL MEMBER RILEY: Thank you, Chair. Good afternoon, Commissioner. Great seeing you again. With the limited time, I'm just going to focus my questions on home ownership. Given the city- or excuse me, HPD projects the creation and preservation of approximately 5,700 affordable home ownership units over the next two years. Can you break down how many of those units will be

newly-constructed versus preserved and in which boroughs they will be expected to be located?

COMMISSIONER LEVY: Well, definitely the first part– so, right now, the expectation is that 1,450 of those units will be new to the market. So, that's a combination of our open door new construction program, our ANCP program which is the conversion of rentals to cooperatives. The new cooperative program called Our Home and Home First which is our downpayment assistance which is basically– right– typically for our first-time homebuyers getting into new–

COUNCIL MEMBER RILEY: [interposing] So almost a third.

COMMISSIONER LEVY: No, that's four. So, ANCP is one. Open Door is two. Home First which is our downpayment program is three, and Our Home which is our new–

COUNCIL MEMBER RILEY: [interposing] Four, okay.

COMMISSIONER LEVY: cooperative. The rest would be a combination of things like Home Fix which is the home repair program, the new Map program which is going to be a foreclosure prevention program for

existing homeowners, our ADU work which we see as a preservation tool for existing home owners, and then a ton of work we do in just existing HDFC preservation and refinancing.

COUNCIL MEMBER RILEY: And have you guys been coordinating with DCP on neighborhood rezoning plans on incorporating home ownership opportunities with those plans?

COMMISSIONER LEVY: We do, and we do want to see more of it also included where it's appropriate. I think this administration is putting a lot of emphasis on making sure home ownership is a key part of our housing plan, and I think I said this to you when we met, but I used to run home ownership for the state and-

COUNCIL MEMBER RILEY: [interposing] Yes.

COMMISSIONER LEVY: it's very meaningful to me, so I'm very pleased to see this new commitment in the housing plan.

COUNCIL MEMBER RILEY: Can HPD provide data on the racial demographics of the current Home First and Open Door participants, and are these programs reaching the communities they were designed to serve?

COMMISSIONER LEVY: We absolutely can gather that data. I do not have it here for you today, but we will happily gather it and share it.

COUNCIL MEMBER RILEY: Okay. HPD anticipates a system of more than 350 first-time home owners program within the Home First buying program. Given the scale of the need in New York City, what is that number relatively modest, and what additional resources will be required to significantly expand that participation?

COMMISSIONER LEVY: Yeah. It's a fair point. I mean, it is a– it's a bigger number than has been true in New York's past–

COUNCIL MEMBER RILEY: [interposing] Yes, and we appreciate that.

COMMISSIONER LEVY: but I understand that it's not a big enough number. One of the things we've started to talk about is better coordination, and I don't just say this because I used to oversee it, but SONYMA [sp?] made the state of New York mortgage agency also has a downpayment assistance program for first time homebuyers and specifically for home buyers of color. So, I think there's a question as to whether or not we could marrying these

tools together in order to expand, and also just being more strategic about making sure SONYMA is working in New York City.

COUNCIL MEMBER RILEY: Chair if I may, just two quick questions? Thank you. The new home- excuse me, the Our Home initiative, and we spoke about this during our visit a couple of months ago. So I'm really happy that's a part of the mayor's plan. What criteria will HPD use to identify the buildings that are eligible for this criteria?

COMMISSIONER LEVY: Yeah, it's a good question. And to be honest, I think the consideration is that there could be more appetite. So, I think right now, because the funding is- you know, we're not expecting to do more than about 300 units, and also because having worked for U-HAB, right, we understand sort of converting from rental to home ownership. Collective home ownership is challenging. I think we'll be targeting this to smaller buildings. I don't think we've put an absolute cap on it, but thinking about- and also I would say where tenants have been very clear that this a priority for them to convert to home ownership. That would also be a place to prioritize

and then lastly, I would sway what I said in my testimony, which is there are a number of buildings that are transferring through voluntary sales or just thou foreclosure, unfortunately, but those are also opportunities where tenants because of this term sheet would have an opportunity to like raise their hand and say we want to be considered as part of the ownership.

COUNCIL MEMBER RILEY: Thank you. My last question, and I thank you guys for raising the cap on the home Fix Lan cap program. What analysis did HPD conduct to determine that $100,000 reflects the current rehabilitation cost for New York City right now?

COMMISSIONER LEVY: Our past experience running the program, right? So we do know that, you know, like for-profit developers and nonprofit developers, homeowners are contending with rising costs in the labor market and supplies with tariffs. So, looking back at the data that we had from having run the program for many years, we identified $100,000 as a much more appropriate level to get the needed repairs done.

COUNCIL MEMBER RILEY: Thank you, Commissioner. Thank you, Chairs.

CHAIRPERSON SANCHEZ: Thank you. So, just a final round for me, and I think we're going to hear from Borough President Sigal, Hoylman-Sigal in just a bit. But I just want to pick up on a bit up on a couple things my colleague said. So, Council Member Maloney was gentle in her questioning, but I do want to uplift that the concern around 485X and 99 unit projects being used- that concern came to me in the form of an assertion that folks in the industry suspect that projects are trying actively to circumvent the wage affordability and oversight requirement that kicks in at 100 units. So I just want to elevate that concern from Council Member Maloney. And then on Mitchell-Lama's, Council Member Hudson's question, since you knew her project, do you know if 2865 Kingsbridge Terrace is on the list as well?

COMMISSIONER LEVY: Let me look. I don't know if any of my colleagues here know. No, it's not- are you saying no, you don't now, or it's not-

UNIDENTIFIED: Don't know.

COMMISSIONER LEVY: We don't know, but I will find out-

CHAIRPERSON SANCHEZ: [interposing] We don't know.

COMMISSIONER LEVY: and let- but if you give me one second actually, I do have a list of projects that might- yes, we are- I think Kingsbridge, right, is a co-op in your district?

CHAIRPERSON SANCHEZ: Yes.

COMMISSIONER LEVY: And my note to myself is that it's an AEP [sic] which is a problem, right? So, that's an odd construct, and we need to- we probably should talk about why that's happening, because in essence the tenants are calling code enforcement on themselves. But one of the things we're looking at there is to sell the garage, as I understand it, which would generate capital which would generate capital which would give us a real boost to get into the building and start to address the repairs, but that is an odd construct and something we should probably follow up as to why tenants aren't sort of recognizing their ownership and acting more like tenants, yes.

CHAIRPERSON SANCHEZ: Absolutely. And a huge shout out to Justin Donlyn [sp?] and Nicole and everyone for answering the questions on this property. There are a lot of red flags going on there. So I just wanted to make sure to raise it here. The Executive Plan includes an additional $1.2 million in city funds baselined starting in fiscal 2026 to provide financial incentives in the basement conversion program, up to $5,000 to 100 homeowners and 100 tenants a year starting in fiscal 27. The ADU program also received additional capital funding in the Executive Plan through the Plus One ADU program. Can you share with us how owners and tenants will be selected for these incentive programs, and how does HPD plan to publicize both the basement incentives and Plus One ADU program?

COMMISSIONER LEVY: Right. So, I think you're aware, Council Member, that we launched ADU for You which is sort of a one-stop shop for our ADU programs. It's a place where tenants can- or I'm sorry, homeowners can go and look at pre-approved models of ADUs that have been sort of, you know, approved by all the different agencies so that it would be a quicker timeline to get them online. It's

also a place where we will promote the basement apartment which is not quite opened for business, but it's coming soon. And finally, there is where also folks can then get directed to Neighborhood Restore who is providing the technical assistance to both homeowners for either basement or for the ADU conversion. At the moment, we are trying to, you know, just call through the 3,000 inquiries we got of interest for the ADU program to try to identify, you know, who's serious, who wants to follow up, provide the additional documentation that we have to collect from each person in order to move them through. So, it's sort of, you know basically who gets their documents to us first, but I think with the basement apartments we will want to look also at where the highest risk is based on what we know about historic flooding and the risks associated with that. We will be looking to see if we can prioritize folks who are living frankly below flood elevation and shouldn't be.

CHAIRPERSON SANCHEZ: Beyond the 3,000 homeowners that expressed interest, is there a way for other additional homeowners get- to express interest-

COMMISSIONER LEVY: [interposing] Oh, it remains open, right? And so we keep sort of calling through basically in batches. They go from HPD over to neighborhood restore as we identify projects that look viable and then follow up happens between Neighborhood Restore and the applicant to get additional document, to get additional documentation, and then it is frankly a somewhat arduous process to go out and then evaluate the land, right, is there- if it's a standalone. Is the property big enough to hold a standalone ADU? If it's a conversion of an existing structure of the property, whether that's a basement or whether that's, right, just an addition to the home, all of these things sort of factor into whether or not it's a viable project, and not every- unfortunately not every project is viable. So, first, we're looking for eligibility, and then we're looking for sort of physical viability.

CHAIRPERSON SANCHEZ: Got it. Thank you. I feel compelled to say this out loud that there is a disconnect between properties that Department of Finance classifies that's three-family homes in many instances, a constituent concern that I've gotten in my neighborhood. And then DOB's certificate of

occupancy is only for two-family homes for the same property. So, just, you know, curious. Wanted to flag that for you as you, you know, continue to talk to homeowners about that disconnect and potential, you know, higher taxes that some folks may be paying. A quick one. Is the city backed insurance pool being implemented by HPD?

COMMISSIONER LEVY: So, it's a partnership generally between EDC, HPD, and HDC. Right now, HDC is going to hold the contract for the technical advisor that's helping us craft the RFP that will go out soon, and then also help us evaluate the proposals that we get back. Ultimately, you know, we will either fund one or more proposals. We're not locked into necessarily one, but so, yeah. It's a collaborative effort between the three agencies.

CHAIRPERSON SANCHEZ: Thank you. Moving to federal threats. It's not so much a threat as reality. HPD has lost $485 million in federal funding between the fiscal year 26 Executive Budget and the fiscal year 27 Executive Budget. $145 million in CDBG grants, community development block grants, and $340 million other federal sources. Which areas of the agency are these cuts affecting

the most? How has the Executive Plan begun to address any new funding needs emerging at HPD as a result? And to follow up on the question on emergency housing vouchers, HPD has been id- you talked a little bit about the tenant base vouchers that HPD was able to identify. Can you provide an update on the rollout of the home tenant-based rental assistance vouchers? How is that going in terms of, you know, receiving applications and everything that you need from tenants?

COMMISSIONER LEVY: Yeah. So, we- I have- we have had significant uptake, and I think we've now mailed to if not the entire population, close to the entire population. So, we are- I feel that we- and again, the team deserves all the credit here- have gotten ahead of this so that we will be able to make the transition before the EHV funding at the federal level expires. If you'd like to know exactly how many, you know, how many humans have actually signed up and transitioned onto the program, we can get you that and certainly follow up. To your earlier question, you know, we've been generally fortunate that the home funding has stayed pretty flat. And I might ask Gardea to comment. I believe

the CDBG funding has also remained pretty steady. It has an increase which is what we'd actually like, because dollar values have less over time because of inflation. Where I think we've had the most critical cuts is the Section 8 budget, right? And so the reserves that were sweeped [sic] by HUD creating a shortfall for us has been really, really challenging. And we are– we remain very concerned that we need full funding for the Section 8 program. That is just something not really replaceable by city or state government.

DEPUTY COMMISSIONER CAPHART: So, yeah. Just to add to that, Madam Chair, the funding as the Commissioner said, remained flat for CDBG. Excuse me. So, what happens is that for the current fiscal years, at times we roll over funding from the prior year that was new. So, the current year will have a higher amount, but then for the next fiscal year we revert to the baseline, so that's why you're seeing that drop to what the flat line is. But each year we roll funding over and as new funds get scheduled, you'll see an increase in the federal budget.

CHAIRPERSON SANCHEZ: Great. Thank you. The last– my last thing is not really questions, but

rather comments. You know, I think it's- the housing industry is really excited to see your focus, Commissioner, on lowering operating costs. So, I would be remiss if I didn't use this as an opportunity to elevate that. I urge the administration, the mayor and everyone on down to work with the Council to resolve the CityFHEPS lawsuit, the expansion lawsuit, because it is an important place, an important way to stabilize even more homes and units across the City of New York with steady income strains for those owners. DOB is not testifying before the Council, but I do want to highlight on the record that I remain concerned about inspector headcounts there so that you can let Commissioner Tigani know there we're really keeping an eye out for vacancy reductions. The previous administration did tremendous harm to the inspection staff at the Department of Buildings, and we've sort of been recovering ever since. And so just want to make sure that I say that on the record. And those are my last comments. Okay. Well, with that, I- oh, one second. So, with that, I want to thank you, Commissioner, and turn it back to Chair Lee.

CHAIRPERSON LEE: Yeah. We're good. I think that's the end of this portion of the budget hearing. So I really want to thank you, Commissioner, and your team for coming. So, thank you so much.

COMMISSIONER LEVY: Thank you.

CHAIRPERSON SANCHEZ: Shortest HPD hearing in history.

CHAIRPERSON LEE: I know, right? And we're going to transition into Borough President soon. Okay, I think we're going to move into our next portion which is testimony from our Manhattan Borough President. So, if everyone could quiet down. Sorry, Sergeants, if I'm taking your job. Okay. I can- we can start, right? We're good to go. Okay, perfect. So, feel free to start whenever you're ready.

BRAD HOYLMAN-SIGAL: Thank you. Thank you, Chairs Lee and Sanchez and the members of your Committee on Finance and Housing and Buildings to allow me to testify in support of investing in housing in this year's city budget. I don't have to tell you, but affordable housing remains one of the city's most pressing public policy issues. In

January- to take a Manhattan-specific example, the average rent hit $5,711 a month. That's an all-time high. Manhattan's median income monthly rent exceeded $5,000 for the first time on record in April. The median monthly rent exceeded $5,000 for the first time on record in April. More than 60 percent of Manhattan residents are renters. Nearly one half of households are rent-burdened, and a quarter or more are severely rent-burdened. Failing to address the housing shortage could cost our region 730,000 jobs and a trillion with a "T" in lost economic output by 2035. I would concur that the city, thanks to your efforts, is meeting the moment with urgency. I'm excited to support the mayor's new Block by Block housing plan to build 200,000 new affordable homes and preserve 200,000 more. In my Preliminary Budget response I called for at least $4 billion a year in HPD capital commitments, and thanks to the support of the City Council, the Executive Budget not only meets but exceeds this in FY27 with $4.8 billion and in FY28 with another $4.5 billion. This funding is essential to increase the supply of quality affordable housing as our agency efforts to staff up and be more efficient in the ways that the

money is spent. To that end, I'm glad to see that the Executive Budget increase agency expense budgets to ensure that the capital funds are used efficiently. The recently released SPEED report from City Hall is a landmark attempt to cut the red tape, slowing down affordable housing production. HPD and DCP need the funding for the staff to deliver on these commitments and to ensure SPEED and production can be accomplished without compromising quality. I for one strongly support the investments that the Executive Budget proposes for these agencies. Manhattan has a unique opportunity to address the housing crisis with office to residential conversions. Too many conversion projects are stalled not by financing, not by zoning, but arcane provisions of the building code. One of the most consequential is the operable windows requirement which proposes an enormous cost for offices with high-quality HVAC systems. Last year, I wrote and passed legislation in the State Senate that was repassed this year to allow residential conversions to use mechanical ventilation as an alternative to operable windows, aligning New York with a nationwide standing. That regulation dates back to the 1870s.

This bill will hopefully pass the Assembly soon and be sent to the Governor. I urge the Council to join me in calling on Albany to get this common sense legislation over the finish line. Now, in my role as Manhattan Borough President I've been proud to do my part by saying yes to virtually all the housing development proposals that have come across my desk in the last five months, recommending approval of applications that will build 1,400 new residences in Manhattan. I look forward to continuing to support rezonings that will deliver urgently needed housing, especially in neighborhoods that have seen very little affordable housing development. But building more housing is only half the equation. Equally important is keeping New Yorkers in their homes. When right to counsel is adequately funded, at least 89 percent of tenants facing eviction with representation in Housing Court stay in their apartments, but citywide tenant representation in Housing Court has dropped from 71 percent in 2021 to 42 percent in 2024. I would urge the city to increase right to counsel funding- and again, I know I'm speaking to the choir here- by at least $350 million to restore the program to its intended coverage

levels. I'm also pleased to announce that for the first time, the Manhattan Borough President's office is hiring a Borough Organizer dedicated to organizing tenants across Manhattan, creating what we're calling a Manhattan Tenants Union. Many tenants don't know their rights or that they share a landlord with hundreds of other renters throughout the borough. Our Borough Organizer will be on the ground in community centers, at tenant association meetings, and in buildings ensuring that tenants know what protections they have and have the collective power to enforce them, because tenants are stronger united. And finally, no conversation about Manhattan housing is complete with a mention of NYCHA. Manhattan is home to 243 NYCHA developments, housing 91,010 Manhattanites, an irreplaceable force of affordable housing for low-income residents. A 2025 needs assessment found that NYCHA requires $78 billion over two decades to reach a state of good repair. I welcome the additional NYCHA capital commitments in the capital plan, and I urge the city to doubledown on these investments in the coming years. NYCHA residents are also particularly exposed to federal funding instability. A proposed HUD rule that I'm

sure you're familiar with would terminate housing assistance. The federal termination of the emergency housing voucher program is putting more than 7,200 NYCHA and HPD voucher holders at immediate risk of losing rental assistance. I would urge the city to conduct a thorough assessment if potential federal impacts commit to supporting families at risk. From low income public housing residents living in deteriorating buildings and federal funding to market rate tenants experience record-high rents, New Yorkers are indeed facing the existential housing crisis. The FY 2027 Adopted Budget reflects the pressing need to invest in all types of housing for New Yorkers today and for generations to come. And I want to thank you for your support of that budget, everything that you're doing to increase it, and for the opportunity to testify today. Thank you.

CHAIRPERSON LEE: Thank you so much, Borough President, and for your continued support, fight for more housing, affordable housing, right to counsel which is very big and important for the City Council. So, thank you so much.

CHAIRPERSON SANCHEZ: Yeah, echoing that. Thank you so much for taking the time to join us today.

BRAD HOYLMAN-SIGAL: Thank you. Thank you very much.

CHAIRPERSON LEE: Thank you.

BRAD HOYLMAN-SIGAL: See you soon.

CHAIRPERSON LEE: Okay. And I think that closes out our HPD portion of our budget hearings, and next we will move on to NYCHA.

[break]

CHAIRPERSON LEE: Okay. Is everyone ready? You guys are good to go? Okay. Alright. We're getting kicked out at four, so I want to get started. Okay, so good afternoon. Welcome to the third FY 27 Executive Budget hearing for the day, focusing on New York City Housing Authority. I'm Council Member Linda Lee, and I'm proud to be joined by my colleague, Council Member Chris Banks who is the Chair of the Committee on Public Housing. We've been joined by Council Members Wong, Morano, Marte, and Encarnacion. And welcome to Commissioner Lisa Bova-Hiatt. Am I saying that correctly? Okay, perfect. So, welcome to you and your team and thank

you all for joining us to answer our questions today. On May 12th, 2026, the administration released the Executive Financial Plan for FY26 to 30 with a proposed FY27 budget of $124.7 billion. The New York City Housing Authority proposed FY27 budget of $392.7 million represents 0.3 percent of the administration's proposed FY27 budget in the Executive Plan. Although NYCHA also receives a large amount of their operating budget from sources outside of the city. It's an increase of $16.9 million or 4.5 percent from the $375.9 million originally budgeted in the FY27 Preliminary Budget. And this increase results from several actions, primarily the addition of funding for vacant unit readiness and NYCHA's new critical repairs initiative. As of April 2026, NYCHA's headcount was 182 less than their headcount at the end of December 2025. The Council's happy to see the inclusion of additional funding to address many of the long-standing capital needs across NYCHA's portfolio. In recent hearings we have discussed at length the necessity for NYCHA to bring more vacant units online faster, address issues with mold, leaks, elevators, and other key infrastructure issues. While the Authority faces historic

disinvestment from the federal government, it reflects this administration's priorities to see an increased investment in NYCHA. I'm interested in hearing more about how these funds will be deployed, what their impact will be, and how they play into the broader housing environment across the city. And NYCHA's savings targets in accordance with the mission of Chief Savings Officers is also something that we're looking forward to hearing about. And I now want to turn it over to my Co-chair for this hearing, Chair Banks, for his opening statement.

CHAIRPERSON BANKS: Thank you, Madam Chair. And to the panel, thank you for being here today. Good afternoon and I thank everyone for attending, who are tuning in virtually as well, to the joint Committee on Finance and Public Housing for the fiscal year of 2027 Executive Budget and Executive Capital Commitment Plan for the New York City Housing Authority. I'm Council Member Chris Banks, Chair of the Committee on Public Housing, and I would like to again thank the Finance Chair Lee, Speaker Menin who's supposed to be joining us here today and all my colleagues for being here. Also want to recognize the members on both committees,

thank them for their continued commitment to public housing across the entire city. NYCHA houses more than 500,000 New Yorkers, approximately one in every 17 city– one in every 17 residents. These individuals include some of our most vulnerable populations, seniors, working families, low-income New Yorkers who often rely on limited public benefits and support services. As the largest public housing authority in the nation and the city's largest residential landlord, NYCHA plays a critical role in ensuring housing stability for hundreds and thousands of New Yorkers. After decades of disinvestment, NYCHA continue to face an existential challenge. We cannot claim progress when funding swings from $500 million one year to $140 million the next year. This type of inconsistency is exactly what defines the systemic disinvestment in NYCHA that has endured for years. The federal government has steadily reduced its commitment to public housing and the state's contribution in this year’s budget falls dramatically short of what is needed to address the estimated $80 billion in capital needs. At the same time, this administration continues to emphasize privatization strategies through RAD/PACT conversions, directing

substantial resources towards those initiatives while traditional Section 9 public housing remains severely underfunded. Together, these decisions have pushed NYCHA to a critical juncture, one that threatens the long-term stability of its housing stock and the wellbeing of its residents. And the future of public housing in New York City. The mayor's Housing Plan released on May 26th titled Block by Block rightly recognizes NYCHA's central role in both a provider of deeply affordable housing and a key component to the City's broader housing strategy, but recognition alone is not enough. The mayor's- This committee wants to understand how NYCHA plans to scale its operations, accelerate repairs, and return vacant apartments to service. We cannot simply continue investing in additional resoures without a clear strategy for execution. We need to understand NYCHA's plan to improve operational inefficiencies, strengthen project delivery, reduce vacancies, and ensure that investments are translating into measurable outcomes for the residents. Time is of the essence, and we cannot afford to continue to delay- the delays, mismanagement, or missed use opportunities when thousands of New Yorkers remain on

the waiting list while partners sit vacant. We must also hear clearly and concretely how this administration intends to position NYCHA moving forward. NYCHA can not be treated as an afterthought nor reduce to a vehicles for privatization. It must be fully invested in as a cornerstone of New York City's housing future, the very commitment made by the mayor, and NYCHA's landlord to New Yorkers and the same platform which he was elected on. The fiscal year 2027 budget does include increase of the investments, and critical repair initiatives including the vacant unit readiness, the lead and asbestos abatement and elevator mold and leak remediation. These investments are necessary and welcome them. However, there remains a long road ahead if we are serious about stabilizing NYCHA and ensuring residents are afforded the safe and dignified quality of life they deserve. While the Committee is encouraged by the investments in NYCHA's Section 9 portfolio, they continued to be outpaced by the administration's investment in RAD and PACT conversions. In fiscal year 2027, Executive Plan includes an additional $500 million for PACT conversions in fiscal year 2028, bringing that total

capital commitment for PACT to nearly $2.8 billion over this year. And the following two fiscal years, by comparison Section capital commitments total approximately $2.3 billion over the same period. Today, we look forward to hearing from NYCHA's leadership about how they are balancing the investments across the Authority, how these funds will translate into meaningful improvements in residents' daily lives, and how accountability will be maintained as increasingly share- as an increasing share of the portfolio's transition to private management, simply put. And this committee I'm asking, how does NYCHA plan to steady this ship? Time is not on our side. Every delayed repair, every vacant unit left offline, and every missed opportunity to invest in public housing only deepens the challenges facing hundreds and thousands of New Yorkers who call NYCHA home. I would like to thank, again, the Finance Chair, the Speaker for their leadership as well as the committee staff who helped prepare today's hearing, Spencer [sp?], Danu [sp?], Chima, Sumiya [sp?], Jose, and my Chief of Staff Michael and the entire team. With that, I'll pass it back to the Finance Chair. Thank you.

CHAIRPERSON LEE: Thank you. Okay, we've been joined by Council Members Brewer, Restler, and Hudson, and before we begin, just a few housekeeping things. We are going to have all-day public testimony hearing on Wednesday, June 10th, starting at 9:30 a.m. So, it's going to be an all-day fest. So, we look forward to seeing everyone there from the public for testimony. So, Wednesday, June 10th at 9:30 a.m. And the DOI hearing that is right after this will be held at 250 Broadway across the street on the 8th floor. So, without further adieu, I'm going to have our amazing Committee Counsel Brian Sarfo administer the oath.

COMMITTEE COUNSEL: Good afternoon, do you affirm to tell the truth, the whole truth and nothing but the truth before this committee and to respond honestly to Council Member questions? CEO Bova-Hiatt?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: I do.

COMMITTEE COUNSEL: COO Trimble?

CHIEF OPERATING OFFICER TRIMBLE: I do.

COMMITTEE COUNSEL: CFO Lescott-Martinez?

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: I do.

COMMITTEE COUNSEL: And CMO Baker-Rice?

CAPITAL MANAGEMENT OFFICER BAKER-RICE: I do.

COMMITTEE COUNSEL: You may begin.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: Chairs Chris Banks and Linda Lee, members of the Committee on Public Housing and the Committee on Finance, other distinguished members of the City Council, NYCHA residents, community advocates, and members of the public, good afternoon. I am Lisa Bova-Hiatt, NYCHA's Chief Executive Officer. I am pleased to be joined by Chief Operating Officer Eva Trimble, Executive Vice President of Finance and Chief Financial Officer Annika Lescott-Martinez, Chief Asset and Capital Management Officer Dylan Baker-Rice, and other members of NYCHA's leadership team. NYCHA's Board of Directors approved our adopted budget in November. Thank you for this opportunity to share updates on NYCHA's fiscal outlook for calendar and Fiscal Year 2026, as well as the progress we're making to transform our organization and residents' quality of life. Since we last sat before the

committee, Mayor Mamdani has released Block by Block: A Housing Plan for a New Era. NYCHA is a central part of the Mamdani administration's recently released housing plan. Over the next four years and beyond, NYCHA will play an essential role in not only stewarding the City's existing affordable housing, but also in creating new housing opportunities for current residents and other low-income New Yorkers. As laid out in the housing plan, NYCHA is focused on programs and new initiatives to improve and expand upon its work within three core areas: addressing major capital needs and supporting effective operations that are accountable to resident experiences and participation, delivering deep capital reinvestment and positioning NYCHA and the Trust as 21st century stewards of publicly owned housing, and supporting economic mobility for NYCHA residents. With the City's renewed focus, NYCHA will remain a valuable resource, a platform for opportunity for the New Yorkers we serve. In 2026, with a total of $5.6 billion in the Five-Year Capital Plan across existing funds, investments made in the 2026 preliminary plan, and new additions in the Mayor's first Executive Budget, the Mayor's budget is

dedicating the most City capital to NYCHA in recent history. We are incredibly grateful for the City's support of our mission. Mayor Mamdani and his administration are investing $500 million in new capital funding over the coming years that will enable us to comprehensively renovate thousands of homes through our innovative PACT and Trust programs, initiatives which provide residents with fully renewed homes while maintaining their rights and protections, as well as the integrity of our public housing. Additionally, approximately $78 million in new City capital funding will enable us to address asbestos as well as turn over thousands of vacant apartments more quickly. In addition, the City committed approximately $76 million in new expense funding over fiscal years 2026 to fiscal year 2030 to address mold, elevators, and vacant apartments. All in, total City support for public housing and Section 8 conversions increased by $650 million for fiscal years 2026 to 2030 in the fiscal year 2027 Executive Budget. In addition to new funding, NYCHA is currently investing over $6 billion using City, State, and federal sources in its Section 9 properties across 500 capital projects. In recent

years, NYCHA has made significant progress in turning over vacant apartments to be occupied. Annual move-ins have increased by more than 50 percent since 2023, the average turnaround time has been cut by 73 days since August 2024, and standardizing environmental testing and abatement has been implemented to ensure that every turned-over apartment is lead-free, mold-free, and asbestos-safe. The lead and asbestos work are time consuming and costly, but critical to protecting resident health and safety. The average cost to make each apartment move-in ready is about $59,000, driven mostly by environmental remediation requirements and the scale of repairs needed across an aging portfolio. Further, the number of apartments requiring turnover work is not static, as people continue to leave NYCHA for various reasons. NYCHA also facilitates transfers of existing residents to newly open units, including statutorily mandated categories such as survivors of domestic violence or those requiring accessibility accommodations. As a result, vacancies continue to cycle through NYCHA's system even as turnover performance steadily improves. As of May 20th, about 6,000 vacant apartments remain in NYCHA's vacant

portfolio. To address these challenges, the City announced it is investing the largest capital commitment to vacant unit turnover in the City's history. In the recently announced Executive Budget and in the Mayor's Block by Block Housing Plan, the City committed $256 million in capital funds and $118 million in expense funds through fiscal year 2030 to restore vacant NYCHA apartments and prepare them for tenancy. With this additional funding, NYCHA will be able to renovate more units and house more New Yorkers in deeply affordable homes. We thank the City Council for repeated advocacy and leadership on this issue. We will continue providing updates to the Council on our efforts to address the conditions in these units and bring more housing to as many New Yorkers as possible. We remain laser-focused on our core mission of providing safe and decent affordable housing for hundreds of thousands of New Yorkers. To that end, we are making the best possible use of the limited federal funding that's available while also pursuing innovative strategies for bringing billions of dollars of investment to our properties, delivering to residents the quality of life they deserve. The figures in our adopted budget that we

shared with the Council in March remain the same. We anticipate a balanced budget by year end, with $5.6 billion in expected expenses matched by our total anticipated funding of $5.6 billion, and we expect to invest $3.6 billion in capital funding in our developments this year. However, the rent revenue deficit remains a major challenge. We collected only about 87 percent of the rent charged in April, and current arrears amount to approximately $493 million across 61,000 households. We are relaunching an informational campaign to let residents know how they can get help with paying down their arrears. Additionally, there is still uncertainty about the level of federal funding we will receive, and we remain concerned about federal funding cuts that could affect our operations. Congress's appropriation bill for 2026 decreases operating funding for public housing authorities nationwide by 14 percent. If NYCHA does not receive competitive shortfall funding from HUD to make up the gap, we would need to reduce operating spending by up to $158 million by year end. Even if we must make difficult choices to keep our budget balanced, we will always prioritize residents' health and safety, along with essential services. We

know that members of the Council are as concerned as we are about the fate of the federal government's Emergency Housing Voucher program. Once the federal government announced last year that it would be ending this critical program, with funding running out by the end of 2026, four years earlier than expected, we began developing a plan to assist the approximately 5,200 NYCHA participants. While NYCHA does not have the funding necessary to transfer EHV households to the traditional Housing Choice Voucher Section 8 program, we are working hard to provide them with a new subsidized housing option. To that end, we reached out to EHV participants through multiple rounds and modes of communication to encourage them to complete a public housing application, which we are accepting through this summer. As of May 27, we have received 1,275 public housing applications from EHV households, and we have begun matching some of those applicants with vacant apartments across our housing portfolio. The City has identified $80 million in HOME-ARP funding to reallocate to HPD's HOME-TBRA Program to assist a portion of NYCHA's current EHV participants. The proposed use of funding is contingent on HUD

approval. NYCHA takes seriously the timeline which we are operating under and is working with referral partners, participating in cross-agency working groups with City Hall and HPD to look for any approach to assist EHV voucher holders. We are wholeheartedly devoted to pursuing every possible strategy to ensure that NYCHA remains a vital resource of affordable housing for New Yorkers for today and for the decades to come. Thank you for your critical partnership and support as we continue making progress on behalf of the families we serve. We are happy to answer any questions you may have. Thank you.

CHAIRPERSON LEE: Thank you, Commissioner. We've also been joined by Council Members Ossé and Avilés. And I'm going to try to zip through my questions to give members more time. So, really quickly. Obviously, the– you know, NYCHA's a huge part of the Mayor's Housing Plan and you know, especially when talking about affordable housing. So, in the Housing Plan, the report outlines that a host of new financing tools, some of which you've outlined, are being created to achieve the widespread capital funding needs across the portfolio. One of

these tools is called the Subordinate Market Rate Revolving Term Loan, or- do they call it SMART? Sorry, SMART Loan which is a city-controlled loan product intended to be self-sufficient. What is the structure of the loan program? How much funding will be available to recipients, and what is the repayment timeline and interest rates?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank you so much for that question. I'm going to turn it over to Heather Beck who is our Interim Chief Real Estate Officer.

CHAIRPERSON LEE: Nice. You just have to be sworn in.

COMMITTEE COUNSEL: Do you affirm to tell the truth, the whole truth and nothing but the truth before this committee and to respond honestly to Council Member questions?

CHIEF REAL ESTATE OFFICER BECK: I do.

COMMITTEE COUNSEL: You may begin.

CHIEF REAL ESTATE OFFICER BECK: And thank you for that question. The SMART loan is a new product, if you will, that we've created with our partners at HDC. It's a loan product that we're contemplating using at the Fulton, Elliott, and

Chelsea redevelopment project for the first time. It's really a loan that works because we're leveraging the mixed-income opportunity at that site, and it's a publicly-driven loan and it's one that, you know, the public will continue to control and manage. And I think one of the things that we're really excited about is that it will be something we can replicate in other parts of the city if the market allows. But it's a product that we're using with HDC.

CHAIRPERSON LEE: With HDC, okay. And what types of projects are eligible?

CHIEF REAL ESTATE OFFICER BECK: Essentially anywhere we can build mixed-income housing and do basically market rate affordable– and affordable housing. Those proceeds help us leverage the debt for that one.

CHAIRPERSON LEE: Okay. And was funding included in FY27 to support this loan type?

CHIEF REAL ESTATE OFFICER BECK: Yeah, and this– as I said, this is something we're anticipating using on the Fulton, Elliott, and Chelsea project as soon as we're able to move forward with that.

CHAIRPERSON LEE: Okay, perfect. And then just- because I know sometimes the housing projects get delayed. So, that's why I just wanted to double check. Okay. Can you share any of the other funding tools that the administration and NYCHA plan to use to address the Authority's capital needs?

CHIEF REAL ESTATE OFFICER BECK: I don't have any- is that back for you or for Annika? We'll pass it to Annika, our Chief Finance Officer.

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: Thank you for that question. In the housing plan, the Mayor's Executive Budget makes significant investments in several priority areas, one of which is $500 million to support the renovation of Section 9 units through PACT and the New York City Public Housing Preservation Trust.

CHAIRPERSON LEE: Okay. During the Preliminary Budget hearing in March, NYCHA expressed that they were facing a reduction of federal operating subsidy from HUD of approximately 14 percent. Do you have any updates you can share with the Council regarding the funding loss from this cut and the associated pro-ration rate?

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: Thank you for that question, Council Member. So, yes, as we mentioned back in March, this year's reduction nationally is $789 million which is the 14 percent that you referenced. It's the largest decline in recent history, exceeding even what we budget conservatively. So, the direct impact to NYCHA is a potential $158 million reduction in our operating funds. There's currently an 87 percent interim pro-ration rate which is creating both a cash crunch for NYCHA on a monthly basis, as well as a general potential deficit to our budget. One of the tools that Congress also passed is a competitive shortfall grant funding. That application came out in May. NYCHA probably turned around their application in less than a week. And so we have applied for that funding, and we do anticipate based on our advocacy with congress and our conversations with HUD that we should receive enough to mitigate our deficit, but it remains with HUD, and we don't anticipate receiving a formal response to July or August.

CHAIRPERSON LEE: Got it. And how's that going to- if you could paint a picture, how would

that impact the budget and the projects that you guys have?

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: So, at this point, we are moderately confident that we will receive the shortfall funding. We are eligible for $600 million. The pot itself is only $337 million. We think we'll probably receive the $158 million that we need based on the national probation and the other needs of PHAs. So, at this point, we continue active sort of contingency planning, but we're not anticipating having to make any direct cuts to resident services at this point.

CHAIRPERSON LEE: Okay. Great. You answered my next question. And then NYCHA 26 to 30 annual budget book shows that NYCHA anticipates a deficit of $263 million in FY27 with deficits ranging from $206 million to $265 million in 2030. So, again, what steps are you planning on taking to address this in the out-years, and are savings measures that were used to address the shortfall this year such as overtime control, central office savings and those measures, is that helpful?

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: Sure. So, NYCHA operates on a slightly different

fiscal year than the city and a different budget sort of timeline. We pass a budget once per year, so we anticipate that we'll be passing a budget in- at the end of November of this year. That would take care of 2027, bring us into balance, and then also start to deal with our structural deficits. I would say at this point, everything is on the table, but of course we would prioritize programs that support the HUD SDNY agreement, our pillar areas, you know, things that directly deal with resident services, life, health and safety, but yes, overtime constraints, potential contract cuts, everything's on the table.

CHAIRPERSON LEE: Okay. And now that the state budget is decided, is there anything in there that will cover or help cover the shortfall?

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: I believe we received $140 million from the state, and we'll be working with them to do a grant agreement. There's also $50 million I believe which is to be shared between NYCHA and Mitchell-Lama. We don't anticipate that any of that funding would support our operating deficit.

CHAIRPERSON LEE: Okay. In the follow-up- in your follow-up letter to the Council

following the last Preliminary Budget hearing, you had mentioned that the Council– you had mentioned to us that the $63.3 million negotiated in City of Yes has yet to be allocated, including $5 million in FY27 and $58 in FY28. Are any of those allocations included in the plan?

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: Yes, so we are pleased to report that there's only $10 million left to be allocated. $53 million was allocated in the Executive Plan to vacant unit readiness, specifically on the capital side for asbestos.

CHAIRPERSON LEE: Great. And then quickly going to savings– did NYCHA submit proposals for savings to the administration, and if so, why are there no savings included in the plan? Or correct me if I'm wrong?

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: Sure. So, NYCHA participated in the Chief Savings Officer exercise. I'm the Chief Savings Officer. We did submit proposals. You know, we believe in supporting the city through the structural deficit. None of our proposals were included, and we will remain engaged.

CHAIRPERSON LEE: Okay. Do you know why?

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: Most of our money is federal. And so-

CHAIRPERSON LEE: [interposing] Got it, okay.

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: there's very little that we can do-

CHAIRPERSON LEE: [interposing] There's not a lot of moving around-

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: to support the city's structural deficit.

CHAIRPERSON LEE: Okay. So, were you subject to any requirements to adjust your capital commitment plan as we've heard some other agencies have?

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: Not that I'm aware of.

CAPITAL MANAGEMENT OFFICER BAKER-RICE: No, we haven't adjusted our capital commitment plan. We remain committed. We've shared that plan and work with OMB on it, and our commitment rate remains the same.

CHAIRPERSON LEE: Okay. And then just lastly on headcount. Headcount was declined by 183

positions since the end of the calendar year. Are there specific positions or departments in NYCHA where staff are leaving at a higher rate than others?

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: That's a really interesting question. Thank you. Very thoughtful. So, in general we see higher rates of attrition in our position in the field versus central office. It- we also see different attrition rates within various skilled trades positions as well, but I'm really pleased to report that the NYCHA vacancy rate is currently less than five percent. And our vacancy rate in key positions like caretakers is one percent and maintenance workers is three percent. So, we are, you know, working very collaboratively with Operations, HR, and many other parts of the organization to ensure that we have the right people at the right time.

CHAIRPERSON LEE: Okay. And do you have enough staff necessary to undertake and the right staff to undertake additional work that funding added in this budget will need?

CHIEF OPERATING OFFICER TRIMBLE: Yes, we do.

CHAIRPERSON LEE: Okay, that's good. We've heard in prior hearings that staffing for some maintenance roles like plastering can be challenged due to the unique construction of NYCHA. So, what steps have you taken to train the workforce in necessary skills to do this work, and are there any resident-specific training programs?

CHIEF OPERATING OFFICER TRIMBLE: Thank you, Council Member. Yes, plastering is our most difficult to hire trade. It is not something found in the private sector much anymore. So, in order to address the difficulties in recruiting, a few years ago we started our own Plastering Academy where we work with the plaster helper or what we call Caretaker P, and we work with them in order to do intensive training, special training in order to get them to pass the practical exam, which will enable them to be a full-time plasterer. We've had, I think, three or four classes. I can double check, and each class is about 10 people. So we've been able to increase our ranks quite a bit through that program.

CHAIRPERSON LEE: Okay, good to-

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: And I would just add to Eva's response that, you know, due to the good work that they've been doing at the academy, our plaster vacancy rate is only five percent currently. So, it's certainly bearing fruit.

CHAIRPERSON LEE: And what was it previously before the academy started?

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: We would have to get back to you.

CHAIRPERSON LEE: Okay. That reminds me of Parks with the tree pruning. I feel like that's a very difficult position to fill. Okay, and just lastly, can you speak to NYCHA's strategy for staffing going into the future, as large portions of the portfolio undergo the PACT conversion? Will NYCHA be reducing their headcount to account for the smaller number of properties within the portfolio?

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: So, it's always a bit of a balancing act, because while we are shrinking our portfolio, the buildings that we have have significant maintenance and operating needs. And so we do try to balancing shrinking in accordance with the federal funding that we're going to receive, but also ensuring that we

have enough people in the right places in the field in order to continue to provide services for our residents.

CHAIRPERSON LEE: Okay. And we've also been joined by J. Sanchez, and Chair Banks.

CHAIRPERSON BANKS: Thank you, Chair. I guess I'll start with capital and particularly with the PACT. The Executive Budget includes an additional $500 million for PACT in fiscal year 2028. As we have discussed before, the administration's continued investment in PACT is concerning, especially when the vast majority of NYCHA residents still live in Section 9 housing. How many additional unit conversions does NYCHA estimate that this added funding will facilitate?

CHIEF REAL ESTATE OFFICER BECK: Thank you for that question. So, right now, NYCHA has just over 13,000 units in our planning and pre-development phase. So those are units where we're engaging residents, resident leaders. Some of those have partner teams selected and designated. Others are earlier on in the process. We will- we'll work with the city to make sure we're able to close projects as

they are ready, utilizing that funding over the next fiscal year.

CHAIRPERSON BANKS: Are there specific developments that this funding will go towards, and if so, what are the timelines for improvements at those developments?

CHIEF REAL ESTATE OFFICER BECK: Yeah, we anticipate converting a number of projects throughout the end of this year. A lot of those are projects that have been in planning and pre-development for a number of years. We can get you the specific list of sites that we anticipate closing and their timeline.

CHAIRPERSON BANKS: Thank you. Has NYCHA determined a total amount of funding needed to reach the target of the 62,000 units converted to PACT?

CHIEF REAL ESTATE OFFICER BECK: That's a very interesting question. So, we have a pipeline of 13,000 units, as I said.

CHAIRPERSON BANKS: Right.

CHIEF REAL ESTATE OFFICER BECK: And a number of sites that we need to identify to get all the way to that 62,000 unit count. Each of our projects has a different scope and budget, and so that'll be something that will evolve over time. We

don't have a specific dollar amount right now to get to that 62,000 unit.

CHAIRPERSON BANKS: Okay. What is the total number of units currently in PACT, in the PACT pipeline? And in this plan there is also $1.3 billion in fiscal year 2026 for PACT conversions, just over $1 billion in fiscal year 2027. And this- is this new addition of $500 million for fiscal year 2028 or is there a new addition?

CHIEF REAL ESTATE OFFICER BECK: I'm not sure I followed all of those, but I think we have been working closely with the city to make sure we have the capital funding needed for the upcoming fiscal year.

CHAIRPERSON BANKS: Right.

CHIEF REAL ESTATE OFFICER BECK: So, that's the appropriate amount for the next-

CHAIRPERSON BANKS: [interposing] But for the $500 million, how is it determined that this $500 million was the correct amount to be added for fiscal year 2028?

CHIEF REAL ESTATE OFFICER BECK: I'll pass that back to our CFO.

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: Sure. And so I think that question is probably best poised for OMB and City Hall. We don't- we communicate with them on our needs. We always need additional funding. We're really grateful for the PACT funding, and as Heather said, we're happy to get you the list of sites that that funding will support.

CHAIRPERSON BANKS: Okay. Is NYCHA experiencing a slowing in the number of the development opting to go through the PACT conversions? Is there broad support for PACT and RAD?

CHIEF REAL ESTATE OFFICER BECK: Yeah, so I think as we've also shared in prior hearings, we have severe capital needs. As Lisa said earlier, that's approaching $80 billion across our entire portfolio. So, through both PACT and the Trust program we anticipate converting around 85,000 units to the project-based Section 8 program. That's our goal and we continue pushing for that goal, you know, as quickly as we can knowing that the needs in our buildings are continuing to grow. The longer we wait to make those investments, the more expensive they become.

CHAIRPERSON BANKS: I know this was answered, or I think we had conversation about this before. But as we mentioned before, the administration is planning to use the new SMART Loan system to facilitate the potential new developments at the Fulton, Elliott-Chelsea sites. Can you explain how this fund will help facilitate this development?

CHIEF REAL ESTATE OFFICER BECK: Sure. So, the SMART Loan is a product, as I said, that we've developed with HDC. It's a loan that helps us bridge the gap between what we're able to raise as debt from the property and really helps us make the initial investment in the first phase of that project. What we anticipate being in the first phase of that project is the demolition of the first two buildings and the construction of the first two replacement buildings. So, that loan is helping with that initial phase, and it's a publicly-controlled loan. It's something that, you know, NYCHA and the city will be able to use for future reinvestment in additional affordable housing production.

CHAIRPERSON BANKS: Thank you. I want to move on to critical repairs and the OCC. The

critical repairs initiative or the CRI is a city-funded NYCHA-coordinated expansion upon the model of the ombudsman call center, OCC. The OCC takes outstanding complaints from NYCHA residents and gets them addressed by coordinating with NYCHA's Mold Response Unit. The CRI will operate independently of the OCC and expand to encompass a broader range of complaints to effectuate repairs of critical and long-standing conditions impacting habitability. The CR was introduced alongside the Executive Budget and is supposed to- it's supported by $20 million of city funding for fiscal year 2027 to 2030, with $15 million of that across the next two fiscal years. To my question, can you expand on what types of complaints the CRI will help to address and will the office be staffed by NYCHA employees or by independent party?

CHIEF OPERATING OFFICER TRIMBLE: Thank you, Council Member. We're very excited to launch this new Critical Repairs Initiative program. It is, as you said, modeled off the successful program of the Ombudsman Call Center, or OCC. This is a new separate initiative where we've taken a lot of the lessons learned from that and are building in. It

will focus on severely damaged open walls, things that impact that impact habitability- thank you-

CHAIRPERSON BANKS: [interposing] Habitability.

CHIEF OPERATING OFFICER TRIMBLE: of the apartment.

CHAIRPERSON BANKS: I had issue with it, too.

CHIEF OPERATING OFFICER TRIMBLE: Yeah. Kitchen and bathroom issues, cabinets, significant floor and ceiling damage, things like that. The CRI will be a combination of staff and outsourcing. So, we will- we do expect to use the same initial call center that OCC is using to help support the intake, but then we have additional case management services provided by NYCHA staff as well as additional skilled trades dedicated to actually doing the work and closing the cases.

CHAIRPERSON BANKS: Alright. Well, we know OCC has been very effective. How many complaints has the OCC received over its lifetime?

CHIEF OPERATING OFFICER TRIMBLE: Yes. The OCC does file their- does make all of their reports public for anyone to see. And the OCC has

assisted a total of 33,000 households as of January 31st, 2025 with at least 21,700 direct and indirect mold and leak-related complaints.

CHAIRPERSON BANKS: Okay. I know that there was a commitment to expand the scope of the OCC, and I guess with this new program that is in place now, it will deal with the different areas. Will heat and hot water and elevator repair complaints also be received by the CRI?

CHIEF OPERATING OFFICER TRIMBLE: So, those complaints will not be part of the CRI. Heat and elevator complaints will continue through the regular process. The CRI is related to in-apartment habitability issues, as I mentioned, bathroom, kitchen fixtures, ceiling and wall damage, things like that.

CHAIRPERSON BANKS: Is there any consideration to make it part of the scope of the OCC?

CHIEF OPERATING OFFICER TRIMBLE: Not at this time. Though, we are always open to thinking about where this would go, but right now after-

CHAIRPERSON BANKS: [interposing] Well, that was a commitment that was made to expand it and

specifically to expand it for heat, hot water, and elevator repairs. It's a chronic–

CHIEF OPERATING OFFICER TRIMBLE: [interposing] Right now, our heating complaints are resolved in under eight hours and our elevator complaints are resolved in under 10 hours. This is– an increase in performance year over year since the start of the HUD agreement. So what we wanted to do is focus on the critical issues affecting residents in their apartments that could impact life, health, safety, and that's why we've started with those types of repair complaints.

CHAIRPERSON BANKS: Are those stats also available for the auto [sic] response? That's what you just gave. Are they available also for the RAD/PACT converted developments as well?

CHIEF OPERATING OFFICER TRIMBLE: I'd have to ask–

CHAIRPERSON BANKS: [interposing] Because I know there's–

CHIEF OPERATING OFFICER TRIMBLE: [interposing] I don't know if we have those stats available for the PACT apartments.

CHAIRPERSON BANKS: Okay. Well, if possible, if we can get that, I appreciate that. I'll guess we'll go into the vacant readiness program. In fiscal year 2027 Executive Plan includes an additional $40 million of expense funding, and $1.-- sorry- $111.5 million of capital funding for the vacant readiness program. This brings the total funding for the program to nearly $360 million over the next five years. We've heard over the last few hearings that the apartment turnover and cost is driven largely by- I just want to really get to my questions. What is the current number of vacancies across the Section 9 portfolio, and how many additional apartment turnovers will be- will the funding added in this plan facilitate?

CHIEF OPERATING OFFICER TRIMBLE: As of April 30th, 2026, we have 6,122 vacant apartments in progress of turnover. As part of- thanks to the historic levels of funding in this Executive Budget, we anticipate being able to increase our monthly production by another 92 units a month to 490 units a month which would be another 1,100 a year, and in total we expect to do 5,880 units in the next year.

CHAIRPERSON BANKS: That's 1,100, okay, for the year. During the Preliminary Budget hearing in March you informed the Council that NYCHA facilitated 4,703 move-ins through the UVR program in calendar year 2025. If the added funding supports the turnover of 1,100 additional apartments through the next fiscal year, this would bring the 12-month total to over 5,800 apartments. Does this reconcile with NYCHA's anticipated number of vacant apartment turnovers?

CHIEF OPERATING OFFICER TRIMBLE: Yes, we anticipate doing 5,880 apartments next year.

CHAIRPERSON BANKS: And what can we do to help increase the number of turnovers per month or year?

CHIEF OPERATING OFFICER TRIMBLE: Thank you for that offer. We've been focused on increasing our turnover year over year and actually since city fiscal year 2023, we've had 116 percent increase in our vacant unit production. We've been focused on performance metrics and managing on increasing our coordination with the environmental programs, lead and asbestos, that are a critical part of the turnover process.

CHAIRPERSON BANKS: Right.

CHIEF OPERATING OFFICER TRIMBLE: And so we are laser-focused on continuing that and achieving this new target of 490 a month.

CHAIRPERSON BANKS: Okay, and what is the total number of Department turnovers currently funded in the VUR program over the next five years?

CHIEF OPERATING OFFICER TRIMBLE: So, the current funding is baselined for- so we anticipate being able to do that. However, I do want to add that a significant portion, 53 percent of the total funding for our vacant unit turnover process, is actually NYCHA federally funded.

CHAIRPERSON BANKS: Right.

CHIEF OPERATING OFFICER TRIMBLE: So, it's very dependent on our ability to maintain our own funding that we dedicate towards this program.

CHAIRPERSON BANKS: Okay. At the last hearing we heard that hiring more staff for repairs in NYCHA apartments is uniquely sensitive, and due to the nature of NYCHA's construction, requiring different skills, sets for maintenance staff like plaster is. Does NYCHA have the necessary maintenance staff to utilize the full allocations of

the vacancy units readiness in each fiscal year, or in fiscal- sorry. In each of these fiscal years?

CHIEF OPERATING OFFICER TRIMBLE: Yes, we're confident we can fully utilize the funding that was allocated in the Executive Budget and reach that 490 per month goal. Again, most of that work is done through overtime of our skilled trade staff, but we are confident that we can make that work.

CHAIRPERSON BANKS: And does NYCHA have the outreach programs do residents promoting their workforce and professional development or a skilled trade apprenticeships with the Authority?

CHIEF OPERATING OFFICER TRIMBLE: Most of our skilled trade and maintenance worker and other position are civil service positions. And so we often talk with residents about making sure they're following up with DCAS testing and other avenues in order to obtain those civil service positions.

CHAIRPERSON BANKS: Thank you. The Mayor's Housing Plan reports that the average cost per apartment for the vacant unit turnover is about $59,000, and this includes $25,000 for asbestos abatement, $15,000 for lead abatement, and $19,000 for general repairs. What portion of these cost are

city expense, capital funds used for, and how does that differ from the way federal funds are deployed?

CHIEF OPERATING OFFICER TRIMBLE: So, we primarily use the capital funding that we receive from the city for the asbestos abatement, asbestos removal, rather, and the lead abatement part of the vacant unit turnover process. All of the rest is covered by expense funding either from the city or the federal budget.

CHAIRPERSON BANKS: Okay. We've heard a few different figures cited throughout the last six months outlining those costs. During the Preliminary Budget hearing you informed the Council that the average cost for the full scope of work was approximately $40,000. Which average cost for the vacant unit turnover is accurate?

CHIEF OPERATING OFFICER TRIMBLE: So, we did some refinement of our costs as the- at the end of the calendar year, which is again, our fiscal year is our calendar year. So, we were able to take a look at our total spending for the calendar year, and we did update our cost as part of the Housing Plan in order to make sure we had the most accurate projection.

CHAIRPERSON BANKS: So, the $59,000 figure–

CHIEF OPERATING OFFICER TRIMBLE: [interposing] That is the correct number to use.

CHAIRPERSON BANKS: That's indicative– okay. Does additional URV funding make individual apartment turnovers faster, and is this function of the Authority been able to take on work in a larger number of units?

CHIEF OPERATING OFFICER TRIMBLE: Yes, the level of funding that we're receiving now will enable us to take on additional units in this program, and it definitely allows us to work quickly knowing that we're going to have this funding available. We can better plan and organize for the year ahead, as well as the out-years.

CHAIRPERSON BANKS: Okay. I guess we'll go into, I guess, resident engagement. NYCHA– in the beginning of last month, NYCHA began conducting NYCHA in Your Neighborhood forums where residents can meet directly with NYCHA staff to discuss ongoing issues, complaints, and get information and receive services from a number of other city agencies. I would like to also highlight– I know tomorrow there's going to be

a- tomorrow at 6:30 p.m. to 8:30 p.m. at the Van Dyke Community Center- it's not too far outside of my district- they're going to have another one. What has the resident turnout looked like at these forums, and what feedback has NYCHA been receiving? And when would residents meet with NYCHA at these forums to relay complaints and issues, and how is NYCHA tackling the feedback and effectuating the change?

CHIEF OPERATING OFFICER TRIMBLE: Thank you, Council Member. We're so excited to have launched NYCHA in Your Neighborhood forums. The first one was on the 20th of May in the Bronx, and we had over 300 residents registered for that event. It was packed the entire two hours, and the best part about it was the ability to meet face to face between residents and NYCHA senior staff, and that was the primary feedback that we heard. We're so often conducting business over email, through the contact center, but to actually put a face to the name finally of the resident that had been asking for services and seeking help, we were able to have our entire senior team there across all of the neighborhood staff as well as our central team with heat and elevators and our environmental teams, and

residents could find answers and get the resources they need directly from the teams providing it. It was an incredibly successful event. We're very much looking forward to our event tomorrow in Brooklyn and we hope that we have the same turn out tomorrow despite the fact that it overlaps with the–

CHAIRPERSON BANKS: [interposing] And this is done through like roundtable discussion, breakout sessions–

CHIEF OPERATING OFFICER TRIMBLE: Yeah, it has–

CHAIRPERSON BANKS: [interposing] So, is there any–

CHIEF OPERATING OFFICER TRIMBLE: [interposing] It is a combination of topic-specific tables such as heat and asbestos or environmental issues, safety and security, but then it also has resource tables where residents can go and get answers on different topics as well as from our city agency partners. In addition, we have the neighborhood staff which is the direct property management staff, neighborhood administrator, the neighborhood planner who's in charge of sequencing and scheduling all skilled trade repair orders. So

you can go and you can say I'm still waiting for my plaster ticket. Is there any way I can- you know, it's getting worse. I need it to get escalated. They can bring that to the planner and we can see what we can do.

CHAIRPERSON BANKS: Right. PACT residents also allowed to attend this meeting?

CHIEF OPERATING OFFICER TRIMBLE: PACT residents are welcome to attend. We have our Section 8 lease housing department there as well to answer any questions about their voucher and their subsidy.

CHAIRPERSON BANKS: Okay. When it comes to the emerging housing vouchers, in our March budget hearing, we heard that NYCHA, that the federal- that NYCHA- that the federal funding for the emergency housing voucher program was set to expire November of this year. At that time, NYCHA was conducting outreach to the 5,200 households to get them signed up to the Section 9 wait list. As of that hearing, approximately 1,000 of those households had completed the Section 9 application and were placed on the waiting list. I would like to first of all thank you for sending the list of the districts that were- for those households located in the different council

districts, and have some follow-up questions, particularly. Can you provide an updated figure for the number of households that were signed up for the wait list?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank you for that question. As of May 27th, we've received 1,275 public housing applications from EHV households. And we've begun matching some of those applicants with vacant apartments across our portfolio.

CHAIRPERSON BANKS: Has there been any state assistance given or help from the state?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: No.

CHAIRPERSON BANKS: Yeah, we- there was numbers thrown out that there was $50 million given-

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: [interposing] We understand that there's a proposal in this from the Senate.

CHAIRPERSON BANKS: It's a-

CHIEF EXECUTIVE OFFICER BOVA-HIATT: I'm actually unclear whether or not- yeah, there's a proposal for an increase of $50 million for HEVP.

CHAIRPERSON BANKS: For HEVP, right.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: But I am not sure whether or not that was in the budget or if it's proposed as a separate bill. This is the last week, but we can certainly find that out and get back to you.

CHAIRPERSON BANKS: Thank you. The Committee has been informed that the cost for these 5,200 households was $128 million annually. Can you confirm this amount is correct?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: I actually have it as $124 million, but-

CHAIRPERSON BANKS: [interposing] Okay.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: you know. I don't know if- Lilly- we have our SVP for Leased Housing here. She might know the exact number. Lillian Harris.

SENIOR VICE PRESIDENT HARRIS: I don't have that exact figure, but $124 sounds correct.

CHAIRPERSON BANKS: Okay. NYCHA has recommended that households apply for the Section 9 which we have. Any of these households been placed in apartments as of now?

SENIOR VICE PRESIDENT HARRIS: So, thank you for that question. We currently matched 310 EHV participants to units in our project-based portfolio.

CHAIRPERSON BANKS: Okay. Are there any voucher carriers that are living in RAD/PACT developments?

SENIOR VICE PRESIDENT HARRIS: At the moment, no, but we are– it's my understanding that they're not EHV voucher holders living in PACT HUD developments. However, there are PACT vacancies that we are going to match EHV voucher holders with.

CHAIRPERSON BANKS: I believe there's a little over 1,700 vacancies that exist within the RAD/PACT developments out of the 2,700 or 2,900. 20–

CHIEF REAL ESTATE OFFICER BECK: [interposing] Yeah, I believe that's correct. That's the stat we gave in the April hearing. I don't think we have any updated.

CHAIRPERSON BANKS: Any updated. So, the 1,700–

CHIEF REAL ESTATE OFFICER BECK: [interposing] [inaudible] for May.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: We can double-check that and get back to you.

CHAIRPERSON BANKS: Okay. NYCHA– is NYCHA exploring placing these households under other housing subsidy programs such as coordinate with HRA to ensure households will qualify for CityFHEPS? Can NYCHA–

SENIOR VICE PRESIDENT HARRIS: [interposing] So, we're– yes, thank you for the question. We're exploring all options at this point.I have not had direct conversations with HRA concerning CityFHEPS, so I defer to them as whether that would be a viable option, but there are multiple housing opportunities that we are leveraging. For example, as our CEO mentioned, the city announced that they are adding $80 million to HPD's Home TBRA budget which is tremendous. That's going to help 1,700 EHV participants and we are working diligently with our PACT partners to identify vacancies, to match our participants to those vacancies. So, we are exploring all options.

CHAIRPERSON BANKS: With the households under the EHV program meet CityFHEPS qualifications such as the work hours or income?

SENIOR VICE PRESIDENT HARRIS: That I can't answer specifically.

CHAIRPERSON BANKS: Okay.

SENIOR VICE PRESIDENT HARRIS: Yeah. It would be a case by case basis. We would have to take a look at each individual case.

CHAIRPERSON BANKS: And is transferring these households to Section 8, the Housing Choice Voucher program, an option as well?

SENIOR VICE PRESIDENT HARRIS: Currently, transitioning them to a Housing Choice Voucher is not an option.

CHAIRPERSON BANKS: And why is that? I mean, we can use every tool to-

SENIOR VICE PRESIDENT HARRIS: [interposing] Well, we're not allowed.

CHAIRPERSON BANKS: Okay.

SENIOR VICE PRESIDENT HARRIS: So, because the Section 8 program, NYCHA's overall Housing Choice Voucher program, is in shortfall. Your'e not allowed to issue new vouchers, but for our RAD/PACT we did, you know, request additional flexibility from HUD, but that was denied. And so at this time we're not able to put any EHV participants into the regular NYCHA Section 8 Housing Choice Voucher program.

CHAIRPERSON BANKS: Alright, thank you. Chair–

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: [interposing] Council Member, I just wanted to circle back to the question you had concerning PACT vacancies.

CHAIRPERSON BANKS: Yes.

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: As of my last report, that number is 1,994.

CHAIRPERSON BANKS: It has gone up? So, there's 1,994. Is there a breakdown of the source of these vacancies? Are these apartments–

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: I can provide it after.

CHAIRPERSON BANKS: Okay.

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: I can follow up on that. Thank you.

CHAIRPERSON BANKS: So, that's 1,994 vacancies that exist in the PACT development. Thank you. I'll now allow my colleagues to ask their questions. Thank you.

CHAIRPERSON LEE: Great. Council Member Brewer followed by Marte.

COUNCIL MEMBER BREWER: Thank you very much, and thank you for being responsive both, you know, Honan [sp?] of course, but then also Daniel getting that big award at Sloan was a huge deal, and so congratulations. That was very deserved. A couple questions. First, I know that others will ask about the vacancy and the Progressive Caucus really feel strongly about more and more money for you to do it, but how do you go about inspecting the vacant units? That's one question. And then the other one is, for those who aren't paying rent- I know even in the PACT there was a situation where we had, and their- with all due respect to their management there, they didn't realize that they could get the one-shot, they could get Social Security. And so we did. We got back rent and we got him on a program for future rent. I don't think there's just enough sometimes, even though you spend a lot of time, each case is very, very time consuming for the back rent. So, I'd want to hear about inspections. For those sometimes you've got un- unauthorized individuals. How do you do those inspections? What's the cost, and then how are we going to get some of these people to pay rent, sometimes with one-shots?

CHIEF OPERATING OFFICER TRIMBLE: Thank you, Council Member. We started in April to do monthly apartment inspections of the vacant apartments in order to ensure that they are secure in preventing any unauthorized occupants. In March we did 10,600 inspections, and out of those inspections we had seven instances of unauthorized trespasser that was removed in coordination with law enforcement.

COUNCIL MEMBER BREWER: That's not many. That's great. Only seven?

CHIEF OPERATING OFFICER TRIMBLE: Yeah, only seven.

COUNCIL MEMBER BREWER: That's not bad. Okay.

CHIEF OPERATING OFFICER TRIMBLE: Yeah. It obviously changes day to day, but we are now- we now have a monthly process to stay on top of that.

COUNCIL MEMBER BREWER: Okay. And then in terms of those that are not paying their rent, which is a fairly large number, 400 I think something.

CHIEF OPERATING OFFICER TRIMBLE: So, our housing assistance and property management team

continue to follow up with all of our residents to reinforce rent payment. We've been doing additional outreach and education and communications to our residents about the importance of paying rent. However, we understand that many of our residents are struggling with a variety of financial needs and so we work hard to connect them with services either through our Family Partnerships Department or with our resident economic empowerment services, REES, in order to get them the help that they need. We have an excellent relationship with our partners at the Human Resource Administration in order to have one-shots or other benefit fairs at sites in order to-

COUNCIL MEMBER BREWER: [interposing] Has it gone down or up, the number of those who are not paying?

CHIEF FINANCIAL OFFICER LESCOTT-MARTINEZ: We currently have around 61,000 households that are in some form of rent arrears, and our rent arrears balance is currently $493 million as of the end of April. And so- and this even after we apply $297 million of rental assistance payment support across the various programs.

COUNCIL MEMBER BREWER: Okay. Alright, so it's- each case I know is- we're doing them. I'm doing those. I know how time consuming they are. The other quick- go ahead.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: I'm sorry to interrupt. I just wanted to say when you look at our individuals paying on a monthly basis, or April rent was 87 percent, but I think the greatest challenge even though we are so many years after the pandemic are those pandemic and COVID-era arrears. So, you know, connecting them with resources- ERAP, as you know, we're so incredibly grateful that we did get money from the state. It came very late for some people. So they still haven't been able to get out of that backlog.

COUNCIL MEMBER BREWER: Okay. But I mean, I got $35,000 once for back rent. I'm very good at it. The other question I have is just quickly- the Manhattan Together, what is- they are going to Harbor View and elsewhere, as you know, telling people they can get money for fixing the mold and the leaks. I guess mostly through the- what program is that that they are running around telling people to apply for? It's quite pervasive.

CHIEF OPERATING OFFICER TRIMBLE: I'm not entirely sure what they're communicating, but I have a feeling they're referring to the OCC, the Ombudsman Call Center which is created as a result of the Baez consent decree-

COUNCIL MEMBER BREWER: [interposing] Yeah, that's it.

CHIEF OPERATING OFFICER TRIMBLE: and does handle mold and leak critical repairs.

COUNCIL MEMBER BREWER: so, how does that work? Because they're going around stating that people will be able to get all their problems in those two areas addressed, is that correct?

CHIEF OPERATING OFFICER TRIMBLE: The OCC has been a tremendously successful partnership where they have done 33- they have had 33,000 complaints come through and they work with NYCHA in order to escalate those repairs and to make sure that we are prioritizing appropriately and that we're dedicating the skilled trade staff to get those done.

COUNCIL MEMBER BREWER: Okay. Are there many more situations where they could also be addressed, these two?

CHIEF OPERATING OFFICER TRIMBLE: It's- again, the OCC was created as part of the Baez consent decree.

COUNCIL MEMBER BREWER: Right.

CHIEF OPERATING OFFICER TRIMBLE: And is specific to mold and leaks.

COUNCIL MEMBER BREWER: Okay. Thank you.

CHAIRPERSON LEE: Thank you. Council Member Marte followed by Wong.

COUNCIL MEMBER MARTE: Thank you for being here. Thank you, Chairs. I'm extremely disappointed that this administration is following the vision of the previous administration and really only investing in RAD and PACT, $500 million, and ignoring Section 9 residents is a moral stain on this city and our vision for affordable housing. And so just wanted to get that on the record. It's extremely disappointing, especially when we hear almost every single month testimony of Section 9 either saying we need the repairs, we need help, we need to fix our doors, we need ot fix our elevators, but we continue to turn a blind eye and just subsidize developers, right? Developers are chosen to do RAD and PACT because they are the ones that are

supposed to fix the issues, but it seems like it's continuously the city putting the bill– fronting the bill and giving the developersand extremely sweet deal. Just wanted to show my disappointmentfor that. On the residential engagement, I know my federal colleague, Council Member Harvey Epstein, wrote a letter a saying that when it comes to the upcoming hearing in Manhattan, it's only going to be in Harlem. And just hearing the numbers of the residents that attended the Bronx hearing, 300 residents I feel like isn't a lot when you're thinking about tens of thousands of residents that live in public housing per borough. We are requesting a hearing about tens thousands of residents that live in public housing per borough. We are requesting a hearing in Lower Manhattan to make sure that we can get residents from, you know, Chelsea to the East Village down to the Smith Houses here so the could have can have an opportunity, especially since many of our residents work during the day and possibly won't be able to make it up to Harlem for a hearing.

CHIEF OPERATING OFFICER TRIMBLE: Absolutely, Council Member. That is our intention as

well. Our goal has always been to start– with the start of this program was to do two forums per borough with on in Queens and one in Staten Island to start, and then see how they go, see what the response is, and then think about what a regular cycle and cadence would be. So, we are starting with Bronx, Brooklyn, and Manhattan. Manhattan on the 17th, we're looking forward to that. Then we have our annual plan hearing in July, so we're taking the summer off, and we will reconvene in the fall with a Lower Manhattan location, another one in the Bronx, Brooklyn, Staten Island, and Queens.

COUNCIL MEMBER MARTE: Thank you. And once you have the address of that lower Manhattan residential hearing, please share it, because we will tell our TAs and other residents.

CHIEF OPERATING OFFICER TRIMBLE: Absolutely. We may actually be seeking suggestions for where we can do it, happy to follow up with your office.

COUNCIL MEMBER MARTE: I'll have a few.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: And Council Member, I just wanted to let you know that the administration has continued to invest also in

Section 9 public housing, and between fiscal years 26 and 35 there's been an investment of $2.5 billion from the city. And I will say that NYCHA is very fortunate few pubic housing authorities that goes get money for Section 9 from or local government.

COUNCIL MEMBER MARTE: Thank you. I want to just move quickly to elevators. It says that we're going to have around $5.9 million, elevators in this Executive Budget for the next three years. How many elevators do think that can fix? Because when we look how much it costs to fix a public bathroom in New York City, sometimes it's $4 million. So I don't expect the number to be that much. And you know, it's really disappointing, because that's actually one of the biggest complaints that at least we get is elevators breaking down or not functioning, and it's extremely disturbing for our older adults, especially if they live in the higher floors.

CHIEF OPERATING OFFICER TRIMBLE: Thank you, Council Member. I understand that frustration. However, I am pleased that our elevator performance year over year since the start of the agreement has continued to improve with our current number of 10 hours to restore an outage. The funding that's

provided as part of this Executive Budget will be very specifically targeted to additional staffing for elevator mechanics and helper teams and materials in order to install something called waterproof door operators. These enhance preventive maintenance. So, it's not for new elevators, but it's for really key preventative maintenance functions. The door operator is a common cause of mechanical downtime, and we've seen with changing that elevator part specifically and doing increased preventative maintenance that we're able to minimize mechanical downtime by 50 percent.

COUNCIL MEMBER MARTE: And will this new investment go to all op-

CHIEF OPERATING OFFICER TRIMBLE: [interposing] It'll be across the whole portfolio.

COUNCIL MEMBER MARTE: Okay, thank you. I'm done, Chair. Thank you.

CHAIRPERSON LEE: Okay. Council Member Wong followed by Restler.

COUNCIL MEMBER WONG: Okay, thank you, Chair. I don't see any budget items on legal costs. My question is- I'm aware of squatters that's occupying many of the 6,2000 NYCHA vacant units.

What are you going to do about them? Are there legal procedures, or you just let them stay and just tell them to pay rent? What's being done?

CHIEF OPERATING OFFICER TRIMBLE: No, we definitely don't let them stay. Though, we would love anyone to pay rent. But the- we have a tremendously successful partnership with the NYPD's Housing Recclamtion Bureau, and we've been able to coordinate activities in order to make sure we were- we are reclaiming units that are unauthorized, and we've cleared over 600 units to-date in that partnership, and we're continuing to work together with them. So, any time we are made aware of an unauthorized occupant, we work with our Law Department. We bring it to NYPD, and we work swiftly to remove them.

COUNCIL MEMBER WONG: Thank you. Next question is- there's no mention on how many nonfunctioning boilers in your NYCHA buildings. Can you talk about it? Like is every boiler working, or there- like, there are buildings with non-working boilers?

CHIEF OPERATING OFFICER TRIMBLE: We have been- we had a tremendous heating season that just

ended on Sunday night. We have been– we were able to provide pretty consistent heat with record of under eight hours for restoration if heat outages. That is well below the 12-hour requirement of our HUD agreement and even much further below the 24-hour requirement for private landlords in the city. We are– now that we are in the off-season, we have started to do our boiler overhaul process, and really our overhaul process of all the various heating equipment, and we touch every single piece of equipment during this off-season to make sure they're ready for the heating season to come.

COUNCIL MEMBER WONG: But as far as you know, are there nonworking boilers, like, they need replacement?

CHIEF OPERATING OFFICER TRIMBLE: There are some boilers that are taken offline for repairs, and there are many boilers that are in our capital portfolio which Dylan can talk about, but we are able to maintain boilers in order to maintain heating.

COUNCIL MEMBER WONG: Okay. But are there buildings with no working boilers like right now?

CHIEF OPERATING OFFICER TRIMBLE: There are buildings with no working boilers, but that

doesn't- that doesn't necessarily mean they don't have heat. We have boiler plans that may have six boilers, and we only need four to maintain heat, which means we're able to take one or two offline, do the repairs that are needed. Then we can bring those back online, do repairs on other two. So, it doesn't- you don't necessarily need every single boiler in a plant in order to produce heat.

COUNCIL MEMBER WONG: Okay, thank you. Thank you, Chair.

CAPITAL MANAGEMENT OFFICER BAKER-RICE: Just as a follow-up, if there are buildings without boilers that are active, we address those with mobile boilers, but as Eva was saying, there's a downcycle. So we're able to repair those boilers that aren't in use while keeping those other boilers in use. So we keep heating active. As far as the portfolio, we've completed 215 boiler projects, and are on track to hit our HUD target of 297 by the end of this year.

CHAIRPERSON LEE: Great. Council Member Restler followed by Encarnacion.

COUNCIL MEMBER RESTLER: Thank you so much, Chair Lee and Chair Banks. And I just want to reiterate that Chair Lee is on her third hearing of

the day, three of four, and everybody should brign her pastries and cupcakes and other nice things. She's a trooper. I don't know that any of the rest of us would do quite as well as she's been doing. Much to your surprise, I'm going to focus this conversation on vacancies. Thank you for smiling. The– we– so, I'll do a couple quick ones. So, just to confirm, despite the federal cuts, you're anticipating to maintain NYCHA's investment, NYCHA's federal funding in vacant readiness?

CHIEF OPERATING OFFICER TRIMBLE: That is our goal, yes.

COUNCIL MEMBER RESTLER: And with the additional city funding, you're expecting to be able to repair upwards of 5,800 units over the course of the next 12 months?

CHIEF OPERATING OFFICER TRIMBLE: Correct.

COUNCIL MEMBER RESTLER: Have you done any updating modeling on how many vacant units you think we would have in 12 month's time with that investment?

CHIEF OPERATING OFFICER TRIMBLE: It's a very dynamic analysis. We can certainly follow up.

And I do want to just say I find the partnership with the Progresive Caucus has been really great. I appreciate the time that you all have committed outside of these hearings to really work with us on ths issue and to problem solve together.

COUNCIL MEMBER RESTLER: And I should have said nice things about you before I started asking questions also to say that we very much appreciate the, like, forthcoming engagement, the collaborative spirit and the commitment to try and help address these issues together and have been greatly appreciate of your thoughtfulness and availability in engaging with us to try to help drive down vacant units at NYCHA. So, you know, we don't anticipate that even with this additional investment that there would be a significant decline in the number of vacant units at NYCHA in 12 months. What alternative strategies can we deploy to- or could we consider that could help us reduce the number of vacant units further?

CHIEF OPERATING OFFICER TRIMBLE: I do believe with this historic level of investment in this Executive Budget we will begin to slow the curve of the growth and that is a key goal for now. This

is a medium-term problem. We have a little- we have a backlog of vacant units, but we will- as we continue to drive down the turnover time, as we continue to increase production, we are slowing that growth, and that growth will eventually change into a negative trajectory. We are also continuing to make significant progress on the environmental hazards which both take up a significant amount of time and cost in the process. And so as we continue to do our lead abatements, as we continue to do asbestos removal, that will continue to allow us to turnover units more quickly. So we will see that trajectory change in time.

COUNCIL MEMBER RESTLER: Right. You do have some vendors available to do some of this work. Are they a viable kind of route for us to drive down vacancies?

CHIEF OPERATING OFFICER TRIMBLE: The vendor cost is much greater than our in-house cost, so it's not- so, it's a program that we use sparingly, and we also use it on kind of a targeted way. In addition, there are skilled trades that they don't provide like plastering specifically that we still have to supplement with our own staff.

COUNCIL MEMBER RESTLER: And has OMB and City Hall provided any suggestions of alternative city resources that could be made available to support and supplement NYCHA's efforts here?

CHIEF OPERATING OFFICER TRIMBLE: We're continuing to have all of those conversations with the administration and OMB in order to find any other solutions to our production.

COUNCIL MEMBER RESTLER: And do you have- considering such a substantial percentage of vacant units go to transfers, have you been working to identify like what a functional zero is or a functional goal on vacancies is? My recollection is at the conclusion of the de Blasio administration we were at 486 vacancies, and now we're north of 6,000. Variety of different dynamics have changed in those intervening years, but is that 500 number a realistic goal?

CHIEF OPERATING OFFICER TRIMBLE: No, definitely not. We think a realistic goal of vacancies would be about approximately 3,600.

COUNCIL MEMBER RESTLER: And could you explain why we would need to maintain such a high level of vacancies?

CHIEF OPERATING OFFICER TRIMBLE: That would be– that would equate with the number of– the average number of move-outs. So, we are seeing approximately 300 move-outs a month, and that's an average approximation. 300 move-outs a month, and so we would want to stay on top of the exits. So, we have 3,600 move-outs, and then as you know, 55 percent of our move-ins every month– every year– are transfers. And so in addition to the people leaving NYCHA, we have people transferring and those two together create the vacancies. So, our goal would be to have a level of vacancy that equals the move-outs. That's how we came up with the 3,600.

COUNCIL MEMBER RESTLER: Okay. I guess I'm not sure why would want to maintain the vacant– the– I'd be interested in understanding that a little bit further of why that's the goal. I would have thought that if there's 300 people moving out– I mean, we want to fill as many apartments as we can as quickly as we can. Maintaining 3,600 vacant apartments just because that happens to be the number of people that move out over the course of the year.

CHIEF OPERATING OFFICER TRIMBLE: I wouldn't say we want to maintain it, but I think when

you talk about a functional zero, what the natural business cycle would be, that's what we would be, right? So, we're- we have people moving out every day. So there's always going to be that churn, and that's why I say it's a very dynamic and complex set of numbers. So, we would want to, you know, have at least we think 3,600 which would be the move-outs would be what we think would be a natural rate of vacancies.

COUNCIL MEMBER RESTLER: Okay. I mean, I think that it's clear what the capital resource needs are to be able to drive down vacancies regarding the remediation work. I think that working together to figure out what are the most cost-effective strategies on the expense side is something that we're really committed to working on together. So, we look forward to getting on your schedule again very soon. Appreciate your thoughtful answers today, and more generally for your willingness to engage with us as a caucus, and Speaker Menin has embraced this campaign and has Chair Banks and many other colleagues. I'm grateful for their support as we work to, you know, fill as many apartments as we possibly can.

CHIEF OPERATING OFFICER TRIMBLE: Thank you, too.

COUNCIL MEMBER RESTLER: Thank you.

CHAIRPERSON LEE: Thank you. Council Member Encarnacion followed by Ossé.

COUNCIL MEMBER ENCARNACION: Hello. Good afternoon. So, I just want to run by some numbers and make sure I had them right. So you said there were 13,000 units in predevelopment or the pipeline for RAD/PACT?

CHIEF REAL ESTATE OFFICER BECK: Yeah, and I get you an exact number.

COUNCIL MEMBER ENCARNACION: Yeah. Just checking the number. And then 85,000 was the units, was the goal that you had for conversion into the RAD/PACT program?

CHIEF REAL ESTATE OFFICER BECK: So, right now in predevelopment, so that's planning and engagement, have not yet converted. We have 13,538. For the PACT program we have 62,000 apartment goal, and out of that goal we have converted 32,151.

COUNCIL MEMBER ENCARNACION: Okay. So, the-

CHIEF REAL ESTATE OFFICER BECK: [interposing] But the Trust- yeah, and then for the Trust program we also have an additional 25,000 units that will convert through the Trust model. Those are all- taken together, those are all Section 8 conversions.

COUNCIL MEMBER ENCARNACION: But the money that is set aside that was identified, this is for the things that- these are for the units that are in the pipeline or new units?

CHIEF REAL ESTATE OFFICER BECK: Those- the money that we've been provided by the city will help support conversions in the near term, so the units- the 13,000-

COUNCIL MEMBER ENCARNACION: [interposing] That are in the pipeline. So no additional units.

CHIEF REAL ESTATE OFFICER BECK: Yeah. And we will continue to work as a group within NYCHA to identify additional units to meet that 62,000 unit goal. We have-

COUNCIL MEMBER ENCARNACION: [interposing] At the end of the day and from my understanding, the RAD/PACT program is something that the residents have

to vote in. So, vote for to get into the program. So if they don't vote for RAD/PACT, they weren't-

CHIEF REAL ESTATE OFFICER BECK: [interposing] That is incorrect. Yeah, so residents will vote to join the public housing Preservation Trust program. So, the Trust model-

COUNCIL MEMBER ENCARNACION: [interposing] But not RAD.

CHIEF REAL ESTATE OFFICER BECK: requires a vote, correct. That was legislated through the state. The PACT program is similar conversion program, but there's no requirement for us to hold or facilitate a vote.

COUNCIL MEMBER ENCARNACION: Got it. Thank you for that. And then in terms of safety, I know that, you know, during a recent walk-through at one of the developments in my district we had this development- about 29 doors, front doors for the development- I don't believe one of those doors had- were locked or were able to lock or had a working intercom. Also, in the Bronx, we have developments that have previous councilmatic funds allocated for lighting. Not even a year later the lights are out. And so I'm just trying to figure out where in this

budget do like repairs for our safety come from? Where is that prioritized because even when the Council is giving money for some of these programs, I mean it's not even a year and the lights are out. It's kind of problematic for us.

CAPITAL MANAGEMENT OFFICER BAKER-RICE: Yeah. Thank you, Council Member. Thank you for that question. Obviously, safety and security is paramount for us and for residents. So, within the budget we get yearly allocations often by Council Members for safety and security programs. That varies at development by development, but it's within the current fiscal year and current fiscal budget. We have new doors we've been working on various developments that are addressing concerns around safety and locking. So, that's a combination of city funds and federal earmark funds, and we've been working to advocate with residents for additional fundings. As far as lighting programs, this was spreawd throughout all the different developments. But if you want a specific breakdown or have a question about a project in the development-

COUNCIL MEMBER ENCARNACION: [interposing] Yeah, because they're a prioritization of-

CAPITAL MANAGEMENT OFFICER BAKER-RICE: [interposing] I can come back to you.

COUNCIL MEMBER ENCARNACION: where those doors would be needed.

CAPITAL MANAGEMENT OFFICER BAKER-RICE: We- there isn't a pioritization in the sense that where it's most needed and wherever we have funding is where we work on those projects first. We're advocating. We work with resident leaders to advocate for new doors, and obviously we're focused on those developments where there are the most safety concerns or the most broken doors. But as the money comes in, we prioritize those first. For lighting, we actually have an on-call contract. So we're able to shorten the timeline for the construction of those projects. That's one of our vastest capital projects. So, the specifications are standardized, and it means that generally in about a year and a half we can go from design to construction.

COUNCIL MEMBER ENCARNACION: But then less than a year later they're not working again. So, that's- that was-

CAPITAL MANAGEMENT OFFICER BAKER-RICE: [interposing] If there's issues at a specific development where lights aren't working, then-

COUNCIL MEMBER ENCARNACION: [interposing] I have them, yes.

CAPITAL MANAGEMENT OFFICER BAKER-RICE: Okay. Then we'll happily follow up with you, because they are within the period of warranty, and so it would be covered under the contract, and we would bring the manufacturer back there. Because there- obviously, that is a big concern for us something we would address through the contract.

COUNCIL MEMBER ENCARNACION: Okay, perfect. I'll let you know that. But when you say advocating, you mean to- when you were advocating for those monies, who were you advocating to, the federal-

CAPITAL MANAGEMENT OFFICER BAKER-RICE: [interposing] Yes. Federal, so both actually at the state level and the federal level.

COUNCIL MEMBER ENCARNACION: Okay. Alright, my time is up. Thank you.

CHAIRPERSON LEE: Okay, great. Council Member Ossé?

COUNCIL MEMBER OSSÉ: Thank you, Chairs. Good afternoon. I wanted to raise some issues that constituents have brought to my office in preparation for this meeting. When residents and my staff are seeking information on the NYCHA website or on the NYCHA Office of Impartial Hearings, OIH website, they find that the grievance and termination of tenancy procedures page is completely shut down and the link leads to an outdated/non-existing page. This complaint is in addition to the overall concerns with the process of impartial hearings via OIH. My question is, is NYCHA allocating any funding to ensure that OIH is one, streamlining the process to help constituents better navigate their hearings, and two, fixing the website and work on further outreach to increase better transparency with the grievance and termination of tenancy procedures?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank you so much for that question. We were unaware that there was an issue with the website.

COUNCIL MEMBER OSSÉ: Website crashing, or saying out-dated/non-existent-

CHIEF EXECUTIVE OFFICER BOVA-HIATT: [interposing] Yeah, if you can send us the link-

COUNCIL MEMBER OSSÉ: [interposing] Sure.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: That would be very helpful. We sometimes find out about these things when people reach out to us and let us know. So that's the first thing, and then Annika can let you know- I think it was a question that was asked during the last hearing as well.

COUNCIL MEMBER OSSÉ: On- yeah.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: With respect to the resources being provided to OIH-

COUNCIL MEMBER OSSÉ: [interposing] Yeah, to OIH to streamline the process.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: Yes, we can certainly get back to you on that.

COUNCIL MEMBER OSSÉ: Okay. I think I did raise something like that in the last hearing, right?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: Yes, and I believe it was a question that was answered after the hearing.

COUNCIL MEMBER OSSÉ: Okay.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: Because I remember seeing it.

COUNCIL MEMBER OSSÉ: Okay.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: But we can share it with you.

COUNCIL MEMBER OSSÉ: Great. Thank you. There are constituents in our district who have had work orders that have been cancelled without resolution only to have a new work order opened for the same issue. This leads to their old complaint being pushed up further and delaying the issue. What is NYCHA's current timeframe to resolve work orders, and what are the tiers for work order completion?

CHIEF OPERATING OFFICER TRIMBLE: Thank you, Council Member. I'm sorry to hear of those situations happening, and I encourage that when you hear about that, that you reach out to our intergov so we can look into that and understand what's going on. In general, we have increased our productivity across our skilled trades so that we are now actually responding to over 101 percent of our complaints in a year, which means we're starting to actually get to the backlog. We- different types of complaints have different response times, and we have to sequence the skill trades in order, but we're happy to follow up on any of those specific concerns that you have.

COUNCIL MEMBER OSSÉ: Thank you. And will the agency be allocating any additional funding to ensure work orders are completed in a timely matter?

CHIEF OPERATING OFFICER TRIMBLE: Right now we are– our funding is consistent and baselined for that work, yeah.

COUNCIL MEMBER OSSÉ: Okay. Can I have more time, please?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: If I can just give you your OIH answer if that's okay? The OIH office is funded at $3.87 million.

COUNCIL MEMBER OSSÉ: Okay. Thank you. There also needs to be more transparency in scheduling. How are residents notified, and are they give the courtesy of scheduling time so they can allow access to their units to avoid delays in service. I know this has been, you know, a frequent–

CHIEF OPERATING OFFICER TRIMBLE: [interposing] Absolutely. That's a key tenant of our neighborhood model. So every neighborhood has a Neighborhood Planner and a Planning Secretary. Residents are supposed to work with their Neighborhood Planner to schedule their skilled trade appointments at their convenience so that way they

know they're going to be home. Also, because of the way the work order process works, they are- at the time the maintenance worker comes to the apartment and diagnosis the problem, they're given a slip with all of the follow-up work orders that are going to be needed so that a resident knows right away that is something that's going to take three more appointments or two more appointments, so they have an understanding of the full scope of the job at the time the maintenance worker comes.

COUNCIL MEMBER OSSÉ: Thank you. Thanks, Chair.

CHIEF OPERATING OFFICER TRIMBLE: And just a reminder, we have our NYCHA in our Neighborhood event tomorrow night at Van Dyke and all of the Neighborhood Planners and administrators will be there for residents to ask their questions directly to their planners.

COUNCIL MEMBER OSSÉ: Thank you.

CHAIRPERSON BANKS: It's most likely going to be well-attended.

CHIEF OPERATING OFFICER TRIMBLE: I hope so.

CHAIRPERSON BANKS: Definitely. I want to talk a little bit about comprehensive modernization. The– is comprehensive modernization still a viable tool being used by the Authority to deal with the capital needs of public housing of NYCHA?

CAPITAL MANAGEMENT OFFICER BAKER-RICE: Comprehensive modernization– thank you for the question– it's a limited avenue. So, currently there's not additional funding beyond the first four projects. We have FEMA funding for additional three projects. So, that's why we're advocating for Section 8 funding because that's the primary tool given the fact that we're able to achieve more subsidy with those avenues. We can reach that higher level of modernization.

CHAIRPERSON BANKS: The funding sources, is it only federal or can the city–

CAPITAL MANAGEMENT OFFICER BAKER-RICE: [interposing] The city capital–

CHAIRPERSON BANKS: invest in comp mod?

CAPITAL MANAGEMENT OFFICER BAKER-RICE: Yes, the city invested in comp mod through the City Capital Action Plan. There's–

CHAIRPERSON BANKS: [interposing] And how much is that? How much was invested in comp mod?

CAPITAL MANAGEMENT OFFICER BAKER-RICE: About $101 billion.

CHAIRPERSON BANKS: And that's in this budget?

CAPITAL MANAGEMENT OFFICER BAKER-RICE: Part of that carries through this budget. It was in-

CHAIRPERSON BANKS: [interposing] And how much is carried over into this budget?

CAPITAL MANAGEMENT OFFICER BAKER-RICE: That's currently in this budget? We'll have to get back to you on the exact number that remains in this budget. But beyond that-

CHAIRPERSON BANKS: [interposing] And what's currently in the pipeline of developments that are being- where comp mod is being used?

CAPITAL MANAGEMENT OFFICER BAKER-RICE: Beyond the first four projects-

CHAIRPERSON BANKS: [interposing] Yeah.

CAPITAL MANAGEMENT OFFICER BAKER-RICE: which are St. Nicholas, Toad [sic] Hill, Gowanus, and Wyckoff. There's also Leavitt [sp?], Latimer, and Watson. Those are being funded through FEMA funds

through an Ida grant. That's the entirety of the pipeline.

CHAIRPERSON BANKS: Is NYCHA currently exploring building more Section 8- sorry, Section 9 housing anywhere?

CHIEF REAL ESTATE OFFICER BECK: Thank you for that question. Section 9, as you've heard a few times today, is chronically underfunded and it's not a viable tool for us, especially for new construction, because we would need to be able to leverage funding to pay for the new construction, and we're unable to do that off the Section 9 funding source.

CHAIRPERSON BANKS: Is there a effort or a plan or strategy by NYCHA to get more capital monies invested in comp mod?

CAPITAL MANAGEMENT OFFICER BAKER-RICE: No, there currently isn't a plan for additional funding.

CHAIRPERSON BANKS: And why is that?

CAPITAL MANAGEMENT OFFICER BAKER-RICE: As I shared before, dollar for dollar we're able to do more through Section 8 with a subsidy, because of the high capital outlie [sic]. We're looking at full

funding for the full project just with city dollars without access to that additional subsidy. So, it just costs more.

CHAIRPERSON BANKS: Just costs more. Are there any developments where NYCHA is currently exploring the sale of development rights?

CHIEF REAL ESTATE OFFICER BECK: We have done that historically. We don't have contemplated transactions right now.

CHAIRPERSON BANKS: Can NYCHA speak to the goals of the RFEI for development partnership opportunities from last August, and what have been the results of that so far?

CHIEF REAL ESTATE OFFICER BECK: Yeah. I'm happy to speak to that. So, last August we released the development partnership opportunities RFEI asking for proposals from partners that have private assets to see if we could partner with them to use our federal tools, federal tools like project-based vouchers, transfer of assistance. Maybe there would be a transfer of development rights opportunity. We received proposals back from potential partners in December. We received 57 different project proposals. We are at the very end

of our due diligence and selection process and I think we'll have some new projects that we'll announce soon, but again, as a reminder those are projects that are utilizing private property or private land or buildings that can provide new housing opportunities to our residents or generate revenue for the Housing Authority.

CHAIRPERSON BANKS: Alright, thank you. That concludes my questions. Thank you.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: Chair, if it's okay, we'd just like to go back to one questions that you asked us to correct the record?

CHAIRPERSON BANKS: You may.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: For the Housing Access Voucher Program-

CHAIRPERSON BANKS: [interposing] Yeah.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: So, we did check with our staff and we were told that the program is funded at $50 million statewide and that is to prioritize families that have lost federal assistance, and it could potentially assist us in closoing the EHV funding gap. So, we'll work with our state partners to get access to that funding.

CHAIRPERSON BANKS: And how much is needed overall?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: $124 million.

CHAIRPERSON BANKS: $124 million.

CHIEF REAL ESTATE OFFICER BECK: And that's just for our vouchers.

CHAIRPERSON BANKS: Okay.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: There are other voucher holders in the City of New York as well for EHV.

CHAIRPERSON BANKS: Thank you.

CHAIRPERSON LEE: Great. So, I'm just going to ask a couple of questions on behalf of the Deputy Speaker because she couldn't be here on the racial equity plan that- and she's been asking this to all the city agencies. So, the first question is around the short term goal one which relates to educating supervisors and managers regarding employees or residents with disabilities. Does NYCHA currently administer reasonable accommodation law training, both at the managerial level and at the staff level?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: I'm sorry, can you repeat that question?

CHAIRPERSON LEE: Sure. In terms of the short term goal, does NYCHA currently administer reasonable accommodation law training both at the managerial level and at the staff level?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank you so much for that question. I'm not sure, so I don't want to mispeak. We will get back to you on that question.

CHAIRPERSON LEE: Okay. And the second part of that question is are both central office staff and development staff required to take these trainings?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: We will get back to you as well.

CHAIRPERSON LEE: Okay. And I know that she would probably say this, so I'll channel my inner Nantasha Williams. But these are goals that were outlined by each agency and so would love to get feedback and where things are at. Medium-term goal three outlines the expanding language access implementation plan which I know Chair Lee, me, is especially passionate about. And I know that NYCHA

currently offers many materials in multiple languages, and I'm curious how this expanded plan will further improve language accessibility efforts within the Authority, if you could speak to that?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank you so much for that question. We have a Language Access Officer that handles a lot of the translation services and language access services. On a day to day basis, our staff are trained to use the language access line to facilitate interpretaiton in real-time. This program enhances the resident experience, allowing those with limited English proficiency to communicate their needs in a prompt and efficient way. For residents who are deaf or hard of hearing, in-person ASL interpretation may be provided through the submittal of a request by NYCHA frontline staff on behalf of a resident, such as at the property management, CCC, or walk-in centers. NYCHA's also working on providing on-demand video remote ASL interpretation, and this is slated to be in place this year in 2026. NYCHA also has a dedicated ADA coordinator who oversees such requests and oversight of broader accessibility initiatives across NYCHA.

CHAIRPERSON LEE: Aside from the language line, because I have thoughts about that, because I've had to use it before, it's- do you also have staff that reflect the top 10 languages?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: So, we translate. We have translators on-staff, and even though HUD has eliminated translation of important documents from its website, to continue to provide assistance to limited English-proficient residents and members of the public, we prepare our own translation of vital documents in our five covered languages and the languages that we most frequently encounter, and those efforts are ongoing and will continue.

CHAIRPERSON LEE: Okay.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: And for example, when we have like NYCHA in Your Neighborhood-

CHAIRPERSON LEE: [interposing] Right.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: we had translation services there. Everything that we said, you know, people are able to hear and understand.

CHAIRPERSON LEE: Okay, perfect. Long-term goal two discusses economic mobility and opportunity through the Section 3 program providing jobs within the Authority to its own residents. Can you share the current rate of Section 3 employment, the target number and the steps that NYCHA's taking to achieve that target?

CAPITAL MANAGEMENT OFFICER BAKER-RICE: Yes. Thank you for that question, Council Member. Section 3 is critical for us. It's critical given the amount of spending, and it's really a primary economic pathway for residents. So, we follow the HUD target of 25 percent of total labor hours to be allocated towards Section 3, with five percent out of that 25 percent for targeted hires. So, we have job placement programs, mentorship programs, construction worker pathways, so both internally for NYCHA hires and also for contract work. We have opportunities for residents and for broader Section 3 workers. Across the portfolio on the Section 9 side, we are far exceeding our goal. We're at over 63 percent or 16,000- sorry, 16 million labor hours for broader Section 3. Targeted Section 3, so those that are for residents and resident pathways and businesses are at

13 percent. For our PACT programs on the Section 8 side, we also are far exceeding our target. Overall, we're at 29 percent for Section 3 workers, and then for the targeted Section 3 workers, we're at eight percent which is above the five percent.

CHAIRPERSON LEE: Okay, great. Thank you. Okay, and her last question was the OTI, Office of Technology and Innovation, runs the Big Apple Connect program providing free internet and cable for NYCHA residents. The program is currently funded at $38.8 million in fiscals 26 and 27 and $40.9 million for fiscal 28 and onward. The report does not mention this program as a tool for improving equity and economic mobility for NYCHA residents. Does the Authority believe that expanding this program would have a positive impact for residents and align with the goals outlined in this plan?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank you, Council Member. As you mentioned, is run by OTI, so I would recommend that you speak to OTI about the program. We understand that all NYCHA developments are able to take advantage of Big Apple Connect.

CHAIRPERSON LEE: Is there coordination between you and OTI on that?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: On a case by case basis.

CHAIRPERSON LEE: Okay. And what percentage of the NYCHA portfolio by unit, development, or number of residents have access to the program?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: 100 percent.

CHAIRPERSON LEE: 100 percent? Okay. Perfect. Okay. I think that's it for those questions. And I- did you have any- yeah, okay. I think we are actually done early by 10 minutes. So, thank you so much for coming and testifying today, and we will follow up with any questions that we have. So, thank you so much.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank you.

[break}

CHAIRPERSON LEE: Okay, change of scenery, which is great. Oh, are we not? Oh, sorry.

SERGEANT AT ARMS: It's rolling. Continuation with the Executive Budget hearing. This

is the Oversight Investigation portion. Chair, ready to begin.

CHAIRPERSON LEE: I don't need to gavel again, do I? Okay, fine. Alright, okay. Good afternoon and welcome to— oh nope, this is not the right one. Sorry, hold on one second. My bad. Okay. Okay. Welcome to the final FY27 Executive Budget hearing for the day on New York City Department of Investigation. Council Member Linda Lee, and I'm pleased to be joined by my colleague, Council Member Shekhar Krishnan, Chair of the Committee on Oversight and Investigations. And we have been joined by Council Members Ung, Brewer, and Riley. And is there anyone on Zoom? I don't think so. Okay, perfect. So welcome, Commissioner Nadia Shihata and your team, and thank you all for joining us today to answer our questions. On May 12th, 2026, the administration released the Executive Financial Plan for FY26 to 30 with a proposed fiscal '27 budget of $124.7 billion. The New York City Department of Investigation's proposed fiscal '27 budget of $53.7 million represents 0.04 percent of the administration's proposed FY '27 budget in the Executive Plan. This is a decrease of $385,066 or 0.7 percent from the $54.1

million originally budgeted in the FY27 Preliminary Plan. This decrease results from several actions, primarily the reduction of vacant positions and unspent salaries. As of April 26th, DOI's headcount was one less than their headcount at the end of December 2025. An 11-position vacancy reduction has been levied onto a department that has lost substantial headcount and resources over the last few fiscal years. Today, we look forward to discussing the impact this will have on the department's operations and how we can work together to explore ways to restore the resources the department needs to carry out its responsibilities. I now want to turn it over to my co-chair for this hearing, Council Member and Chair Krishnan, for his opening statement.

CHAIRPERSON KRISHNAN: Thank you so much, Chair. Good afternoon and welcome to the FY 2027 Executive Budget hearing for the Committee on Oversight Investigations. I'm Council Member Shekhar Krishnan, Chair of the Committee on Oversight Investigations. I want to thank Finance Chair Council Member Linda Lee, for joining me today, along with all my colleagues who are here in reviewing the Department of Investigation's FY27 Executive Budget

to understand the needs of this crucial department, the role the staff play in oversight of New York City. Commissioner, thank you so much for your testimony today and for the whole DOI team who is here as well, and for your work every single day to ensure that we root out corruption and fraud in our city government and ensure that it's performing to its highest standards. I see this committee and its partnership with the Department of Investigation to be a powerful tool in rooting out corruption and a way to hold anyone or anything accountable that takes advantage of New Yorkers. DOI is vital to this effort, vital to ensuring we can protect New Yorkers from greedy corporations, bad landlords, and to root out corruption in city government. Together, we are fighting to restore trust in our government and prove to New Yorkers that our city fights for you and serves you without fear and without favor. Over the years of the Eric Adams administration, we saw troubling amounts of corruption and misuse of city resources. And while DOI and the FBI investigated Adams on a range of accusations of bribery, conspiracy, and fraud, and while the work of DOI leading to the federal indictment that we saw was a

crucial part of that effort, former Mayor Adams slashed the budget for the Department of Investigations. We have to be very honest about that. At a time when an agency was investigating corruption at the highest levels of City Hall, City Hall was depriving that very agency of the resources it needed to do its job. Yet it did it anyway, and it did it very effectively. With the limited resources that DOI was saddled with, they continued and still continue to uphold their duty to hold government accountable. But make no mistake, Mayor Adams severely cut the workforce of DOI and tried to impair their ability to properly and comprehensively oversee city agencies and root out corruption. 28 percent of the DOI workforce was slashed, 28 percent, and millions of dollars were taken away from the agency. I deeply believe that this agency needs the funding to be able to do its job and to be the important independent arm of government that they are. I remain concerned that the Executive Budget continues to require workforce reductions for vital positions and an overreliance on asset forfeiture funds of a years-old City Time case that will run dry most likely in two years. It is crucial that this city budget brings in more funding

and resources for DOI to correct from the years from which this agency saw a reduction in the workforce and its funding. Point blank, DOI needs more resources and funding to operate, to do its job, and to fulfill its sacred independent mission in city government. Additionally, this morning I joined Speaker Menin and Council Member Brewer in calling for an additional $4.5 million for DOI for the 9/11 investigation so that they have the resources they need to bring accountability and answers to what the Giuliani administration knew about the air quality and presence of toxins following the horrific attack on the World Trade Center on September 11th, 2001. Having this funding in place will enable DOI to complete its investigation as to the knowledge of city government when it came to toxins in the air, and will enable DOI to have the resources to release all the documents in regards to this investigation. We need to restore the department's headcount and funding so they can continue to provide comprehensive oversight without triaging, without pulling from other staff, without scrambling for resources. An agency with the critical mission that this one has needs the tools to do its job. I look forward to

hearing about DOI's budget requests and working together to ensure a fully funded agency. I know the Mamdani administration and City Hall share this goal, and I look forward to our Council and City Hall working together to making sure our final budget delivers on increased resources for this agency. I want to thank our Oversight Investigations Committee staff for their hard work: our Financial Analyst Owen Kotowski [sp?], Policy Analysts Erica Cohen and Alex Yablon [sp?], Committee Counsel Nicole Cattaa [sp?], and the incredible Oversight Investigations Division. I also want to thank my staff, Chanel Martinez, Victoria Opperman [sp?], and Hunter DiBenedetto [sp?]. And I would like to welcome, of course, again Commissioner Shihata and her leadership team here today. I'm now going to pass it back to Chair Lee.

CHAIRPERSON LEE: Great. Thank you, Chair. So just a couple housekeeping items before we start. So because of the shortened timeline for our budget hearings, we are going to have public testimony on one day, all day, so please feel free to join us. It should be fun. We'll try to make it as lively as possible. So Wednesday, June 10th, starting at 9:30 a.m.-- Wednesday, June 10th, starting at 9:30 a.m. If

you guys know anyone in the public that would like to sign up to testify, please make sure they do so. And before— and with that, actually, I'll pass it off to Brian Sarfo, our amazing Committee Counsel, to administer the oath.

COMMITTEE COUNSEL: Good afternoon. Do you affirm to tell the truth, the whole truth, and nothing but the truth before this committee, and to respond honestly to council member questions? Commissioner Shihata? You may begin.

CHAIRPERSON LEE: I think the light— is the light on? Does it turn red?

CHAIRPERSON KRISHNAN: Thank you, Sergeant.

COMMISSIONER SHIHATA: Good afternoon, Chair Lee and the Committee on Finance, and Chair Krishnan and the Committee on Oversight and Investigations. My name is Nadia Shahata, and I'm the Commissioner of the New York City Department of Investigation. I'm honored to present this important testimony on DOI's fiscal year 2027 Executive Plan as I mark my sixth week as DOI Commissioner. It has been an exhilarating and informative time for me as I meet the impressive DOI staff, connect with the agency's

prosecutorial partners, and delve into the important work that is ongoing at the agency. As an investigative fact-finding agency, DOI's mission is to prevent and expose corruption, fraud, and other wrongdoing that undermines the city, depletes precious public resources, and compromises the faith and trust of New Yorkers in their municipal government. The agency is a powerhouse conducting both civil and criminal investigations, working with prosecutors to hold wrongdoers accountable, and issuing recommendations for reforms that strengthen city government operations. The heart of the agency is DOI's extremely dedicated staff, its administrative and operational personnel, investigators, attorneys, auditors, IT specialists, and so many more. In my brief time at DOI so far, I have been inspired by their dedication and extremely hard work to uphold integrity and protect the city from the corrosive impact of corruption. When I arrived in late April, it was immediately clear that my priority needed to be digging into the agency's dire budget situation.

CHAIRPERSON KRISHNAN: Let's try another one.

COMMISSIONER SHIHATA: Thank you. My assessment is that the funding proposed for DOI in the fiscal year 2027 Executive Plan is not enough to sustain DOI's current operations. The proposed $53.7 million budget is $2.1 million less than the fiscal year 2026 adopted budget and approximately $12.8 million less in baseline funding compared to fiscal year 2020, reflecting over $8.3 million in PS baseline reductions. Due to years of successive budget cuts, virtually all investigative and operational units across the agency remain severely understaffed. DOI's budgeted headcount, including city tax levy and intra-city funded staff, as well as employees on loan from other agencies, has dropped from 588 staff in fiscal year 2020 to 444 in fiscal year 2027, resulting in 144 fewer DOI positions available to fight corruption, waste, and inefficiency in New York City. I have met with the Mayor's Chief Counsel and the Director of the Office of Management and Budget to outline these stark realities, and I am grateful that they took the time to listen and understand how the budget deficiencies are impacting DOI. It is not an overstatement to describe this current moment as pivotal for the

agency. I am pleased to report that these discussions have been very constructive and encouraging. I am confident that City Hall shares our view on the vital importance of DOI's mandate and understands our current budget situation, including our need for additional funding to stabilize DOI and ensure the agency can continue to fulfill its crucial oversight mandate. I hope and expect that City Hall and the City Council will properly address our need for additional funding in the adopted budget. As city officials continue to weigh DOI's budgetary concerns and decide how best to address them, I want to be transparent with the Council and the public on the budgetary landscape faced by DOI with the current cuts set forth in the Executive Plan, as I have been with the mayor's office. DOI will need approximately $6 million to stabilize its budget for the next fiscal year. This includes approximately $4.53 million to restore other-than-personnel services, or OTPS, funds that have been cut in prior years, approximately $1.14 million to reverse the recent 50 percent vacancy reduction that was imposed across the board for all city agencies, regardless of size or need in the executive plan, and $290,520 to fund five

new entry-level investigator positions to sustain DOI's core operations. In addition, DOI requires an additional $4 million to conduct the investigation mandated by the City Council regarding what prior mayoral administrations knew about environmental toxins produced by the September 11th, 2001 terrorist attacks on the World Trade Center. This funding will pay for a third-party vendor with specialized expertise to assist with this records-intensive investigation. The vendor would report to and be managed by DOI. To be clear, if DOI does not receive additional funding, I will need to move forward with some very difficult decisions that will have a tangible impact on our operations and ability to meet our anti-corruption mandate. Without the additional PS funding, DOI will need to eliminate defunded lines and key vacancies across critical areas that include executive leadership, legal oversight, frontline investigative squads, and vital technical support staff. DOI will also need to decrease incoming salary levels for certain remaining vacancies, which also has an impact on the experience level and skill that DOI will be able to recruit and hire. Recognizing the challenging budgetary landscape faced by the city,

the funds I am requesting are strictly limited to providing stabilization funding for DOI to ensure it can fulfill its essential operations and conduct the council-mandated World Trade Center investigation. At this time, I am not requesting further investments in the agency to meaningfully enhance its anti-corruption capabilities. This limited funding request reflects my deep concern that further cuts, as contemplated in the Executive Budget, will impact DOI's core functions. This concern is not new. Under its prior leadership, DOI rang the alarm bell on its budget needs for years without avail. Citywide budget reductions have stretched this small agency, which is already running a lean operation, to its limit. Bluntly, the fiscal year 2027 Executive Budget does not provide the funding that DOI needs to adequately and fully meet its mission. Given recent positive and constructive discussions I've had with City Hall, I am hopeful this will be rectified in the adopted budget. My testimony today will walk you through the proposed fiscal year '27 Executive Budget, the tangible impact of the proposed budget cuts, and the roles that forfeiture and integrity monitorships play in our budget and the associated challenges with

each. DOI's $53.7 million fiscal year 2027 Executive Budget includes $29.3 million in personnel services, or PS funds, which primarily fund staff salaries, and $21.4 million in city-funded OTPS, which pays for DOI's lease obligations and integrity monitorships. This OTPS funding will be supplemented with $3 million from DOI's forfeiture funds for a total OTPS spend of $24.4 million. We have been supplementing our budget significantly with forfeiture funding, particularly for OTPS items such as computers, laptops, vehicles, trainings, and office equipment. I will describe our forfeiture funding in more detail shortly. The current budgeted headcount for DOI-funded employees in fiscal year 2027 is only 282 positions. Seven of those positions are staff for an entirely separate entity, the Commission to Combat Police Corruption, that is not part of DOI but which is nonetheless funded through DOI. This brings down the budgeted headcount for DOI-funded employees working on DOI matters to just 275 positions. An additional 162 intracity and on-loan staff report to DOI for a total of 437 employees who work on DOI matters. The fiscal year 2027 Executive Budget also contains nearly $3.4 million for which DOI simply

acts as a pass-through entity. In other words, these funds do not support DOI's internal staff or operations in any way. Specifically, $855,000 is allocated for the separate entity, CCPC, while the remaining $2.6 million funds an integrity monitor that reports to DOI and is monitoring the construction of the borough-based jails. Despite these budget constraints, DOI has still sought savings as mandated by the Mayor's Office. In collaboration with the City Department of Citywide Administrative Services and OMB, we assessed our space footprint as part of a citywide space savings initiative and relocated CCPC from leased space at 17 Battery Place to DOI headquarters at 180 Maiden Lane. This saved the city approximately $157,700 annually. Separately, DOI rented one of its floors at 180 Maiden Lane to the New York State Office of Court administration, which generates approximately $1.8 million annually in lease expense reimbursement to the city. However, OMB does not credit these lease savings towards the cuts it has mandated in DOI's budget. More importantly, so far in fiscal year 2026, DOI investigations have resulted in financial recoveries of more than $6 million that have been

collected by the city. These recoveries are case-dependent, and DOI cannot predict from year to year how much those financial recoveries will be. But in fiscal year 2026, so far, DOI's work has added $6 million to the city's general fund. Those financial recoveries are on top of the public funds that have been protected as a result of our investigations and integrity monitorships, such as the $5.07 million in public funds saved as part of the asylum seeker monitorship. That monitorship found an array of vendor invoicing errors that included mistaken double billing and overpayment of advance deposits and other anomalies. And we have looked for opportunities to develop new avenues to fight fraud and save the city money. Last week, Corporation Counsel Steve Banks and I engaged in preliminary discussions on ways DOI and the Law Department can work collaboratively to recoup city funds lost in non-criminal cases, including through civil fraud cases under the False Claims Act. It is this sort of innovative thinking that sends a strong and unified message that the city as a whole is standing up to address corruption and fraud on all available fronts. In the Executive Budget, OMB has imposed $1.06 million in one-time cuts in FY 2026,

and $1.14 million in baseline cuts starting in FY 2027. In fiscal year 2026, the Executive Budget cuts $500,000 in PS funding for the vacancy reduction mandate, reducing DOI's budgeted headcount by 11 in the baseline. It also cuts $550,000 in a one-time PS accrual as projected by OMB, as well as $15,691 in a one-time savings for heat, light, and power. In fiscal year 2027, the Executive Budget cuts $1.14 million in baseline PS funding for the vacancy mandate. To meet these cuts, DOI will have to defund and defer hiring for nine positions to satisfy the 50 percent vacancy reduction mandate, including critical senior-level investigatory and legal positions. This action will further deplete investigative and operational squads across the agency. DOI will also have to forgo essential staffing made as part of our prior new needs request to OMB, specifically the restoration of 14 vacant positions at $1.4 million. DOI previously utilized the funds for these positions to offset serious recruitment, hiring, and retention challenges caused by prior budget reductions and the city's two-for-one hiring limitation. We will also need to forego a request for 17 baseline positions for investigative and operational staff that include

data analysts, confidential and background investigators, and auditors, among others. In fact, DOI has already reduced this request to five entry-level investigators in our most recent new needs request to OMB for the adopted budget. In addition, DOI requested funding for the mandated World Trade Center toxins investigation in the November and January plans, which OMB deferred to the incoming administration's review. A request for $4 million for this investigation has been resubmitted for consideration in the adopted budget. DOI cannot begin this Council-mandated work until necessary funding is secured. With respect to forfeiture funds, federal and state law allow the profits of criminal activity to be forfeited to the government and shared with the investigating agencies that worked on the case, with the general guideline that these funds must support law enforcement activities. The majority of DOI's forfeiture funds are the result of partnering with federal prosecutors on criminal investigations, and there are specific Department of Justice rules that dictate how forfeiture funds may and may not be spent. For instance, forfeiture funds may not be used to fund salaries for permanent staff

positions, but may be used for training or law enforcement technology. Specifically, the guidelines require that forfeiture funds supplement, not supplant, DOI's budget. Importantly, the City is prohibited from making budgetary decisions based on the availability of DOI's federal forfeiture funds. In other words, the city cannot decide to cut DOI's budget based on the amount of forfeiture funds DOI receives, with the expectation that forfeiture will cover the budgetary gap. Most importantly, if the City were to consider federal forfeiture funds in determining DOI's budget, per DOJ guidelines, DOI could lose its access to the funding. Over the last several years, DOI has reprogrammed federal forfeiture funds all in accordance with DOJ guidelines, to manage mandated budget cuts from the City, specifically related to OTPS items such as updating the agency's computer infrastructure, including our case management system, as well as purchasing computers and laptops for agency staff. Since fiscal year 2023, DOI has spent nearly $19 million by reprogramming its forfeiture dollars to supplement DOI's budget and support the agency's essential law enforcement operations. In fiscal year

2026, DOI plans to spend an additional $11 million by reprogramming its forfeiture funds in accordance with DOJ guidelines. But this type of reprogramming is not sustainable in the long term because forfeiture funds are finite and there is no way to predict how much forfeiture funding will come into DOI in the future from our investigations. And again, it is not permissible for the city to make budgeting decisions based on the availability of forfeiture funds. Put simply, the city must start to properly fund DOI before these funds run out. To reduce reliance on forfeiture funds, DOI has requested approximately $4.5 million in OTPS funding restoration in the adopted budget to pay for core critical needs such as computer software maintenance and subscriptions and maintenance of DOI's cybersecurity and data storage networks which are technology items that should not be deferred. DOI's Integrity Monitorship Program is a cornerstone of the agency's anti-corruption work. Integrity monitorships allow the city to have real-time oversight of vendors with integrity issues and, and of large-scale, high-dollar city projects. The oversight is provided by outside integrity monitors that report to and are managed by DOI.

Rehabilitative monitorships permit the city to enter into or to continue contracts with companies that might otherwise be precluded from doing business with the city due to identified integrity issues, but that city agencies have determined are necessary for continuity or provision of city services. In these cases, vendors pay for the monitorships. Programmatic monitorships proactively help the city to oversee large-scale city projects, such as the Asylum Seeker Initiative and the borough-based jail construction, with the goal of ensuring compliance with city regulations and realizing cost savings. In these cases, the city pays for the integrity monitors. The funds for these monitors are included as part of DOI's budget, but all of the money goes directly to the integrity monitors. None of it supports DOI staffing or resources. Significantly, this funding artificially inflates DOI's budget lending the false impression that it supports DOI's operations and staffing. Today's testimony underscores the significance that budgetary independence would have on DOI. In fact, DOI advocated for this reform, among others, before the City Commission to Strengthen Local Democracy, which compiled a host of prospective

charter revisions, including budgetary independence for DOI. DOI plans to submit the same proposal to the Mayor's Committee on Government Efficiency, which was just announced last week. Funding DOI at an appropriate percentage of the city budget and giving DOI control over its hiring, for example, would safeguard DOI's independence and reinforce the city's commitment to prevent fraud, waste, and abuse. Budget independence would reduce the risk of politically motivated retaliation against DOI, or the appearance of such retaliation by reducing our funding. And it would finally provide DOI with the financial resources to fully oversee a city with a $124.7 billion budget, more than 300,000 employees, and billions of dollars in capital construction. In the meantime, DOI requests the city restore $6 million to its budget in order to maintain the agency's core operations, and $4 million spread over two fiscal years to fund the World Trade Center investigation. I want to thank the Mayor's Chief Counsel and the OMB Budget Director for hearing and understanding my concerns, and I'm very thankful, as well as hopeful, that additional funding to stabilize DOI's ability to conduct its vital oversight mandate is under active

discussion and consideration at City Hall. I also want to thank Council Members for your focus on DOI's budget and for providing me the opportunity to walk you through the numbers. I'm happy to answer any questions.

CHAIRPERSON LEE: Thank you so much. We've been also joined by Council Members Aviles, Carr, and Zhuang. So just out of curiosity, and I know this is something that Council Member Brewer had worked on also, but why- did you try applying for the waiver? Or why can't— why did you not get the waiver if you applied for it?

COMMISSIONER SHIHATA: The waiver from the savings target?

CHAIRPERSON LEE: Yes.

COMMISSIONER SHIHATA: Oh, we did. We did apply for it.

CHAIRPERSON LEE: We did. I mean, you did?

COMMISSIONER SHIHATA: Yes.

CHAIRPERSON LEE: Okay. What was the reason that they said no?

COMMISSIONER SHIHATA: I believe some of that happened before I joined DOI, so I'm not sure

what reasoning was provided, but we were not exempted from it.

CHAIRPERSON LEE: Interesting. Okay. Yeah, I mean, just given the cuts that have happened to the department and looking into the future, just wondering how we can prevent this from happening because it is a city agency that, you know, does robust oversight and also provides revenue for the city as well. So this is why I'm just wondering if there's any ways that you're looking at to protect staffing from sort of this budget cut in the future. Not budget cut, but yeah.

COMMISSIONER SHIHATA: That is why, you know, we would welcome changes to the City Charter that made our budget truly independent because this concern happens every year, and given the important oversight mandate that DOI has, we believe budget independence is the best way to ensure that we're funded properly.

CHAIRPERSON LEE: Right, and just going to the savings portion, so looking back to previous investigations the department has done, can you provide an example of how DOI investigations have saved money for the city?

COMMISSIONER SHIHATA: Sure. As I mentioned, in fiscal year '26, to date, we collected $6 million in restitution for the city. And as an example, in October 2025, a defendant was ordered to pay $1.6 million in restitution after he inflated invoices and overbilled the city in contracts relating to repairing and maintaining fire alarm systems. So that is just one specific example of how we bring back money to the city, and that goes into the city's general fund.

CHAIRPERSON LEE: Right.

COMMISSIONER SHIHATA: In other nonquantifiable ways, I think we also save the city money by deterring corruption through our oversight. And the asylum seeker monitorship is one way where we actually are able to quantify it. And there we identified about $5 million in mistaken overbilling that the city was able to recoup.

CHAIRPERSON LEE: Okay, so $5 million in the asylum seeker contracts. Interesting. I'm sure there's a lot of others that you can give us a list of. I mean, if you can also provide other examples, that would be great in terms of follow-up.

COMMISSIONER SHIHATA: Yes, we can certainly get back to you.

CHAIRPERSON LEE: Okay, because I think it's important to note because this is exactly why these positions are important. So I'm just trying to understand some of the headcount reductions. So, can you also produce a list of titles you believe work to accomplish savings for the city and work with the administration on exemptions as well?

COMMISSIONER SHIHATA: Yes, in response to that, I would say I believe the entire investigative division of DOI is, is revenue generating in the sense that it's— these are the people conducting these investigations where we get restitution and forfeiture for the city, and also working to prevent corruption through our policy and procedure recommendations. And that includes confidential investigators, auditors, financial analysts, and so forth.

CHAIRPERSON LEE: Okay, great. And then moving into headcount reduction. Executive Plan included a headcount reduction of 11 positions. What vacant positions are being removed from in this plan?

COMMISSIONER SHIHATA: So if nothing changes and we're required to move forward with cutting 11 vacancies, some- a few of those will be vacancies that are already defunded, but it will require us to cut nine funded vacancies or previously funded vacancies. And this presents some very difficult decisions on my part because we currently have, for example, three important vacancies at the executive level. We currently are operating with an acting general counsel, an acting chief of investigations, and we've also recently— the person who was filling the role of director— sorry, Deputy Commissioner for Compliance and also served as our EEO officer recently left. So that is also a vacant position.

CHAIRPERSON LEE: Can I just ask a clarifying question?

COMMISSIONER SHIHATA: Yeah.

CHAIRPERSON LEE: So when you said nine funded vacancies, those are meaning positions that there are currently staffing in, or those are—

COMMISSIONER SHIHATA: They're vacant, but were previous- before the Executive Budget came out, were funded positions.

CHAIRPERSON LEE: Got it. Okay.

COMMISSIONER SHIHATA: And so we won't be able to hire for the nine positions.

CHAIRPERSON LEE: Right.

COMMISSIONER SHIHATA: We're currently trying to maneuver, and we have various scenarios of how we would do that. But if we were required to go forward with that, that may, for example, include simply not having a Deputy Commissioner for Compliance and kind of putting all their— that person's responsibilities in other areas, as is currently being done temporarily now. But that's not obviously a decision that I would like to have to make, and hopeful that we can avoid that in the adopted budget.

CHAIRPERSON LEE: Right. And how— I mean, I know the answer, but if you could give more details in terms of how this impact, you know, what kind of impact this is going to have on the investigations that you're conducting. And then I have a follow-up question after that.

COMMISSIONER SHIHATA: Sure, I'll start by saying, since I've been at DOI the past six weeks, I have been incredibly impressed by the hard work and

dedication of every single staff member I've met with. That being said, we have— for years, they have been asked to do more with less, and that takes a toll on morale and just, frankly, the ability to make sure you're properly staffing every investigation you're working on. They've done an amazing job. But at a certain point, you get to a point where you have to make— your triaging no longer is sufficient, and you have to make decisions about what investigations you can and cannot open.

CHAIRPERSON LEE: And I guess to that point, I mean, obviously we would want to see a restoration in a lot of the positions in the budget, but let's just say that doesn't end up happening, unfortunately. How— what is the plan B that you have in term— are you leveraging staff from other agencies to assist with the investigations, and have those conversations started?

COMMISSIONER SHIHATA: Yeah, so we are— we always, as a general practice, in our investigations, one of the things we do is present cases to prosecutors' offices for our criminal cases early so that we are maximizing the resources we have available. Generally, those prosecutors' offices also

have investigators and we're working with law enforcement partners at the state and federal level. And so that is something we are doing now and will continue to do. We have on-loan staff from other agencies. Those— the number of those is generally governed by a memorandum of understanding with those agencies. And so we have those in place, and those are certainly very helpful. But if we are required to make these cuts, then we are going to be required to make some very difficult decisions that I am concerned will affect core operations.

CHAIRPERSON LEE: Yeah, and obviously for when– on the Council side, when we've been talking about savings, we want to make very clear that this is not something that we want to see as a negative when it comes to actually doing the work and providing services. And so this is helpful to know. And the $6 million to stabilize the budget for the next fiscal year, is that sufficient? What's the ideal number?

COMMISSIONER SHIHATA: That's the stabilization number. We are cognizant of this, the financial and budgetary condition that the city as a whole is facing, and so we've really tried to focus

on what is necessary to keep our core operations going and not to ask for more than that at this time. And so that's where we have come up with the $6 million number. It would allow us to not have to defund nine vacancies and also, start to get on a path where we're not over-relying on forfeiture funds for our basic operations, as well as, you know, a minimal request for five entry-level confidential investigators to start helping stabilize our investigative squads.

CHAIRPERSON LEE: Okay, and just lastly before I pass it to the Chair- in terms of the lease, I know that you said that the move saved approximately $157,700 annually, but what's the total portion of the department's budget for the lease? Can you update us on that cost?

COMMISSIONER SHIHATA: Yeah, I don't know the exact percentage because I'm not very good at math, but it's about $18.5 million is the number on the lease. So it's the vast majority of our OTPS, city tax levy OTPS, is spent on the lease and one integrity monitorship for the next year. So after that, we- I think we have about for just a few hundred thousand dollars left to operate the agency,

and which is why we have had to repurpose forfeiture funds to allow us to fulfill our mission.

CHAIRPERSON LEE: Okay, and then are there areas like with technology, IT needs, all of those things in the OTPS lines that you would be able to centralize with the admin in terms of using, you know, leveraging with other agencies to save costs there for your department? Sharing of, I guess, resources.

COMMISSIONER SHIHATA: I would have to get back to you on some specifics on that. I know that there is- because of our independent oversight mandate, there is some aspects of our work that we need to make sure are not accessible to other agencies. But certainly where there's an ability to do that, we're happy to look into that.

CHAIRPERSON LEE: Okay. And lastly, are the costs for the lease separated out when coming up with the dollar value of expected savings?

COMMISSIONER SHIHATA: I'm sorry, could you rephrase the question?

CHAIRPERSON LEE: So let me- so basically how has the lease being included in your budget

impact sort of the other areas that you would potentially be able to use it for?

COMMISSIONER SHIHATA: Well, the lease is part of the PEG. And so that actually makes the PEG much more difficult for us because the lease is not excluded from it, and that is the largest part of our OTPS budget.

CHAIRPERSON LEE: Interesting. Okay. Okay, I'm going to pass it to Council Member Krishnan. Chair Krishnan.

CHAIRPERSON KRISHNAN: Thank you so much, Chair Lee. There were just two points before I start my questions that I wanted to really, uh, agree with you on. I think one is it’s way past time that the city properly fund DOI so that the funds don't run out and you all can do your mission. I agree with that completely. And I also agree that there is a fundamental conflict between an agency tasked with the very independent mission being dependent on a city budget and budget process that will vary year to year, mayor to mayor. So I fully support looking at ways that we can going forward, reform the charter to make sure you all as an independent agency have an independent funding process too. Chair Lee hit

another number of the points and questions, but I wanted to clarify a few things because there's a lot of information, and I want to really just underscore the need, the critical need for funding that you all have. So it's my understanding, Commissioner, right, that you all need $6 million in funding in this year's budget just to stabilize. That's not new needs, that's not new programs. It's $6 million just to stabilize current operations and current staff on payroll?

COMMISSIONER SHIHATA: It's just under $6 million. Included within that is five new investigators, entry-level investigators, but that's really to stabilize things currently.

CHAIRPERSON KRISHNAN: That's right. Okay. And currently the Executive Budget, I think you mentioned, has $2.1 million less than last year's budget. Is that correct?

COMMISSIONER SHIHATA: Yes, I believe so.

CHAIRPERSON KRISHNAN: And $12.8 million less in baseline funding than going back several years at this point, right? Taking into account the PEGs from the Adams years and everything.

COMMISSIONER SHIHATA: Yes. That makes sense. Okay. And then in total, really what we're talking about for DOI is you all have a staff of 275 positions at this point, which is down from about 365 four years ago. Is that right?

COMMISSIONER SHIHATA: In DOI-funded lines, yes.

CHAIRPERSON KRISHNAN: DOI-funded. So from $365,000 four years ago to $275,000 over the course of the Adams administration as a result of the PEGs over those years?

COMMISSIONER SHIHATA: Yes.

CHAIRPERSON LEE: Got it. And is it your testimony that after DOI funds its basic needs, including this lease that we have as well, how much exactly are you all left over with if you don't include asset forfeiture funds?

COMMISSIONER SHIHATA: So historically, I think it's been about $175,000 to $200,000. I think for fiscal year '26, it's a little bit more than that. I believe it's $400,000 because we did get some additional money for lease obligations and I think moving CCPC to our headquarters. But-

CHAIRPERSON KRISHNAN: [interposing] So- sorry, go ahead.

COMMISSIONER SHIHATA: a few hundred thousand dollars.

CHAIRPERSON KRISHNAN: So just to be clear, after all the fundamental basic needs are taken care of the agency only has between $175,000, give or take, to at most $400,000 to run all of its operations?

COMMISSIONER SHIHATA: Yes.

CHAIRPERSON KRISHNAN: And how much are you all planning to draw down from asset forfeiture funding for fiscal '26 and fiscal '27 to supplement but also support core operations, given the very little funding you all have left over?

COMMISSIONER SHIHATA: So we anticipate for fiscal 2026 it'll be approximately $11 million. We have $3 million currently dedicated as a forfeiture spend for fiscal year 2027, but if we don't— if we don't— we expect that to go up, and particularly if we don't receive additional city tax levy OTPS funds.

CHAIRPERSON KRISHNAN: And if that's the case, at what point do you foresee the asset

forfeiture funding running out completely? Because as I understand, it's coming from one specific case from many years ago.

COMMISSIONER SHIHATA: If we continue at the current rate of spend, it's approximately two years at the very outset, three years, but in the two to three-year range.

CHAIRPERSON KRISHNAN: So in two years, DOI would not have asset forfeiture funding to supplement and support its core operations?

COMMISSIONER SHIHATA: Based on the current amount of asset forfeiture funds we have. Yes.

CHAIRPERSON KRISHNAN: And all you'd have left at that point is the several hundred thousand, assuming nothing changes. All you'd have left to run an entire agency in two years would be the several hundred thousand dollars in funding that you have left after fundamental payments like rent and things like that. Am I right?

COMMISSIONER SHIHATA: That's correct.

CHAIRPERSON KRISHNAN: So another— you testified as well about given the current cost savings mandates, and you spoke about the vacancy

positions and other positions, can you just give a total amount of, with the cost saving mandates in place and the PEGs over the years that have happened and the cuts that have happened, what- in total, how much, how many positions are going to be affected by the efforts to meet the cost-saving mandates in place? You broke it up over nine positions, vacancies, but I'm just looking for a total number of how many positions would be affected in one way or another.

COMMISSIONER SHIHATA: Well, we'd have to cut nine. So currently, before the Executive Budget came out, there were 9 positions that we would've been able to fill that we will now have to cut. And so, as I mentioned, this is particularly challenging right now because of the vacant positions we have are some critical positions in executive leadership, in very important IG positions, including the IG for the NYPD, things that we are, you know, trying to figure out how we will manage if we don't receive additional funds.

CHAIRPERSON KRISHNAN: So nine positions affected. And then if you all don't get the $6 million to stabilize, how many positions overall

would be affected? Is it just the nine, or is it, uh, are there— I think you mentioned as well there would be potential cuts to salaries of executive positions. I mean, how many— what are we talking about overall is the impact of not getting the funding that you all need?

COMMISSIONER SHIHATA: Well, I think what we would do is- the idea of lowering the salaries for certain positions is in order to try to minimize the number of vacant positions we have to cut and yet still meet the number, the target number. I don't have a precise number for you of how many positions we would have to do. We are kind of going through different scenarios, but we are— I will say we are hopeful based on our discussions with City Hall that we won't have to make some of these decisions because we are hopeful that additional funding will be provided in the adopted budget.

CHAIRPERSON KRISHNAN: Right. Right. And I want to get to that in a second too, but the point I'm trying to make is It seems to me that it's beyond the nine positions that would— that nine position vacancies that would be affected, it seems to me in order to avoid losing those positions, a number of

other positions and those salary lines could potentially be affected too. Am I right?

COMMISSIONER SHIHATA: Potentially, yes. And I would say the whole agency would be affected because we would be asking our dedicated and talented staff to be again doing more with less and working on higher caseloads and just being required to, you know, conduct more investigations with fewer staff.

CHAIRPERSON KRISHNAN: Yes, thank you. And that's kind of what I was getting at too. It seems to me the whole agency in one form or another would be affected. So now at this point, how have the conversations been? I think you indicated there's been some positive conversations, but how have they been with OMB and the Mayor so far? To the extent you can share any sense of what trajectory we might be looking at from the Executive budget.

COMMISSIONER SHIHATA: So I don't have any specific numbers to share with you. What I can say is that I'm confident that the mayor's office understands the situation we're in. I've spoken plainly about it here at the council, and I've spoken about it in the same way with the mayor's office. And they- I believe they understand the importance of

DOI's mandate and mission and the challenges we are facing. And I'm confident that they will address it in the adopted budget, but I don't have any specifics to share.

CHAIRPERSON KRISHNAN: And so we're looking at right now a headcount of 275, down from 365 before. What do you believe would be the appropriate headcount and budget needed for your organization to run seamlessly?

COMMISSIONER SHIHATA: Well, to run seamlessly, look, I'm happy to talk a little bit about a process that the agency underwent under the prior commissioner, where we really- as part of the work to provide a proposal to the Commission to Strengthen Local Democracy on the charter revision proposals that included a minimum budget for DOI. And as part of that process, DOI went through a planning exercise to estimate an optimal staffing level for the department, going unit by unit to project an ideal staffing number. And the projected ideal for investigative staff was 412 positions, for operations staff, 98 positions, and executive and training staff, 48 positions, which would bring the total DOI-funded headcount to 585. I'm not expecting in

this budget landscape that that is something that we could realistically expect. Again, I'm focused now on stabilization. And If our new needs request is approved for the adopted budget, our core headcount on DOI-funded lines would be 318 DOI-funded positions. We have– if we factor in 142 on-loan personnel from– paid for by other city agencies, then our total budgeted headcount would be 460 if our new needs request is accepted.

CHAIRPERSON KRISHNAN: And I– it seems to me, wouldn't you agree that right now the current headcount at DOI is give or take about half of where you all would want to be ideally? 265 versus the 580 that you indicated. It seems like we're given all these cuts over the years about halfway from what you would fully need in an ideal level to fully fund the agency.

COMMISSIONER SHIHATA: Yes, approximately.

CHAIRPERSON KRISHNAN: Would you agree with that? I think you touched upon this before too, but when we talk about your agreements with other city agencies, as you do work and share resources, when MOUs are up for renewal, how do you make sure

that shared resources are stable and not reduced by agency savings exercises?

COMMISSIONER SHIHATA: Well, there's no mechanism to force agencies to provide us with a certain level of funding or to not cut their resources they share with DOI as part of their savings exercise. We rely on explaining the importance of DOI's work, our record of achievements, and the productive relationships we've fostered with the relevant agencies to make our case. I would suggest that a more stable way to manage DOI's resources would be to provide the staffing and resources directly to DOI's budget. And not have to rely on discretionary MOUs for headcount.

CHAIRPERSON KRISHNAN: Right. And have there been- I mean, are there a certain number of positions, a minimum number that other departments are obligated to fund? Have there been reductions in the MOUs for the allowable staff that other departments are obligated to fund? And how do you- is there no way at all to protect- there's no minimum number, no sort of requirements on other agencies to obligate them to fund certain positions or work with you all to make sure they're funded in some capacity?

COMMISSIONER SHIHATA: So there's been one MOU where we had a reduction in headcount. That's the MOU with DEP for staff who monitor the BT2 water project upstate. There was a loss of two headcount there, but it was, but that was attributable to workflow and not a budget consideration. In other MOUs, for example, with DOC, DOHMH, or DOB, we have thankfully not seen reduced headcount. But it's worth noting that the intracity funding they give us has not kept pace with the actual salaries paid to the employees. Therefore, in certain cases, DOI has had to supplement the Intracity funding with our own PS dollars to meet the required salaries. So for— to give you an example, one— there's one staffer funded through an H+H MOU. Who makes $123,000, but we only receive $95,000 in intercity funds. Another staffer on the DEP MOU makes $128,000, but we receive only $85,000 from DEP. So DOI has to make up that difference out of our own PS dollars.

CHAIRPERSON KRISHNAN: And a few other questions that I have too before turning it over to our colleagues. We touched on this a bit before, but when positions are affected, whether it's vacant lines or existing positions, it's not— doesn't seem

to me, and as you testified to, the impacts are much broader than this, the specific number of positions on the table. But it could actually affect staff retention too, more broadly speaking. Does the department have the funding to promote staff? Are there opportunities for promotions, increases in salaries? If not, are these requests you are working on to explore how to achieve that goal? How do you think about staff retention more broadly?

COMMISSIONER SHIHATA: So we— I agree with you that promotion and growth opportunities are essential for hiring and retention. At this point, we do not have funding to promote staff. And it's my understanding that OMB does not approve merit-based promotions and raises. DOI has 25 vacancies as of May 27th, 2026. However, we only have funding to support 16 of those vacancies. In the past, we have made requests to OMB for additional funding. In the past administration, we made such requests for promotions of and staff retention, and we did not receive any funding from OMB. All of our retention efforts that DOI has made have been self-funded by reallocating resources from vacancies. And in the last administration, even though OMB did not allocate new

funding for these efforts, the approval to be able to use our existing funding still took over a year to receive. We have- several years ago, DOI determined that our significant attrition in our investigative ranks was largely due to an absence of a path to promotion and salaries that are not competitive with other public sector opportunities or the private sector. And as a result, DOI implemented a plan that gave raises and promotions to individual confidential investigators based on merit to appropriately reflect each of their levels of experience, responsibility, and performance, and address pay disparity among our Deputy Inspector Generals, all of whom generally did the same type of work, had similar expertise, and perform at comparable levels, but were not— but were paid at different salaries. And we created a clear promotional path for investigators. But again, this was— in order to do that, we had to repurpose funds from vacancies. So we did not receive additional funding for that. But clearly it's an issue and we've tried to address it, but it's going to continue to be an issue, and we don't have additional funding to continue to be able to address it.

CHAIRPERSON KRISHNAN: It's very concerning. And I think, you know, for lack of a better word, it seems like the agency is robbing Peter to pay Paul. In other words, using pulling from one area to keep staff and pay for increased salary needs in the other. When that- isn't the case?

COMMISSIONER SHIHATA: I think that's a good way of putting it.

CHAIRPERSON KRISHNAN: So what does OMB approve? They're not approving merit-based promotions or pay increases, so what are they approving? It sounds like just the transfer of money from one part of the agency to another to fund some of these initiatives.

COMMISSIONER SHIHATA: That's, I believe, what happened in the past administration, that DOI sought approval for promotions and raises. Was not provided that approval and then sought approval to use funding for vacancies, for certain existing vacancies, to repurpose that to use it for promotions and raises.

CHAIRPERSON KRISHNAN: Wow. And I think the point is well made too, that it does not allow the agency to remain competitive. These are positions

that are, you know, you're competing with many other parts of the legal sector and otherwise and investigative sector. It really raises serious questions about how you all can stay competitive if you can't pay well or you can't promote your staff.

COMMISSIONER SHIHATA: Just on that note, I would add, in an effort to provide training opportunities for our investigative staff, DOI developed in-house an investigative officer training program known as IOTA, and it allows investigators to become certified peace officers. It trains them up on investigative procedures and tools, and it's been a very successful program that has resulted in, you know, highly trained, entry-level investigators once they've gone through that program. And because we are not able to fund raises and promotions, what we often find is that these investigators that we've spent time and effort training are then going after a short amount of time and being hired by other federal and state agencies. And so that's also a challenge where we're investing appropriately in ensuring we have a staff capable of conducting the important investigations that we work on, but because of our

funding issues, we're often not able to keep that staff long-term.

CHAIRPERSON KRISHNAN: Right, right. And my last two questions are: DOI publishes excellent reports that uncover a lot of issues when it comes to corruption or accountability or compliance with the laws that we have. As we had an earlier hearing earlier this year, your sanctuary report on the compliance of city agencies with sanctuary laws, NYPD and DOC, was very helpful. I imagine that you coming in as new commissioner will want to publish, continue publishing reports, publish more reports, perhaps. Do you see that being affected by the lack of funding? If funding continues at this level and you don't receive an increase, do you all see an ability to be able to continue to increase the number of, the amount of reporting you all are doing?

COMMISSIONER SHIHATA: Well, first, I agree that public reports are incredibly important, and I think overall transparency by DOI is incredibly important. I think it's integral for us to be letting the public know what it is we're working on, what our investigations have found, and to make policy and procedure recommendations to improve the functioning

of city government. I would— I do intend to prioritize the publication of public reports. But as with everything else DOI does, it is affected by the budget and the funding we receive. Public reports in particular are time-intensive efforts, and when our staff is cut, again, that provides less staff to work on everything, including issuing public reports.

CHAIRPERSON KRISHNAN: And my final question, and I'm sure Council Member Brewer will ask more about this too, but we've got a budget request for about $4.5 million for the 9/11 investigation. If that money is not in the budget, do you all see your ability to— will you be able to complete the report? Will you be able to finish the investigation or even hire the outside vendor you had in mind? What will happen if that money is not in the budget for this critical investigation?

COMMISSIONER SHIHATA: So first of all, the good news is I think we can do it for a little bit less. We can do it for $4 million. That's the best and final offer we received from the vendor. So that is what we've requested in our new needs for the adopted budget. It's $4 million. But without that $4 million—

CHAIRPERSON KRISHNAN: [interposing] We'll try to get you the $4.5 anyway. You need the money for other stuff too.

COMMISSIONER SHIHATA: Well take it. But without that money, we will not be able to conduct that investigation, and we would like to receive that money so we can get to work.

CHAIRPERSON KRISHNAN: Thank you, Commissioner. Thank you, Chair.

CHAIRPERSON LEE: Sorry, just really quickly following up on that, is there a way to— I don't know what the legal parameters are around this, but is there a way to do public-private partnerships either with other law firms, have MOUs in place to be creative when thinking through the cost?

COMMISSIONER SHIHATA: I'll have to get back to you on that. I don't know the answer off the the top of my head.

CHAIRPERSON LEE: Okay. Council Member Brewer followed by Council Member Zhuang.

COUNCIL MEMBER BREWER: Thank you. I don't trust the other law firms, I'll just tell you. First of all, thank you, and thank you for your testimony, because most people don't say they need more money,

and we appreciate your honesty. I feel very strongly, as I think my colleagues do, that it's important, and I want to thank the Speaker and everybody who made today's hearing possible for that reason. Just before we get to the— I have many questions about the funding for what I would call the resolution for 9/11, but also, you know, things like FIFA are coming up now. That's going to be fast money out the door. That would be something— will you be looking at that as an example of something where you need more staff to pay attention?

COMMISSIONER SHIHATA: You know, we're always looking at any time the city is spending money on an expedited basis or on an emergency basis, those are always areas where the risk of corruption and waste is often the highest. And so those are areas we do look at.

COUNCIL MEMBER BREWER: Okay, FIFA. And then also, are you still working on NYPD Monitor? Is that something you're still looking for a new head, or has that been secured?

COMMISSIONER SHIHATA: We are in the process of hiring an IG for the NYPD. The position has been posted. We have been reviewing resumes that

we have received, and we will begin the interviewing process shortly on that.

COUNCIL MEMBER BREWER: Great, congratulations. So, obviously, we passed a resolution in the City Council to have 9/11 information available to the public, and we couldn't find any other way except this wonderful opportunity for DOI to do the work. And I said from the very beginning, no matter what we do, we need you and your team. You're the– people you're going to hire hopefully with this $4 million or $4.5 million to do the work. Because with the only agency they came through, of you– as you know, was the Department of Environmental Protection. And those boxes, I went through some of them, there was some information there but not exactly what we were looking for. But I appreciate that that happened. And I happened to know that those boxes only came about because the Commissioner at the time said, find them. They were lost. They couldn't put them together. And originally people said they couldn't find them. Well, this Article 78 is very interesting. To the credit of the 9/11 Health Watch, they went to court and they won on Article 78 because, and I have great respect for the

head of the Law Department, Steve Banks, but he- his FOIL people said they had no boxes. Well, we know that there are boxes. We know, for instance, that in the archives of a very special reporter who was a friend of all of ours in Texas, we found a letter that was a memo that was sent to Bob Harding. So we know there are boxes. We know there's information. And for whatever reason, the folks at the Law Department can't find anything, which I don't believe. So my understanding is that the City of New York rarely loses an Article 78 proceeding. In fact, I don't even know there's a prior example of losing one, at least recently, in Article 78. But an order of discovery against the City of New York, in addition, regarding an Article 78, is very, very unusual. So I'd love you to comment to see if I'm correct, that perhaps the only way to get this information is to do the kind of work that I hope you would be able to do if you get the funding. I just was wondering if you could comment on the Article 78 and the discovery and the fact that this is the only way to get this information.

COMMISSIONER SHIHATA: So I'm not prepared to comment on the Article 78 proceeding, but I will

say that as part of its efforts to be prepared to conduct the 9/11 toxins investigation once the funding is secured, that DOI made inquiries of various city agencies that one would expect to have the type of records that would be relevant to the investigation, received responses from those agencies, and so is aware of where the relevant records should be located. And once we have the funding to begin the investigation, the process of fully accessing those records, some of which may be in systems that require, you know, technological issues to be addressed because they're old systems, but to compile that information and start to go through it and start to investigate the matter that you all have asked us to. We are ready to get that started, and all we are waiting for is the funding.

COUNCIL MEMBER BREWER: Do you have any sense from the company or from past experience how long it might take to do this work?

COMMISSIONER SHIHATA: So I think the initial— we would— the initial plan, had we been funded initially when the Council mandated us to conduct this investigation, was to complete it within two years. I think that is the timeline we're looking

at. Since almost a year of that has gone by now without getting the funding, I think we will need two years from when we get the funding, but that is the goal, and I think it's achievable.

COUNCIL MEMBER BREWER: Okay. And also, just on a sort of an additional issue, I'm concerned about the fact that the FOIL stated, or the FOIL staff stated that they had no records. Do you have any sense, maybe from past experience, why or how we could improve the FOIL system? I know there is- at the Department of Records, there's now a dashboard and there's more information about FOIL in general. But it does seem to me that there needs to be a better system for FOIL. Do you have any sense of how that should work?

COMMISSIONER SHIHATA: I don't have any recommendations right now about FOIL. I can tell you, as- when I was in private practice, I filed some FOILs, so I understand the frustration there. And I think that may be an area that DOI can also look into. It's a very important area, of course.

COUNCIL MEMBER BREWER: That's what I was trying to hint at, so I appreciate that you have that interest in addition. I also- I think that there are-

you know, that this would be a wonderful example if we get the funding, which I hope we will, to state that the, you know, the Department of Investigation has full capability of doing these— what I- would probably be challenging and complicated investigations. This would be an example, and that this is the way that we should be looked at for the future, because it's— there's not only waste and fraud, there's also just better government. I have a feeling— I could be wrong— that there are a whole bunch of boxes and records around the city that are in different warehouses that need to have some kind of organizational improvement, shall we say. And so I'm hoping that in addition to this, that there is— that also comes about. I've been in several warehouses recently, and oh my goodness, nobody knows what's exactly there. So I think this would be a good example to try to use for others. And then just finally, I just want to agree with my colleagues saying you need the funding to be able to do the work that you have been assigned. Without the funding, you cannot do it. I have to say that we did some years ago steal some of your staff who came to the City Council as investigators, and they're fabulous, and

attorneys, and they're fabulous, and you train them very well, or your agency trained them very well. So you do need to retain. That's a complicated job to be an investigator, and to do it well is so important. So I'm just here to say we're all going to fight for the money for this particular 9/11. I think that the fact that, you know, the Article 78 was won is a perfect example of why we need to do it, because obviously the city has not done their job in terms of responding to the FOIL. That's a huge win for the 9/11 Health Watch. Thank you very much, and I look forward to making sure that this information is available to the public. Thank you.

CHAIRPERSON LEE: Thank you. Councilmember Zhuang?

COUNCIL MEMBER ZHUANG: Thank you, Chair, and very nice to meet you, Commissioner- first time. And I think DOI's job is very important, and also the money cities spend on DOI should be able to recoup from corruption. For New York City, has been— I see the report before, New York City spent roughly $81K per person on homeless services last year. And are you guys doing any investigation on this issue? Is it really need that money? And I do see some developer,

they are trying to make money from most vulnerable community. There's a developer, a third- lobbyists personally come to me and saying, well, we give so-and-so this much of money. I see there's corruption there. And a lot of people in New York City has been— have a question mark in their head is why the city spend so much money on every single homeless person. We want to help a homeless person, but why those has such $81,000 a year? It's a middle-income house family income a year. So it doesn't make sense to most of people how much the city spend the money. How do they spend the money? Is there any corruption there? Is those homeless people really get helped? I just want to get your attention on this issue because it's a lot of people's concern.

COMMISSIONER SHIHATA: Thank you for raising that. It's certainly an area where historically we have investigated and put resources to and issued public reports, including on some of the issues surrounding shelters and issued recommendations on how to improve in those areas. But it's certainly something we've looked at and we'll continue to look at.

COUNCIL MEMBER ZHUANG: Thank you. And the public really need to trust your work because it's not your appointment, it's not only from the Mayor, it's also public trust.

COMMISSIONER SHIHATA: Absolutely.

COUNCIL MEMBER ZHUANG: Thank you.

CHAIRPERSON LEE: Okay, great. Okay. I think with that it concludes actually our budget hearing with DOI and for the day, actually. So I want to thank you so much, Commissioner, for coming out to testify and for your team being here. So thank you so much, and that concludes our hearing for today. Thank you.

COMMISSIONER SHIHATA: Thank you.

CHAIRPERSON KRISHNAN: Thank you, Commissioner. [gavel]

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 July 15, 2026