

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES
Of the
COMMITTEE ON PUBLIC HOUSING

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HELD AT: Committee Room - City Hall

B E F O R E: RITCHIE J. TORRES
Chairperson

COUNCIL MEMBERS:
Rosie Mendez
James G. Van Bramer
Donovan J. Richards
Laurie A. Cumbo

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

Shola Olatoye
Chair and Chief Executive Officer
New York City Housing Authority, NYCHA

Richard Couch
Executive Vice President & Chief Financial Officer
New York City Housing Authority, NYCHA

Brian Clarke
Senior Vice President
Operations for Property Management
New York City Housing Authority, NYCHA

Raymond Ribeiro
Executive Vice President for Capital Projects
New York City Housing Authority, NYCHA

Stephanie Bloodshaw
Missoula Squad

Deborah Pollack
Director of Social Services
West Harlem Group Assistance

Taj Finger
Center for Court Innovation

Lisette Murphy
Missoula Parkway

2 [sound check, pause]

3 [gavel]

4 CHAIRPERSON TORRES: Good morning
5 everyone. I'm Council Member Ritchie Torres, and I
6 Chair the Committee on Public Housing and, of course,
7 the focus of today's hearing will be on NYCHA's
8 Budget for Fiscal Year 2016, the Preliminary Budget
9 Hearing. In the interest of time, I'm going to
10 proceed directly to the Housing Authority for an
11 opening statement.

12 SHOLA OLATOYE: Good morning, Chairman
13 Richie Torres, members of the Committee on Public
14 Housing, and other distinguished members of the City
15 Council. Good morning. I'm Shola Olatoye, Chair
16 and Chief Executive Officer of the New York City
17 Housing Authority. Joining me today is Richard
18 Couch, Executive Vice President and Chief Financial
19 Officer. We appreciate the opportunity to present
20 the Authority's Adopted Budget for the Years 2015
21 through 2019, which was approved by the Board of
22 Directors on time in December in 2014. Today, you
23 will hear about the dire challenges confronting
24 NYCHA, including continued underfunding from the
25 federal and state government and aging infrastructure

2 in need of significant investment. We will also
3 discuss the proactive and innovative steps we're
4 taking to address these issues.

5 Since it was established more than 80
6 years ago, NYCHA has provided a pathway to stability
7 and a better life for countless New Yorkers. We are
8 the city's largest landlord and affordable housing
9 resource, managing 178,000 apartments in 328
10 developments in every borough. And we are by far the
11 nation's public housing authority. As you know,
12 NYCHA's Operating Budget comprises two major
13 programs: Public Housing and Housing Choice Voucher
14 Program, also known as Section 8. Public Housing
15 represents two-thirds of the Authority's overall
16 spending about \$2 billion. And Section 8 represents
17 one-third, slightly over \$1 billion. Please note
18 that unlike the City of New York, NYCHA's fiscal year
19 follows the calendar year. As our budgets indicate,
20 we have serious fiscal challenges ahead. Years of
21 diminished support for public housing at every level
22 of government have severely challenged the ability of
23 PHAs across the country to fulfill their promise of
24 safe, decent housing for residents. NYCHA, due to
25 its size, has been greatly impacted by the continued

2 funding cuts, suffering a more than \$2 billion
3 cumulative loss in operating and capital funding
4 since 2001. In recent years, Congress has
5 appropriated substantially less than needed. HUD then
6 prorates every PHA's funding accordingly resulting in
7 shortfalls.

8 I will first tell you about the Public
9 Housing Program's Operating deficit and then the
10 considerable needs of our Capital Program. As I
11 mentioned, federal funding for NYCHA's operations has
12 diminished steadily over the past decade and a half.
13 At the same time, costs continue to rise, especially
14 for employee fringe benefits, which comprise about a
15 quarter of our expenditures. At this rate, we expect
16 a \$287 million deficit by 2019, and with buildings
17 only getting older, expenses climbing, and revenues
18 remaining flat or falling, we will see a more than
19 \$400 million deficit by Year 2025.

20 Just over a year ago, when I was
21 appointed to NYCHA's Chair--to be NYCHA's Chair and
22 CEO, the Authority had a \$280 million deficit for
23 Fiscal Year 2014. I'm pleased to report that we
24 closed last year's massive shortfall by year's end,
25 the first time NYCHA has closed its budget in ten

2 years without tapping into reserves or excessive
3 shifting of capital dollars to operations. This was
4 made possible by generous and historic support from
5 Mayor de Blasio and the City Council, as well as
6 concerted actions relation to our vision for a more
7 sustainable next generation Housing Authority.

8 The Mayor's Comprehensive \$210 million
9 plan to make neighborhoods safer included \$120
10 million--a \$122 million in relief of NYCHA's payments
11 to the NYPD for 2014 and 2015, money that we are
12 putting towards repairs and maintenance and reducing
13 response time. In 2014, we budgeted \$40 million to
14 complete about 32,000 work orders and actually
15 completed 70,000 outstanding work orders primarily
16 painting and tiling apartments. We also used \$3.6
17 million for new energy-efficient ranges and
18 refrigerators, and \$4 million to begin the assessment
19 of every apartment in NYCHA's portfolio.

20 I want to thank the Mayor for recently
21 making the relief of NYPD payments permanent, which
22 will contribute greatly to our progress. The Mayor's
23 assistance also enabled us to install 150 temporary
24 light towers at 15 developments with the highest
25 crime rates. The Administration has pledged an

2 additional \$1.5 million to keep these temporary
3 towers in place through August 2015. \$17 million
4 from the City Council and the de Blasio
5 Administration kept 57 NYCHA community and senior
6 centers open in 2014 to benefit some 5,000 New
7 Yorkers. I want to again thank the City Council--
8 thank City Hall and the City Council for the new and
9 effective ways you are supporting public housing in
10 New York.

11 The measures we took to close NYCHA's
12 2014 operating deficit also looked ahead to reduce
13 future deficits. We worked with HUD to negotiate
14 lower energy rates while garnering \$13.2 million in
15 additional subsidies. At our last hearing, I
16 informed you about the innovative public-private
17 partnership that we will revise--that will allow us
18 to revitalize and preserve six Section 8 developments
19 outside of our traditional public housing portfolio,
20 developments that were long underfunded and required
21 significant capital work.

22 The one-time \$158 million closing
23 payments to NYCHA that immediately resulted from this
24 partnership was a large component of solving the 2014
25 budget gap. As well as ensuring that these

2 developments will remain an affordable housing asset,
3 the partnership expects to bring a total of \$360
4 million in revenue to NYCHA over the next 15 years
5 starting with approximately \$114 million in 2016.
6 That will fund capital repairs at our public housing
7 developments.

8 In taking actions to eliminate the
9 deficit, we did have to make some hard choices. In
10 mid-2014, we developed increased controls to reign in
11 overtime spending instituting additional approvals
12 for overtime requests, and reducing non-emergency
13 overtime. While we kept overtime spending in check,
14 which in 2014 was largely in response to 11
15 snowstorms and 60 gas outages compared to just 28 in
16 2013, it took us longer to respond to work orders.

17 Our capital deficit is even bleaker
18 because NYCHA's infrastructure requires significant
19 investment. About 80% of our 2,500 buildings are
20 more than 40 years old, and the entire portfolio has
21 over \$16 billion in unfunded capital needs. NYCHA
22 has been short-changed more than a billion dollars in
23 federal capital funding since 2001, and delaying
24 necessary repairs and upgrades makes our properties
25 more expensive to maintain. For budgetary reasons,

2 we talked about operating and capital expenses as if
3 they are separate, but in reality, they are related.
4 For example, we saw that maintenance work orders went
5 down by 49% after we invested \$33 million in
6 significant capital repairs at the Marlborough
7 Houses. There were similar results at Johnson and
8 Armstrong Houses.

9 Despite the challenges, our Capital
10 Projects Division accomplished quite a lot in 2014
11 obligating three times as much money in one-third the
12 time on higher quality projects. We successfully
13 obligated over \$700 mil--\$740 million on major
14 modernization projects, including entire proceeds of
15 a \$500 million bond issued under HUD's Capital Fund
16 Financing Program, which was obligated about a year
17 under deadline. HUD's Annual Capital Grant was
18 obligated in only eight months, well ahead of the 24-
19 month deadline. And NYCHA spent \$330 million on
20 critical infrastructure including facades and roofs,
21 elevators and heating and plumbing systems improving
22 the quality of life for about 40,000 families while
23 beating HUD's expenditure deadline.

24 The Mayor, the City Council and residents
25 have spoken extensively about the impact of sidewalk

2 shedding on quality of life. I'm pleased to say that
3 we removed just over 34,000 feet of sidewalk shedding
4 since May 2014 contributing to a safer, cleaner
5 environment for residents. We are still on target to
6 complete the removal of all sidewalk sheds that are
7 not part of active construction this spring.

8 NYCHA fulfilled its promise to complete
9 all 49 Fiscal Year 2014 Council funded CCTV projects
10 by the end of the year. Installing 1,973 cameras at
11 393 buildings across 54 developments is bringing
12 greater safety and security to nearly 94,000
13 residents. I again want to thank the Council for
14 providing much needed funds that benefit residents
15 including funding for permanent exterior lighting
16 projects. Using Council dollars to install security
17 cameras is surprising a lengthy, complicated process
18 involving a variety of stakeholders. But we were
19 successful in finishing these projects on time thanks
20 to the Mayor's assistance and instance coordinating
21 all parties. This focus on NYCHA's needs is yet
22 another example of the Mayor's unprecedented
23 commitment to public housing.

24 Historically, NYCHA has not been as
25 successful spending non-security related city capital

2 dollars as our fed--as our federal capital funds. To
3 facilitate completion of City capital projects, NYCHA
4 created a city capital unit last year. The unit is
5 working closely with council members to repurpose
6 \$17.5 million of a total of \$105 million in city
7 capital funding. NYCHA also works closely with the
8 City Council to bring these investments to fruition
9 sharing progress via quarterly reports, and
10 discussing any necessary project refinements. That's
11 because City Council funding does not allow us--does
12 not always sufficiently fund project. And approval
13 from the elected official and the Office of
14 Management and Budget is required to repurpose the
15 funds.

16 NYCHA operates the largest Section 8
17 program in the country. At the beginning of 2014, we
18 had a funding gap of \$12 million. We applied for and
19 received federal shortfall funding to ensure no
20 Section 8 program deficit for the year. However,
21 shortfall-funding mean that we could not issue new
22 vouchers in 2014, resulting in an overall decrease in
23 the number of families served. While we projected a
24 94% proration of Federal Section 8 funding for 2014,
25 we ultimately received 99.7% of the Section 8

2 payments for which we were eligible. In October, to
3 address this uncertain funding picture, NYCHA took
4 steps to lower its Section 8 payment standard, the
5 amount of voucher homeless rent that NYCHA pays to
6 the landlord. We did this for two reasons: To
7 ensure the program fiscally so it can expand in the
8 future, and to make NYCHA's payment standard
9 consistent with the New City Department of Housing
10 Preservation and Development Section 8 Program. This
11 change will not go into effect until 2016. While a
12 limited number of residents may have to pay increased
13 rent, NYCHA will be able to serve more Section 8
14 families issuing perhaps another 1,000 vouchers in
15 2016.

16 Now, I'd like to tell you about 2015 for
17 which the funding outlook is not much more favorable.
18 With anticipated total revenues of \$2.059 billion and
19 total expenses of \$2.1 billion, we project an
20 operating deficit of \$98 million for 2015. The gap
21 is due to:

- 22 1. Federal underfunding
- 23 2. Nearly 5,000 unfunded public housing
24 units, and

2 3. Increased employee costs such as
3 pensions and benefits.

4 We are working with the Administration to
5 solve this projected deficit. Some revenues may
6 include the proceeds from last year's public-private
7 partnership; potential energy rebates; and attrition;
8 as well as some of the next generation NYCHA
9 initiatives that I will discuss later. We are
10 projecting an 89% proration of federal operating
11 funds in 2015, which translates to a loss of about
12 \$115 million in funding. This is the same proration
13 rate as 2014. So we are keeping our spending
14 projections constant with last year.

15 NYCHA is receiving \$305 million in
16 federal capital funding in 2015. Although this is
17 about \$10 million more than 2014 funding, it is still
18 woefully insufficient to address NYCHA's mounting
19 capital needs. NYCHA has been allocated about \$105
20 million in City capital funding for 2015 for work
21 such as exterior permanent lighting and roof
22 replacement. This also funds the 29 CCTV projects
23 that we recently re-announced with the Mayor, which
24 will be--which will be completed by year's end.

2 The number of Section 8 families that
3 NYCHA can serve depends on renewal funding. HUD
4 provides NYCHA with housing assistance payments to
5 subsidize the portion of tenant--tenant's rent that
6 exceeds their contribution of 30% of their income.
7 HUD also provides NYCHA an administrative fee to
8 administer the program. HUD is providing Section 8
9 renewal funding at 101.25% proration for 2015,
10 approximately \$1.017 billion. This is in contrast to
11 the Public Housing Program, which continues to
12 experience funding cuts. This higher than expected
13 funding for Section 8 enables NYCHA to maintain our
14 88,577 existing vouchers, and to potentially support
15 about 2,000 new vouchers over the next two years.

16 Public Housing relies on federal
17 subsidies. They comprise about half of NYCHA's
18 public housing revenues with tenant rent making up
19 most of the balance, and all of the Section 8 Program
20 revenue. For that reason, year after year after year
21 federal underfunding of public housing compels us to
22 take a good hard look at NYCHA's finances. Clearly,
23 NYCHA's fiscal challenges are immense, and our
24 current operating model is unsustainable. But NYCHA
25 is too important to the vitality and success of New

2 York City for there to be any way but transformation-
3 -transformation. That is why we have developed Next
4 Generation NYCHA, a long-term strategic plan that
5 will guide us in changing the way we do business as a
6 landlord to create safe, clean and connected
7 residents--connected communities for residents. To
8 do this, we must achieve short-term financial
9 sustainability; and diversified funding for the long-
10 term, operate more efficiently and effectively;
11 rehabilitate and harness NYCHA's real estate assets;
12 and develop sustainable resident services and
13 engagement models.

14 As part of our work to reset
15 relationships with all of NYCHA's stakeholders, I
16 have been talking and listening extensively this past
17 year with residents, employees, elected officials and
18 community advocates. We are using their input to
19 draft the Next Generation NYCHA Plan, which we will
20 release later this spring. As part of Next
21 Generation NYCHA, we've helped residents develop and
22 begin to implement action plans for the communities
23 based on visioning workshops at Ingersoll, Mill
24 Brook, and Van Dyke Houses. At monthly committee
25 meetings residents are tackling topics like affordable

2 housing, safety and security, maintenance and
3 repairs, jobs, neighborhood services and issues
4 concerning our children and seniors. But this is
5 just the beginning, and only one piece of what Next
6 Generation NYCHA means for a new and sustainable
7 housing authority. As part of the Mayor's Initiative
8 to address the homelessness crisis, NYCHA provided
9 homes to more than a thousand families in 2014; 865
10 in public housing, and more than 280 through Section
11 8. We expect to house twice that number over the
12 next three years.

13 We did our part to tackle the pervasive
14 issue of domestic violence providing homes or
15 emergency transfers to over 700 domestic violence
16 last year. We modified our policies to help domestic
17 violence get priority for admissions and transfers.
18 And with the Mayor's Office to Combat Domestic
19 Violence, we trained over 650 development staff to
20 recognize domestic violence. And NYCHA along with
21 our partners connected more than 2,000 residents to
22 good jobs in 2014. We also signed on--signed an
23 agreement in 2014 with the Building and Construction
24 Trades Council that began helping residents get good

2 union jobs this year while promoting higher quality
3 construction work.

4 On January 2nd, we launched the Optimal
5 Property Management Operating Model known as OPMOM at
6 18 developments. Home to nearly 53,000 residents to
7 improve customer service and response times. By
8 shifting decision-making on budget and purchasing to
9 develop--to development property managers, we expect
10 that OPMOM would streamline operations and enhance
11 communications between staff and residents. With
12 employees becoming more empowered to make good
13 management decisions for their developments,
14 residents will also see more accountability. We look
15 forward to updating you as this work continues.

16 Recycling is another way we are main our
17 developments more sustainable while improving quality
18 of life for residents. We're working the Department
19 of Sanitation and Grow NYC to launch recycling
20 programs starting at two locations this spring.
21 We'll continue roll out the program to all of our
22 developments over 2015 and 2016. NYCHA represents
23 more than 8% of the City's rental housing stock. So
24 we can make a big impact on the city's sustainable
25 waste management efforts.

2 We will use the Manhattan DA's generous
3 2014 contribution of \$101 million in asset forfeiture
4 funds to install security upgrades at select
5 developments. NYCHA is complying with federal law
6 and HUD's mandate that all PHAs ensure that their
7 public housing flat rent or maximum ceiling rent is
8 not less than 80% of fair market rent. Federal Law
9 makes sure that no family pays more than 30% of their
10 income in rent, and for this reason most of our
11 families 80% will not be affected by this
12 requirement. Again, every housing authority across
13 the country has been mandated by HUD to do this.
14 Although this may be a difficult adjustment for the
15 approximately 25,000 affected households, the
16 increased revenue will enable NYCHA to do better for
17 residents. And the rent increase will be phased in
18 over three years starting this November to ensure the
19 least impact possible. NYCHA has met with many
20 resident associations to inform them of the upcoming
21 changes to the rent schedules. We are also holding
22 town hall meetings in every borough to discuss this
23 with residents in addition to April's public hearing
24 on the amendment to the FY2015 Annual Plan. And

2 we've met with various elected officials to keep them
3 informed.

4 An important element at Next Generation
5 NYCHA's path forward is increased economic
6 opportunity for residents through improved workforce
7 programs. I'd like to highlight one example for you,
8 the Food Business Pathway Program including the
9 collaboration with New York City's Small Businesses,
10 the New York City Economic Development Corporation
11 and City Community Development. NYCHA is providing a
12 free training program to NYCHA Entrepreneurs who want
13 to start their own food business. One participant
14 said that the program gave her the confidence and
15 courage to open up her own food business. Something
16 she'd always wanted to do, but didn't think would
17 ever become possible. The existing financial model
18 for public housing is unsustainable, and as the
19 funding figure suggests, there is no easy solution in
20 sight for NYCHA's grave fiscal predicament. In light
21 of the issues at hand, we will keep working to
22 responsibly maintain and preserve this vital
23 resource, which positively affects so many lives. At
24 every development I visit I hear from residents about
25 how much NYCHA means to them, and the good it has

2 done for their families. But invariably they will
3 also say that NYCHA must change in order to deliver
4 on its promise of safe, decent, affordable housing.

5 The Council has been a generous ally as
6 we work toward this transformation. We want to thank
7 Speaker Mark-Viverito for her pledge--for her
8 pledging of \$25 million for roof and brick repairs in
9 every borough. We look forward to working with the
10 Council to identify the developments most in need of
11 these improvements--these investments that will
12 reduce NYCHA's costs for today, and tomorrow. Thank
13 you also to the Speaker for contributing additional
14 participatory budgeting funds for select
15 developments. Thank you to Chairman Torres, the
16 Public Housing Committee, and the Council for being
17 part of this very important conversation about
18 NYCHA's future. This is a Preliminary Budget, and we
19 look forward to coming back in June with our plans
20 for a more sustainable NYCHA. We are happy to answer
21 your--any questions you may have. Thank you.

22 CHAIRPERSON TORRES: Thank you, Madam
23 Chairwoman for your testimony. For the record I want
24 to say that I know how to pronounce your name, right.
25 I'll show that a lot to you. I think I--

2 SHOLA OLATOYE: Thank you, Chair.

3 CHAIRPERSON TORRES: Yes, okay because I
4 know that there's New York Times article about it. I
5 want to acknowledge my colleagues Council Member
6 Richards from Queens, Council Member Rose from
7 Queens, and Council Member Cumbo from Brooklyn.

8 I want to comment quickly on something
9 that you noted. Obviously, it mentions in the
10 process of increasing some of the rents in--I guess
11 in the aim of achieving greater rent equity moving
12 toward ensuring that every resident is paying 30% of
13 their gross adjusted income, which would generate
14 more rental revenue. But my understanding is that
15 that revenue would not go toward NYCHA. Ultimately,
16 it's going to be pocketed by HUD is that--

17 SHOLA OLATOYE: [off mic] This is for
18 you? [sic]

19 RICHARD COUCH: Yes, so that the way that
20 the Federal Operating Subsidy works is that based on
21 our eligible expenses, they back out what they call
22 formula income, which is primarily resident rental
23 income. So, two years later after any rent increase,
24 the Federal Operating Subsidy would go down by almost
25 the exact amount on the eligible funding based on

2 proration, which is currently 89%. You'd only
3 realize 11% of that increase.

4 CHAIRPERSON TORRES: So you have a \$98
5 million deficit in 2015? Can you walk me through
6 your plan for closing it?

7 SHOLA OLATOYE: So our Preliminary Plans
8 include not only working very closely with the
9 Administration as well as continued holding the line
10 with regard to staff--through staff members. So,
11 really a hiring freeze except for on the frontline.
12 Continued focus on our overtime costs, and working
13 with--with HUD around ongoing potential energy--
14 energy rebate--a rebate program. But we--this is--
15 this is the ongoing conversation with the
16 Administration, and something that we continue to
17 work on.

18 CHAIRPERSON TORRES: Can you give me
19 something more concrete? I mean it's \$98 million--
20 How were--how were you able to close that budget
21 deficit last year? How were you able to close it?

22 RICHARD COUCH: Well, we started--when I
23 started it was actually \$281 million, and by the end
24 of the year we were able to close that through--
25 through the measures that I referenced in my

2 testimony. Which included largely the results of the
3 Section 8 Recap deal that we closed at the end of
4 last year.

5 CHAIRPERSON TORRES: Which is a one-time
6 infusion of capital dollars.

7 SHOLA OLATOYE: Which is 015, [sic] yes
8 sir.

9 CHAIRPERSON TORRES: Without that kind of
10 infusion, how do you manage to close the deficit?

11 RICHARD COUCH: Yeah, without that
12 infusion we had an operating deficit of \$53 million.
13 So that infusion of \$158 million allowed us to close
14 the gap for 2014.

15 CHAIRPERSON TORRES: Okay. Now, your--
16 NYCHA's finances are actually more alarming than I
17 realized--

18 RICHARD COUCH: [interposing] Uh-huh.

19 CHAIRPERSON TORRES: --because over the
20 next four years, your budget deficit is set to rise
21 by almost 300%. So it will go from \$98 million in
22 2015 to \$211 million in 2016 to nearly \$300 million
23 in 2019.

24 SHOLA OLATOYE: Uh-huh.

2 CHAIRPERSON TORRES: I mean what's
3 driving the growth in the deficit in such a short
4 span of time?

5 SHOLA OLATOYE: [off mic] Okay.

6 RICHARD COUCH: As you can see, we the
7 expenses are relatively flat. We're working very
8 hard to keep the expenses level. Expenses in those
9 years are projected to only grow at a maximum of one
10 percent. But you can see the funding is projected to
11 go down. Back in 2013, our proration was only 82%.
12 We were fortunate enough to receive in 89% in 2014,
13 and expecting to receive that same 89% this year for
14 2015. But it is most likely anticipated that that
15 proration level will go down, which is the proration
16 from our eligible funding of roughly a billion
17 dollars.

18 CHAIRPERSON TORRES: And these
19 projections, and these--this is the best case
20 scenario? This assumes no further federal
21 disinvestment from NYCHA?

22 RICHARD COUCH: That is correct.

23 CHAIRPERSON TORRES: So \$400 million by
24 2025 is actually the best case scenario.

25 SHOLA OLATOYE: Correct.

2 CHAIRPERSON TORRES: What is NYCHA's
3 Capital Budget for the next five years? What's the
4 total dollar amount?

5 RICHARD COUCH: Yeah, so the general
6 Capital Plan is \$1.7 billion. Including the Disaster
7 Recovery Efforts that would be \$4.2 billion.

8 CHAIRPERSON TORRES: \$4.2. And so it's
9 \$1.7 generally for the whole development?

10 RICHARD COUCH: Yeah, that is excluding
11 the Sandy or Disaster Recovery.

12 CHAIRPERSON TORRES: And so that's
13 measured against--is it a \$16 or \$18 billion backlog
14 in unmet capital needs?

15 SHOLA OLATOYE: It's a \$16 billion
16 capital need for the next five years.

17 CHAIRPERSON TORRES: So you have \$1.7
18 million for public housing generally, and you'll have
19 a \$16 billion backlog--backlog in unmet capital needs
20 over the next five years?

21 SHOLA OLATOYE: That's right.

22 CHAIRPERSON TORRES: Do you have a sense
23 of how large that backlog is going to grow over the
24 next 10 years or 15 years?

2 RICHARD COUCH: Well, just being correct,
3 not a backlog, but it's the infrastructure. The
4 physical needs assessment is calculated to be
5 approximately \$16.5 billion for a five-year period.
6 As you look out to 20 years and beyond that--that
7 amount would grow roughly to \$29 billion.

8 CHAIRPERSON TORRES: Twenty years from
9 now, \$29 billion?

10 RICHARD COUCH: \$29 billion. Yeah.

11 CHAIRPERSON TORRES: And do we--is NYCHA--
12 --when is NYCHA planning to conduct its next Capital
13 Plan.

14 RICHARD COUCH: We are implementing a new
15 Physical Needs Assessment this year.

16 CHAIRPERSON TORRES: Okay.

17 RICHARD COUCH: The last one was done in
18 2011.

19 CHAIRPERSON TORRES: It seems to me that
20 the math here is unforgiven, right. And I worry that
21 if the trajectory of underfunding NYCHA continues
22 then we're going to be in danger of losing some
23 buildings. Some buildings are going to simply come
24 unlivable. Do you have a sense of the number of
25 buildings that we might be in danger of losing within

2 the next 5, 10, 15 years? Is that something that
3 you're calculating internally.

4 SHOLA OLATOYE: Well, we certainly have
5 a sense of those buildings that are most in need, and
6 we've talked about--in our conversations in Albany
7 about those buildings. We rate our buildings on sort
8 of as a one to five perspective. So there are
9 approximately 20 to 25% of our portfolio are into the
10 five category. Meaning they have--their roofs and
11 their systems are long past their useful life. And
12 really through the Herculean efforts of staff, folks
13 are sort of managing, you know, an outdated and
14 antiquated infrastructure system, leaky roofs,
15 ceilings literally sort of with the foam and chewing
16 gum frankly to keep things--to keep buildings
17 operational.

18 CHAIRPERSON TORRES: And you mentioned
19 your conversations with Albany. There's a strong
20 likelihood or there's a strong possibility that NYCHA
21 could receive probably the largest investment of
22 state funds. At this point it's speculation, but the
23 largest of state funds--investment of state funds
24 that we've seen probably 20 years. If NYCHA were to

2 receive those funds, how do you plan to spend it? On
3 what kind of projects.

4 SHOLA OLATOYE: Sure. Well, first of
5 all, it is a very exciting time to--to be in Albany
6 and to be having these conversations. And I think,
7 you know, not only the residents, but all of you and
8 our colleagues in both houses have, I think
9 understood and understood the need for a state new
10 emergence in support of NYCHA. We are--in our
11 conversations we've been very focused about the
12 potential uses of these dollars. One is essentially
13 securing the building envelopes of our most
14 challenged buildings, those buildings that I
15 referenced. So, roof replacements, parapet
16 replacements, plumbing replacements within those
17 buildings. Water is the--is the enemy of any
18 potential landlord. So sealing those buildings,
19 sealing those building envelopes is a critical
20 component to issues around work orders. There's a
21 direct correlation. And we saw that not only in the
22 Marlborough Houses and the Johnson Houses where we
23 invested Bond B capital dollars where when you do the
24 kind of roof replacement, facade improvements,
25 infrastructure improvements, there was a direct

2 correlation of decrease in the number of work orders
3 around mold, painting, tile issues that so many of
4 our residents live with on a daily basis.

5 CHAIRPERSON TORRES: And obviously I have
6 concerns about the habitability of many of our
7 buildings. But they're apartments, individual
8 apartments that have become so unlivable-- My
9 understanding is so unlivable that NYCHA has had to
10 take them off the rent rolls. Do we know how many
11 apartments have been removed from the rent rolls for
12 reasons relating to living conditions.

13 SHOLA OLATOYE: So we have about a
14 little over 1,100 units off the rent rolls right now,
15 and there are a couple of different reasons that they
16 have sort of fallen in a couple of different buckets.
17 The largest bucket is due to the need for major
18 capital needs. So they're--they are unlivable. They
19 have been part of either slated for a major capital
20 renovation project of some kind. I think--

21 CHAIRPERSON TORRES: [interposing] How
22 many buildings?

23 SHOLA OLATOYE: I think the largest
24 percent of that 1,100 sort of fall in that.
25 Approximately 400 or units.

2 CHAIRPERSON TORRES: 400 units--

3 SHOLA OLATOYE: [interposing] Right.

4 CHAIRPERSON TORRES: --have been deemed
5 uninhabitable?

6 SHOLA OLATOYE: Correct.

7 CHAIRPERSON TORRES: Okay.

8 SHOLA OLATOYE: And--and they--you know,
9 either they were part of a large rehab project as for
10 some of those units we've made--the--the existing
11 buildings where we've done major recap work. And
12 we've sort of assumed those buildings and some of the
13 ongoing construction. The other--the other units
14 represent, just to be clear, units that we expect
15 will come back on line due to some of the new
16 affordable housing projects that are currently
17 underway. So Prospect Plaza, some of the things that
18 with HUD were long-standing projects that were taken
19 off line that we expect to come on line in the next--
20 next few years. But, you know, you are absolutely
21 right. That there are a number of units that can no
22 longer be inhabited.

23 CHAIRPERSON TORRES: And is that number
24 increasing or decreasing compared to years past? I

25

2 mean give me some frame of reference. So is 400 an
3 increase from previous years or--?

4 SHOLA OLATOYE: It's actually gone down.

5 CHAIRPERSON TORRES: It's actually gone
6 down?

7 SHOLA OLATOYE: It's gone down and I
8 would say that's largely due to the support of this
9 administration because we--because of the increased
10 investment to support some of the Administration's
11 priorities one. Two, the staff had because of that
12 increased support, staff are actually turning over
13 those units in a faster rate. It used to take us
14 between 45 to 60 days to turn over a unit. We're now
15 doing that in a little less than 35 days. So, that
16 number has significantly--the number of apartments
17 off line has significantly gone down. And we're
18 actually bringing them back on line at a faster rate.
19 It used to take us between 45 to 60 days to turn over
20 a unit. We're now doing that in a little less than
21 35 days. So, that number has significant--the number
22 of apartments off line has significantly gone down.
23 And we're actually bringing them back on line at a
24 faster rate.

2 CHAIRPERSON TORRES: How significantly?
3 What were the numbers in past years? Do you know?

4 [pause, background comments]

5 BRIAN CLARKE: Good morning, Brian
6 Clarke, Senior Vice President of Operations for
7 Property Management. So if you went back, you know,
8 over 10 years at one point I believe we had over
9 approximately 10,000 apartments off the rent roll for
10 a variety of reasons. Many of them related to
11 modernization work that required the apartments to be
12 vacated in order for that work to be completed. And
13 the number has, you know, come down, you know, each,
14 you know, each year. Okay.

15 CHAIRPERSON TORRES: But I think that's
16 another way of looking at the benefits. So if you
17 were to receive more funding from the City, from the
18 state, from the federal government, it could mean
19 that 400 more households have access to deeply
20 affordable housing in New York City. Would that be a
21 correct assessment if you have enough. I imagine
22 that these are mostly top level apartments that
23 require probably roof work brick work? Am I correct?

24 SHOLA OLATOYE: [off mic] Your
25 assessment is correct, sir.

2 CHAIRPERSON TORRES: Okay. As you know,
3 the Daily News and did reference this in your
4 testimony has written a series of articles about
5 overtime. According to the Daily News, NYCHA paid
6 \$106 million in overtime to workers in 2014. Is that
7 an accurate figure or--?

8 RICHARD COUCH: That number is not
9 accurate.

10 CHAIRPERSON TORRES: What's the--what's
11 the right number?

12 RICHARD COUCH: That number would be
13 approximately \$84 million in 2014. Historically,
14 over the last three years that overtime figure
15 averaged around \$90 million.

16 CHAIRPERSON TORRES: So, it's actually
17 gone down?

18 RICHARD COUCH: It's gone down from the
19 historical highs. Yes, sir, we did have a much lower
20 figure in our 2014 Budget, approximately \$54 million
21 in order to address our large operating deficit of
22 \$281 million originally projected. That numbers is
23 probably quite aggressive in order to meet the
24 general needs of the Authority as well as when you
25 add on the initial snowstorms, the gas outages, and

2 the continued increased effort to close work orders.
3 We did incur increased overtime in the first half of
4 '14, but reigned in on the second half of '14 with
5 additional controls and measures.

6 CHAIRPERSON TORRES: Okay. Because the
7 Daily News is reporting or did report that from 2008
8 to 2014, there was a 204% increase in overtime
9 payments. Is that inconsistent with your numbers or-
10 -?

11 RICHARD COUCH: I'm--I'm not sure where
12 they're getting the numbers from, but we'll check how
13 they're calculating them.

14 CHAIRPERSON TORRES: And most of these
15 overtime payments are going towards which category of
16 workers, or for which purposes?

17 SHOLA OLATOYE: So that's mostly all of
18 our--our maintenance--our maintenance workers, our
19 skilled trades. So, you know, by the nature of--of
20 their design, emergencies require plumbers.
21 Emergencies require maintenance workers. The other
22 important fact to note about the Housing Authority is
23 our weekend--our weekend work is scheduled overtime.
24 So the staff that you see at developments on
25 Saturdays on Sundays are being compensated through--

2 through budgeted, scheduled overtime. So that is--
3 that is built into our budget that is as the CFO
4 referenced in 2014 we budgeted probably more
5 conservatively than we should have approximately 54--
6 \$54 million. And actually ended up at about \$85
7 million at the end of last year given snowstorms, gas
8 outages, et cetera. We have really taken a hard look
9 at how overtime is approved. We made some hard
10 decisions at the end--really in the summer of 2014,
11 and eliminated all non-emergency unscheduled
12 overtime. The result of that was twofold. One, it
13 took us longer to deal with more quarters. Two, we
14 have--and I'm sure many of you can testify to some of
15 the challenges in terms of the--just the quality of
16 life, the conditions at the developments. And three,
17 you know, it certainly had an impact on our
18 employees.

19 CHAIRPERSON TORRES: As I mentioned, the
20 overtime payments is part of the function of limited
21 staffing, right. So would it be more cost-effective
22 to hire more staff or than to have-- Because I
23 really think these overtime payments are simply going
24 to increase dramatically from year to year. So have
25 you done an internal assessment of whether it would

2 be more cost-effective simply to bolster your staff
3 levels?

4 SHOLA OLATOYE: Well, certainly there's
5 no--there's no argument that we need more frontline
6 staff. Staff who are at the developments, custodial
7 staff, maintenance staff for sure. We have done that
8 analysis, and we would be happy to provide that you
9 at the conclusion.

10 CHAIRPERSON TORRES: [interposing] If you
11 could, that would be--

12 SHOLA OLATOYE: -- of the hearing.

13 CHAIRPERSON TORRES: Yes.

14 SHOLA OLATOYE: But more importantly,
15 just as there--while there may be a cost implication
16 for sure, there's a real service in customer service
17 impact as well when people, our workers, you know,
18 work long days, and are there and often are there
19 when residents aren't home. And when--and our folks
20 are gone when residents come back home. And then the
21 ability to see the impact of all of the work that
22 people have been doing throughout the day was often
23 times lost. The ability to get to residents when
24 they're home to address maintenance issues in their
25 apartments also is a challenge. So there is--there

2 is no question that we need more staff at the front
3 line to get the work done, and also to--to ensure the
4 safety of our residents--of our employees going
5 forward. And what reforms are you looking to put in
6 place in relation to overtime and--?

7 SHOLA OLATOYE: Well, what we've done--

8 CHAIRPERSON TORRES: [interposing] Yes.

9 SHOLA OLATOYE: --to overtime already
10 that is--

11 CHAIRPERSON TORRES: [interposing] And
12 what are you planning to do as well?

13 SHOLA OLATOYE: Okay. So what we've done
14 to date is to improve and increase the level of
15 approvals for overtime. We still have eliminated
16 non-emergency unscheduled overtime that's still we're
17 holding the line very clearly on that. The broader
18 issue around the need to hire more staff is the--is
19 the I think the sort of consistent theme in our--in
20 my testimony. Which is the need for additional
21 resources to support--to support that need.

22 CHAIRPERSON TORRES: All right, which is
23 on top of the \$400 million that you're going to need
24 to close your deficit in 2025. So, that's--

25 SHOLA OLATOYE: Correct, sir.

2 CHAIRPERSON TORRES: There's been a
3 series of stories about the quote, unquote NYCHA yard
4 sale. So I do have a few questions about the
5 procurement process. I'm going to walk through a few
6 statements, assertions made by the Daily News, and
7 please verify whether those are correct. So,
8 according to the Daily News, internal records
9 revealed that NYCHA has tallied \$18.1 million worth
10 of supplies that need to go. Everything from
11 refrigerator parts to office--office furniture. The
12 plans sources say is to sell everything by the
13 summer. Is that true?

14 SHOLA OLATOYE: Yes.

15 CHAIRPERSON TORRES: Okay. The Daily
16 News also alleges that much of the material auctioned
17 off was brand new, still shrink-wrapped in boxes and
18 never touched sitting in NYCHA's storage basement.
19 Is that true?

20 SHOLA OLATOYE: One of the findings of
21 the--of both the controller and our own work was that
22 there was a significant amount of excess inventory
23 from previous administrations that had been ordered.
24 Correct, sir.

2 CHAIRPERSON TORRES: And I imagine you
3 have records of everything that you've sold, and how
4 much you've sold them for?

5 SHOLA OLATOYE: So, if I may, one of the
6 important reforms that we put in place beginning
7 really about two years ago was consolidating the more
8 than 14 different satellite offices where this
9 material sat. And as you can imagine, a portfolio of
10 our size or scale having 14 different offices--
11 satellite offices with very little controls, very
12 little data on the age, the use, the historical use
13 of that particular item, clearly it was quite
14 problematic. That was something that currently--that
15 happened in the past. Our new system is one that is
16 centralized, that is focused on (a) identifying and
17 inventorying what is there. What can be used by
18 existing development staff. And then secondly, going
19 through a process, which is best practice in any
20 business to then begin a liquidation process based on
21 what's left over. And that is the process that we're
22 undergoing. And the third piece I would say is
23 developing an improved real time inventory process,
24 which is not based on historical ordering, but more
25 based on utilization.

2 CHAIRPERSON TORRES: So I guess obviously
3 if an item--obsolescence, right? I imagine it's
4 understandable that NYCHA would sell it at a fraction
5 of its cost, right? But I think the concern that was
6 expressed in the article is that quite a few of these
7 items were brand new. Have gone unused, and so I
8 think the questions, and it could be a function of
9 the previous system is why with so many of these
10 items brand new, why did they go unused? And why
11 were they even purchased in the first place?

12 SHOLA OLATOYE: I can't speak to why they
13 were purchased in the first place. I wasn't here,
14 but I will tell you that a lot has changed in three
15 years. One is Sandy. Two is the number of Building
16 Codes, a number of things that, you know--

17 CHAIRPERSON TORRES: [interposing] I
18 understand you weren't here, right, but part of
19 reforming the system is having a diagnosis of what we
20 own.

21 SHOLA OLATOYE: Well, I was just
22 explaining to you, you know, something that was
23 ordered before Sandy that you would have installed
24 system wide. Now, we are--we have new flood zone
25 requirements. We have new building specs. We have

2 new building specs. We have new-- They simply may
3 not be able to be utilized, or frankly legal for us
4 to use within our system. So an important component
5 of reviewing the existing inventory, sir, was not
6 only what is there and what could be utilized by
7 2014-15 staff, but frankly what was legal for us to
8 use as well. We made that determination, and then
9 have begun the liquidation process that you
10 reference--that you've referenced.

11 CHAIRPERSON TORRES: There was one more
12 alarming statement in the article. The article
13 indicates that NYCHA has been unable to say where
14 some big ticket items on its inventory list are. Is
15 that--do you know--do you know if there are items on
16 the inventory list that are unaccounted for or--?

17 SHOLA OLATOYE: I'm--I'm not sure what
18 that is referencing, but the whole point about our
19 reform in socialization process is to avoid that
20 exactly. So one of our, you know, one of the
21 important components is that there is transparency.
22 And that we do know both not only what we have on--
23 what we have in our possession, but what the
24 potential need is for that as well.

2 CHAIRPERSON TORRES: You have records of
3 everything in your possession, everything you've
4 bought, everything you've sold?

5 SHOLA OLATOYE: Correct.

6 CHAIRPERSON TORRES: Correct.

7 RICHARD COUCH: I mean just in terms of
8 the numbers, in 2012 they went through a very
9 thorough review and identified approximately \$27
10 million of items that were--that should be
11 liquidated. They were going through a process of
12 pushing those--those items out to the development and
13 using them. We have \$18 million of items that are in
14 the liquidation process. And we have a very thorough
15 liquidation review process that goes through the
16 Supply Management Office. It goes through Finance.
17 I ultimately sign off on the liquidation approvals.
18 And also some of these items may be identified as new
19 or unopened, but they're not usable. A lot of these
20 items had been accumulated over dozens of years of
21 procurement processes that probably were not the
22 right items at that time. And most definitely
23 they're not now. In one of your sum of net fractions
24 [sic] of the dollar or as noted, we all are trying to
25 get value from them. We do have rules on how we can

2 go about selling those through sites such as
3 GovDeals.com that will work and we're still getting
4 above zero. I think that's still actually important
5 to note.

6 CHAIRPERSON TORRES: And now that the
7 system is more centralized, who is responsible for
8 the purchase and sale of goods at NYCHA?

9 SHOLA OLATOYE: So our Senior Vice
10 President of Supply Management and Operations, yeah,
11 is--oversees that department, who reports directly
12 into our General Manager. And we have not only daily
13 reports, but certainly quarterly reports on the
14 impact of that activity.

15 CHAIRPERSON TORRES: Okay. The Community
16 Centers. So a year ago, the Council put in enough
17 funding to save a number of community centers, NYCHA
18 run centers. But requesting that the Housing
19 Authority come up with a plan for sustaining them
20 over the long haul. So I'm curious to know whether
21 that plan has been developed, and when--when do you
22 intend to present it to the Council?

23 SHOLA OLATOYE: So, well first of all,
24 again, thank you for the support for keeping those
25 centers open in 2014 and '15. We did commit to

2 coming back to this body with a plan. We've had some
3 of those preliminary conversations with some of the
4 members at the table, yourself included. I can say
5 that the Administration is very--is committed at the
6 most senior levels. We just had a very senior level
7 meeting with Deputy Mayor Lilliam Barrios-Paoli, and
8 others about the future of these centers as a
9 commitment to keeping them open. And for there not
10 to be an interruption of service. And as we are in
11 the midst of the budget process now, we are working
12 towards a financial plan for those centers going
13 forward.

14 CHAIRPERSON TORRES: Okay, and when are
15 you set to release that plan?

16 SHOLA OLATOYE: It's imminent. Those are
17 conver--active conversations that are happening right
18 now.

19 CHAIRPERSON TORRES: Okay. I want to
20 refer--I want to speak a bit about those, and then I
21 will allow my colleagues an opportunity to ask a few
22 questions. There are 5,000 units in the Public
23 Housing Portfolio for which there is no subsidy
24 stream. Is that correct?

25 SHOLA OLATOYE: Yes, sir.

2 CHAIRPERSON TORRES: But those are
3 unconverted units?

4 RICHARD COUCH: Those are City-State
5 units.

6 CHAIRPERSON TORRES: Those are City and
7 State units that were never federalized--

8 RICHARD COUCH: [interposing] Correct.

9 CHAIRPERSON TORRES: --and the households
10 that live there could potentially convert those units
11 into Section 8 Vouchers? Am I--

12 SHOLA OLATOYE: That's correct, sir.

13 CHAIRPERSON TORRES: All right. Okay.
14 So, now what percentage or what number of those 5,000
15 are eligible for conversion to Section 8? Do we have
16 data on that?

17 RICHARD COUCH: Well, all of them are
18 eligible.

19 CHAIRPERSON TORRES: All of them are
20 eligible.

21 RICHARD COUCH: They originally started
22 at \$8,400. When the program was--began in 2008, we
23 converted roughly 3,500 leaving us with just a little
24 over 4,9000 and change right now. All those are
25 eligible. It is a voluntary conversion program. We

2 currently had projected in this year's budget a
3 conversion of about 300 units. I believe last year
4 we converted maybe 200.

5 SHOLA OLATOYE: [interposing] 268. Uh-
6 huh.

7 CHAIRPERSON TORRES: And those 500
8 unconverted units means that NYCHA is losing how much
9 in federal subsidy every year?

10 RICHARD COUCH: I'm sorry, the--did you
11 say 5,000?

12 CHAIRPERSON TORRES: Those 5--I'm sorry,
13 those 5,000 unconverted units means that NYCHA is
14 losing how much in federal subsidy?

15 RICHARD COUCH: They convert to roughly
16 \$75 million.

17 CHAIRPERSON TORRES: That's \$75 million
18 in foregone or in foregone subsidy.

19 RICHARD COUCH: Uh-huh.

20 SHOLA OLATOYE: Correct.

21 CHAIRPERSON TORRES: I just want to go
22 back to every household in those 5,000 units are
23 eligible for a Section 8 Voucher? Because I know the
24 income requirements for public housing are different

2 than those of Section 8. So do we know that for a
3 fact?

4 SHOLA OLATOYE: So those are listed as
5 city units, right. So they don't receive any public
6 housing units. It is a voluntary program. So one of
7 the important components to your point is to ensure
8 that residents are eligible to receive a Section 8
9 Voucher.

10 CHAIRPERSON TORRES: So how many of those
11 residents are eligible is my question?

12 RICHARD COUCH: We'll have to get that.

13 SHOLA OLATOYE: We'll have to get that--
14 that specific data for you, sir.

15 CHAIRPERSON TORRES: Because if we can
16 get those residents to voluntarily convert--

17 SHOLA OLATOYE: [interposing] Right.

18 CHAIRPERSON TORRES: --then that can
19 generate tens of millions of dollars--

20 SHOLA OLATOYE: [interposing] Yes,
21 you're absolutely correct.

22 CHAIRPERSON TORRES: --every year a new
23 stream of revenue for the Housing Authority. What
24 are your plans for achieving greater conversion?

25 SHOLA OLATOYE: I'm sorry?

2 CHAIRPERSON TORRES: What are your plans
3 for achieving greater conversion?

4 SHOLA OLATOYE: So they are as the--as
5 the CFO referenced 330 units are projected in 2015.
6 We are working actively with the Administration to
7 develop a plan to increase that number. It is
8 voluntary. It does require sustained engagement, and
9 a very focused effort on certain demographics within
10 that--within the Housing Authority to encourage that
11 type of conversion. And that is something that is
12 under discussion with the Administration as we speak.

13 CHAIRPERSON TORRES: Okay. With that
14 said, I want to give my colleagues an opportunity to
15 ask questions. I do want to recognize the Majority
16 Leader Jimmy Van Bramer and I know Council Member
17 Treyger was here earlier. Council Member Richards.

18 COUNCIL MEMBER RICHARDS: Thank you,
19 Chairman, and thank you Chairwoman for all the work
20 that you've being doing. And it's an honor to work
21 with you, and we've made some significant progress.
22 We still have a ways to go, but we're very grateful
23 for our partnership in particular in the Rockaways.
24 I just had a few questions. I wanted to start with
25 the Sandy stuff. So I know FEMA has obviously come

2 up with some capital dollars that are going to
3 benefit particular developments in the Rockaways,
4 Coney Island and Red Hook. I want to know so how far
5 are we along in particular with these projects? When
6 do we anticipate to break ground on some of these
7 projects. In particular I guess I'll focus on the
8 Rockaways because it's such a--

9 SHOLA OLATOYE: [interposing] Sure,
10 great. [off mic] I'll give this one to you. [sic]

11 RAYMOND RIBEIRO: Raymond Ribeiro,
12 Executive Vice President for Capital Projects at
13 NYCHA. With regards to the Sandy Recovery Program,
14 we continue to negotiate with FEMA on scope and costs
15 for our permitted restoration at all of the affected
16 Sandy sites. We are nearing completion of those
17 discussions with FEMA, and we have already started in
18 anticipation of the FEMA funding. We have already
19 started to do the required design work for all of the
20 proposed improvements.

21 COUNCIL MEMBER RICHARDS: And what type
22 of work is being proposed that you've done? I know
23 roof work in particular probably. But I'll let you
24 go on through them.

2 RAYMOND RIBEIRO: In very broad terms the
3 work that's proposed under the Sandy Recovery only
4 boiler rooms and boiler room anti-equipment. Those
5 boilers will not be put back in the basements of
6 those buildings. They will be typically put in new
7 elevated structures on the campus that will protect
8 them should they--should the development be flooded
9 in the future. All new electrical equipment switch
10 gear. Again, same scenario. We will all be in
11 elevated areas of the development. All buildings
12 will have emergency backed up power generation so
13 that should we lose power from the grid, the entire
14 development can continue to function. In addition, a
15 number of ancillary improvements associated with
16 drainage on the development's grounds in general.
17 Lobbies, mailboxes, CCTV and Alert Access will be
18 included in all of those Sandy affected developments
19 as well.

20 COUNCIL MEMBER RICHARDS: So, you're
21 going lobby FEMA for the CCTV needed stuff, too? I
22 mean, where you are hoping to be reimbursed by them
23 for doing it?

24 RAYMOND RIBEIRO: Utilities--

2 COUNCIL MEMBER RICHARDS: [interposing]

3 You said that you're tying in the security cameras as
4 well?

5 RAYMOND RIBEIRO: Yeah, because--because
6 CCTV the access are now they are now a standard for
7 NYCHA. It becomes eligible as we put these
8 developments together again and fix them because it
9 is a standard for NYCHA, it becomes eligible for FEMA
10 funding.

11 COUNCIL MEMBER RICHARDS: And what's the
12 projected amount that you anticipate you're going to
13 get from all that you're lobbying for from FEMA?

14 RAYMOND RIBEIRO: Well, the--the--we
15 continue to, as I said, negotiate scope and fee. But
16 overall, the--the current FEMA projection is in the
17 order of \$3.2 or \$3.3 billion.

18 COUNCIL MEMBER RICHARDS: Okay. And so
19 let's say you get this money in two months, how soon
20 do we break ground on some of these projects?

21 RAYMOND RIBEIRO: As I said, we are--we
22 have progressed with the necessary designs. The
23 status of those designs varies by development, and it
24 varies because of the status of FEMA negotiations.
25 But for many of these locations, we would be prepared

2 to go to bid with the necessary construction
3 contracts as soon as we receive the funding.

4 COUNCIL MEMBER RICHARDS: Okay. I wanted
5 to speak on your boiler conversions. So from I know
6 last year I brought this up, your oil to gas
7 conversions. Where are we at in that particular
8 process? How many boilers have been converted to
9 natural gas?

10 RAYMOND RIBEIRO: So of that Sandy effort
11 to replace all of the--

12 COUNCIL MEMBER RICHARDS: [interposing]
13 Not just Sandy, but I mean overall. Do you have an
14 overall outside of Sandy?

15 RAYMOND RIBEIRO: So I wouldn't. I don't
16 know the numbers that are outside of Sandy.
17 Generally, those boiler conversions are done as an
18 overall boiler upgrade. We would convert-- Our
19 standard is now dual fuel. So any oil burners would
20 be converted to dual fuel. And the--the rest of the
21 system, the condensate pumps, vacuum pumps and the
22 like would be all be replaced as part of that
23 project. I don't know how many of those we did.

24

25

2 COUNCIL MEMBER RICHARDS: If you could
3 get that number back to the committee, that would be
4 appreciated. Third--

5 RAYMOND RIBEIRO: [interposing] With
6 regards to this, there was, however, a conversion on
7 the Sandy sites.

8 COUNCIL MEMBER RICHARDS: Okay.

9 RAYMOND RIBEIRO: All of those mobile
10 boilers, and there were a total of 37; oil and fire--

11 COUNCIL MEMBER RICHARDS: [interposing]
12 Uh-huh.

13 RAYMOND RIBEIRO: --mobile boilers that
14 were installed after Sandy that had been converted to
15 natural gas fire boilers. There was one additional
16 mobile boiler, oil and fire mobile boiler that was
17 added late and is now in the process of being
18 converted. And that conversion is scheduled to be
19 completed in April, and then the entire portfolio of
20 mobile boilers relative to Sandy will be converted.

21 COUNCIL MEMBER RICHARDS: Okay. I had
22 question on it. So I am very grateful obviously for
23 the partnership between the Mayor, you guys and
24 obviously our Speaker on the CCTV installations. And
25 I know you're choosing I believe developments. How

2 are those developments being prior-- How are you
3 prioritizing? How are they being selected? And I
4 say this as someone who's put-- You know, between my
5 predecessor and myself I have close to \$10 million
6 into CCTV cameras, but we still have a long way to go
7 in terms of layered door access in particular, and
8 other security measures. And, just two weeks ago, I
9 had a young man who was killed in the Rockaways in
10 particular because the doors weren't locked. So how--
11 --and I'm not blaming you guys. Obviously, I mean it
12 was an isolated incident, but, you know, we will
13 never know what--if we could have saved this young
14 man's life in particular if those doors were lock.
15 So where are we at with that, and how are you
16 prioritizing the developments?

17 RAYMOND RIBEIRO: So we've--we've
18 committed to continue our--our accelerated delivery
19 of all of the Council funded CCTV Alert Access
20 Programs. And we have committed to completing all of
21 the 2015 allocations for CCTV Alert Access this year.
22 In terms of prioritization, it's--the installations
23 are all based on Council allocations.

24 COUNCIL MEMBER RICHARDS: [interposing]
25 Okay. So it's not actual money it's--

2 RAYMOND RIBEIRO: [interposing] So
3 whatever--whatever is allocated gets built.

4 COUNCIL MEMBER RICHARDS: Okay.

5 SHOLA OLATOYE: So, these dollars, said
6 another way, you've already chosen where these
7 dollars are going.

8 COUNCIL MEMBER RICHARDS: [interposing]
9 Okay, got you. Okay.

10 SHOLA OLATOYE: The announcement that you
11 are referencing on Tuesday was just a--a restatement
12 of the investment--

13 COUNCIL MEMBER RICHARDS: [interposing]
14 Okay.

15 SHOLA OLATOYE: --that--that the Council
16 members already allocated--allocated to their
17 developments for Fiscal Year 15--14, 15.

18 COUNCIL MEMBER RICHARDS: Okay. And we
19 anticipate all of those installations are going to be
20 done by the end of this year?

21 SHOLA OLATOYE: Correct, sir.

22 COUNCIL MEMBER RICHARDS: Okay. I just
23 wanted to go--My last question, Chairman, is so
24 obviously there are a lot of--We're dealing with a
25 homeless crisis in New York City, and I think you

2 guys are committed to moving 750 families into public
3 housing units. Will we accomplish that this year?

4 SHOLA OLATOYE: So the answer is yes we
5 will accomplish that. We've actually committed more
6 than that.

7 COUNCIL MEMBER RICHARDS: Okay.

8 SHOLA OLATOYE: We have--and just to as
9 a--as a frame of reference in 2014, NYCHA is one of
10 ten city agencies that are--that the Mayor has
11 charged to address the Homelessness--his Homelessness
12 Initiative. We were tasked with housing 750 families
13 in our public housing portfolio as of September. We
14 completed that. We also placed more than 280
15 families in our Section 8 Portfolio as well. So in
16 a very short period of time, we far exceeded our
17 goals for 2014. For 2015, we've committed an
18 addition 750 units for homeless families. As well as
19 our 500 units for families coming out of the DHS and
20 HRA system the victims of domestic violence.

21 COUNCIL MEMBER RICHARDS: And how many
22 units would you say are still available? So I see
23 this number, but I--I know we're, you know, obviously
24 every month or so where homeless shelters are popping
25 up. How many units are available? Can we do better

2 in this particular area for families who are in the
3 system? Are there more units out there than this
4 1,200 or so units you're talking about or 1,300
5 units?

6 SHOLA OLATOYE: So the first let me say
7 NYCHA has a .7 turnover rate or vacancy rate. I'm
8 sorry. So we have right now I think this month's
9 number are about 1,000 vacant units. That's just the
10 turn of the portfolio. 850 of those are already
11 matched to families. So the turn is very minimal,
12 and in any 12-month period that is--that's what we
13 have. And so, our ability to commit those numbers
14 based on the reality of we have a fixed finite
15 resource. We have a public housing list--waiting
16 list of 250,000 families, a Section 8 waiting list of
17 over 100,000--I think 100,000 families. And an
18 obvious homeless crisis that is a challenge for the
19 entire city, not just NYCHA to come up with a
20 comprehensive approach to address.

21 COUNCIL MEMBER RICHARDS: But do you
22 think there are more units out there than you can
23 open up for these families? I think we can do better
24 in this area.

2 SHOLA OLATOYE: I think that what we have
3 done and we looking--what we are frankly receiving
4 resources for is what we've committed to.

5 COUNCIL MEMBER RICHARDS: So that's a yes
6 or no?

7 SHOLA OLATOYE: I believe we have met--we
8 have the exact number. Our commitment is that it's
9 on the table. For the resources that we have at this
10 moment is the number that we've committed to, sir.

11 COUNCIL MEMBER RICHARDS: Okay. I will
12 just say that I think we should look into our
13 portfolio a little bit more in this particular are,
14 and really try to increase the number of units that
15 are available to homeless families. We are dealing
16 with a crisis, and I think that NYCHA does have more
17 than what we're putting out there to help these
18 families. So I--I will end with that because we can
19 debate this all day, but thank you. I want to thank
20 you once again for all the work you're doing with us
21 in the Rockaways and, you know, we really appreciate
22 it. Look forward to our continued partnership.

23 SHOLA OLATOYE: Thank you.

24 CHAIRPERSON TORRES: Thank you, Council
25 Member Richards. I think we want to add, yeah, there

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2 are a number of signs here that indicate 2,500. So,
3 my--there are over 200,000 residents-- I just want
4 to put a few numbers out there just to give people a
5 frame of reference. There are about or over 200,000
6 residents on the waiting list.

7 SHOLA OLATOYE: 250,000.

8 CHAIRPERSON TORRES: 250,000. All right.
9 About 5,000 vacancies annually or is that--?

10 SHOLA OLATOYE: Within a 12-month period,
11 yes. Uh-huh.

12 CHAIRPERSON TORRES: Okay, and so 2,500
13 will represent half of those vacancies over a 12-
14 month period?

15 SHOLA OLATOYE: Half of 5,000 is 2,500.

16 CHAIRPERSON TORRES: Yes, yes. My
17 question is right.

18 SHOLA OLATOYE: Yeah, half.

19 CHAIRPERSON TORRES: Okay. Thank you. I
20 appreciate that. And so the notion of setting aside
21 half of the available--of vacant units is something
22 that NYCHA would never support. Is that--?

23 SHOLA OLATOYE: I didn't say that.

24 CHAIRPERSON TORRES: Okay, so what is
25 your--

2 SHOLA OLATOYE: [interposing] So, so, a
3 couple things. We have a priority policy in place
4 that is governed by HUD. That is both one, focused
5 on addressing the needs of homeless families,
6 addressing the needs of victims of domestic violence,
7 addressing the needs of working families. And there
8 a fourth--there's a fourth one--there's a fourth one
9 but I'm not--

10 CHAIRPERSON TORRES: [interposing] You
11 can address that priority on the new one.

12 SHOLA OLATOYE: We can, but it's--

13 CHAIRPERSON TORRES: [interposing] But
14 it's a matter of discretion on the part of the Public
15 Housing Authority.

16 SHOLA OLATOYE: And it does require HUD
17 approval, sir. So, and that is something--

18 CHAIRPERSON TORRES: [interposing] How
19 deferential is HUD to NYCHA's setting of its own
20 priorities?

21 SHOLA OLATOYE: We have a very good
22 working relationship with HUD, and we also, as you
23 have well stated in this--this hearing have a
24 tremendous financial need as well. So, our ability
25 to--to ensure that we have a diversity of families

2 who are coming to the Public Housing Portfolio is
3 something that we manage through our priority system.
4 I've just been also reminded that we--because of the
5 changes in our Section 8 Funding Initiative, as I
6 referenced both through the increased proration
7 levels as well as our change in the payment standard,
8 we will expect to be adding additional 500 Section 8
9 Vouchers that will be a contribution to the Homeless
10 Initiative as well. So, you know, this is more than
11 frankly any other part of the city is doing to
12 address this crisis. Which, you know, is something
13 that is really a city challenge, and requires a city
14 and comprehensive approach. And as we manage, as you
15 well documented, the major challenges that we have in
16 operating capital. We are just one part of the
17 solution.

18 CHAIRPERSON TORRES: I just want to be
19 clear, and if I'm misrepresenting your position, I
20 mean please. I mean you want to limit the number of
21 homeless. You know, rather than have I think the
22 number you're setting aside is 750. What's the
23 number?

24

25

2 SHOLA OLATOYE: Well, we've done 750 in
3 public housing; 500 for additional homeless families
4 in Section 8--

5 CHAIRPERSON TORRES: [interposing] Right.

6 SHOLA OLATOYE: --and an additional 500.
7 So, you know, this is more than 1,700 units that will
8 be available to homeless families that NYCHA is
9 making our resources available to.

10 CHAIRPERSON TORRES: Okay, but my
11 impression--my sense is that you're concerned that if
12 you were to set aside 2,500 units as opposed to the
13 750 that you did set aside that that would undermine
14 the diversity of income within the per capita. [sic]-

15 SHOLA OLATOYE: [interposing] I think
16 that is--that is an interesting discussion, and one
17 that many of our residents are--will be happy to have
18 with you about that.

19 CHAIRPERSON TORRES: [interposing] I just
20 wanted to--I think we should be clear about where--
21 it's an internal resistance right? The objection is
22 not coming from--

23 SHOLA OLATOYE: [interposing] It is not a
24 resistance. I think there is a policy discussion.
25 Just to be clear.

2 CHAIRPERSON TORRES: Well, it's a
3 legitimate policy conversation to have, but I want to
4 be clear that this is not HUD typing NYCHA's hands.
5 NYCHA has made a determination that--

6 SHOLA OLATOYE: [interposing] It's the
7 Administration--

8 CHAIRPERSON TORRES: [interposing] The
9 Administration. Fair enough.

10 SHOLA OLATOYE: --has made a
11 determination, and these are the numbers that we've
12 articulated from that.

13 CHAIRPERSON TORRES: [interposing] I
14 just wanted to be clear where everyone stands and
15 why.

16 SHOLA OLATOYE: Yes, sir, understood.

17 CHAIRPERSON TORRES: With that said,
18 Council Member Wills.

19 COUNCIL MEMBER WILLS: Thank you, Mr.
20 Chair. Good morning.

21 SHOLA OLATOYE: Good morning.

22 COUNCIL MEMBER WILLS: Okay, I have a few
23 questions, and most of them are based around the
24 Section 3 issues with NYCHA. The contract has helped
25 express as long as they have workers from anywhere in

2 the NYCHA system that they would be in compliance
3 with Section 3. Is that--is that your opinion also
4 or is it because--

5 SHOLA OLATOYE: [interposing] It's not an
6 opinion. That--that's--that is the--that is the
7 actual rule.

8 COUNCIL MEMBER WILLS: So if we put up a
9 million dollars for CCTV installations or anything
10 like that in a particular complex, then the residents
11 of that complex don't benefit from getting jobs for
12 that installation or something.

13 SHOLA OLATOYE: [interposing] Section.

14 COUNCIL MEMBER WILLS: They can just keep
15 the same people from anywhere?

16 SHOLA OLATOYE: Section--the Section 3
17 Regulation requires that (a) not every--there's a
18 certain percentage that when Section 3 is triggered,
19 A of a contract. So, very small contracts are not
20 going to see a Section 3 requirement attached to it,
21 one. Two, the process is that the--the regulations
22 very clearly specify that Section 3 is one, a NYCHA
23 resident and/or a low-income New Yorker. It does not
24 specify that that resident needs to be from the
25 specific development that the contract is serving.

2 COUNCIL MEMBER WILLS: Okay. So with--
3 There's a lot of hiring that NYCHA did REES, Resident
4 Income Economic Empowerment and Sustainability.

5 SHOLA OLATOYE: Yes.

6 COUNCIL MEMBER WILLS: What are the
7 qualifications for those particular jobs?

8 SHOLA OLATOYE: So, first of all, there
9 are a number of initiatives and partners that we work
10 with in our REES Program. I call it our best kept
11 secret. Last year we helped find jobs for more than
12 2,000 NYCHA residents, and these are all kinds of
13 jobs. It isn't just construction. These are--you
14 heard us talk a little bit about--we talked a little
15 bit about Food Entrepreneur Program and NYCHA
16 Entrepreneurs Program. I had the pleasure of during
17 my one-year anniversary tour visiting a Workforce 1
18 Center in the Bronx where residents were learning
19 skills around the green jobs--the green jobs sector.
20 So there is--there is that the sort of sectors are
21 incredibly diverse. And what I've been impressed by
22 with the partnership with Workforce 1 Centers, the
23 New York City Small Business Services is that you
24 really meet people where they are. So, you walk into
25 a Workforce Center, if you need benefit coordination,

2 if you need childcare, if you need, you know,
3 information about high school equivalency
4 information, that's all provided to you through a
5 series of strategic partners in that particular zone.
6 And what our role is connecting residents to those
7 needs. So there's no barrier to entry.

8 COUNCIL MEMBER WILLIS: Great. Okay. Some
9 of the issues that we've had that you've just spoke
10 about with the REES Program, I grew up in public
11 housing, Section 8 [sic] houses. But we always had
12 the understanding that you were there, and then you
13 got a leg up and you moved out. So, for the human
14 capital, the human infrastructure that is there,
15 besides the program you just spoke about in Workforce
16 1, what else is NYCHA doing to actively engage
17 residents? Because some of the programs you spoke
18 about, and I spend a good deal of time in my NYCHA
19 complexes. They don't know about those programs.
20 They know about Workforce 1, but there is actually no
21 engagement door-to-door to speak to them. To get
22 them and try to push them up in income level so that
23 they can move out, and other families that need it
24 can move in. So, what else can NYCHA do? Are you
25 coordinating with maybe CUNY for ASAP Programs? I'm

2 just saying this because I know that the State is
3 supposed to be raising the amount that we can use for
4 ASAP programs. Are you coordinating with other
5 agencies or besides Workforce 1, or anything else
6 you're doing to engage residents to make sure that
7 they can have a quality of life that would allow them
8 to move out?

9 SHOLA OLATOYE: So the first that--and
10 we're very excited that we were able to do this at
11 the end of last year was to sign a Project Labor
12 Agreement with the Building Trades Council.

13 COUNCIL MEMBER WILLIS: [interposing] That
14 was going to be my next question.

15 SHOLA OLATOYE: Right.

16 COUNCIL MEMBER WILLIS: Great.

17 SHOLA OLATOYE: So, that we if we signed
18 that in December, it's effective January 1. That
19 means all of our capital dollars will be subject to
20 this PLA. It also--So that one means that it sort of
21 allows us to have better coordination across the
22 trades, one. And two, 10% of their annual
23 apprenticeship programs will be reserved for NYCHA
24 residents. So that's about 120 residents each year
25 will receive--will become apprentices and at the

2 completion of that process will be--will have, you
3 know, will be union card carrying members. And have
4 the ability to participate in the broader Section 3
5 job pool that exists. So that's a very sort of
6 concrete way in which we are working to connect
7 residents to greater economic opportunity. I
8 couldn't agree with you more that there is a need to
9 develop a more sustainable resident engagement and
10 resident services model. That is one of our four
11 goals of Next Generation NYCHA. And so, we're
12 building on frankly the REES model, which is simply
13 really focused on workforce and sort of human capital
14 development.

15 And looking at how that model can be
16 applied to health and education, health and--health
17 and wellness, youth and education, sustainability.
18 Meaning who else should we be working with in the
19 respective zones? We have 16 zones across the city,
20 as you know. And really looking to use that model in
21 those respective areas. I'm not familiar with the
22 community program, but I'm sure my Director of the
23 REES program, you know, knows a ton about that
24 initiative. I think that there are examples of the
25 work that we're doing in the Mott Haven section of

2 the South Bronx where we submitted a HUD Choice
3 Neighborhood Grant to ultimately leverage--
4 Hopefully, we'll leverage more than \$300 million in
5 investment in that community. We're working with all
6 of the major hospitals. Not only around healthcare,
7 but around workforce and job opportunities as well.
8 Actually creating a community health working--a
9 community health worker initiative. So, that
10 residents of the five developments in that particular
11 zone have access to employment at those institutions.
12 So I think there are--there's no limit to the amount
13 of partnerships that we should be doing more of. And
14 that is the major focus and component of our working
15 going forward.

16 COUNCIL MEMBER WILLS: How do you propose
17 to track the successes of this work but the successes
18 of the programs you're talking about, and the
19 programs you hope to develop and implement?

20 SHOLA OLATOYE: Well, fist, and I think
21 it's a great question. I think we--we have to have a
22 very clear sense of what we're measuring. And, you
23 know, one of the things I think the challenges
24 historically have been, you know, sort of a very
25 narrow focus on, you know, number of people employed.

2 As opposed to broader outcomes around a neighborhood.
3 So again, just to reference the choice neighborhood
4 in the South Bronx and making Mott Haven community--
5 Because there's been so much work that's happened
6 there and there's still so much more to be done. But
7 there's a collective sense of the shared outcomes
8 that we hope to see in that community. A decrease in
9 youth violence. An increase in enrollment in Early
10 Childhood Education--high quality Early Childhood
11 Education. A decrease in some very serious health--
12 health in indicators. So, first, I think there has
13 to be a very clear articulation of what we are
14 measuring. And then in terms of the outcomes we want
15 to have, and then working closely with our partners
16 at the NYU Furman Center and elsewhere developing a
17 robust measurement and outcome strategy. I will also
18 just note that in NYCHA's Research and Management
19 Department, we have a tremendous amount of data at
20 the Housing Authority. And a big part of this
21 Administration has been transparent in a lot of--
22 We've put most of that information online through
23 NYCHA Metrics. So you can see all of this. You
24 know, all types of data that we are collecting and

2 measuring our website. And, you know, we look
3 forward to input of what else we should be including.

4 COUNCIL MEMBER WILLIS: Okay, I have just
5 two more questions. The homes that NYCHA owns, the
6 FHA homes, the private houses--

7 SHOLA OLATOYE: [interposing] Uh-huh.

8 COUNCIL MEMBER WILLIS: --I want to know
9 what led NYCHA to--I believe it's Habitat for
10 Humanity that were chose out in the agreement for
11 them to take the homes. When I know for a fact there
12 were minority companies that have approached NYCHA in
13 the last three or four years with better proposals.
14 Proposals where they had their own money, \$7 million
15 liquid. And they would provide credit help for NYCHA
16 residents while they stayed in the homes after they
17 purchased them as long as up to like three or five
18 years that they would be able to purchase the homes
19 themselves at below market rates. They offered more
20 money for the homes. So I wanted to know why? It
21 seems like the minority companies were left out of
22 actually being able to participate. And if you give
23 Habitat these homes, I don't believe that all of the
24 homes were given to Habitat. I think a section of
25

2 them were done. Is that true, or were all of the
3 home given to Habitat.

4 SHOLA OLATOYE: So I think it's really
5 important to just establish the fact that that one,
6 there are two types of FHA homes that you're
7 referencing.

8 COUNCIL MEMBER WILLS: Okay.

9 SHOLA OLATOYE: The first is homes that
10 are vacant, and are in--

11 COUNCIL MEMBER WILLS: [interposing]
12 Right.

13 SHOLA OLATOYE: --incredible disarray--

14 COUNCIL MEMBER WILLS: [interposing] Uh-
15 huh.

16 SHOLA OLATOYE: --and a real blight
17 frankly to the community where they sit. Two, is a
18 series of homes that are occupied, actually occupied
19 with families that have been there for 30, 40 years.
20 So, what you're referencing, we didn't give anything
21 to anyone. We followed our Standard HUD Policy--
22 Procurement Policy. A process that occurred under
23 the last administration, there was a wide procurement
24 process. And I don't know if it was an RFQ or an
25

2 RFP. We can be--we can come back to you and let you
3 know that.

4 COUNCIL MEMBER WILLS: But that was done
5 under the last administration.

6 SHOLA OLATOYE: [interposing] It was.

7 COUNCIL MEMBER WILLS: --but it was
8 signed under this administration.

9 SHOLA OLATOYE: The--they were designated
10 under the last administration, and under an agreement
11 to proceed with this was--

12 COUNCIL MEMBER WILLS: [interposing] The
13 homes were designated because you had to get
14 permission to put the homes up--

15 SHOLA OLATOYE: [interposing] Yeah, with
16 HUD we had to get that.

17 COUNCIL MEMBER WILLS: --and this was
18 under the last administration. [sic]

19 SHOLA OLATOYE: We have to do that for
20 every disposition.

21 COUNCIL MEMBER WILLS: But the signing to
22 give it to Habitat was given under this
23 administration.

24 SHOLA OLATOYE: No, sir. They were-- No,
25 because actually-- No. They were--I am 100% sure--

2 COUNCIL MEMBER WILLS: [interposing] All
3 right.

4 SHOLA OLATOYE: --they were designated
5 under the last administration, and the process has
6 been quite lengthy. But they were designated--they
7 were both designated and it's Habitat for Humanity as
8 well as Neighborhood Restore, which is the City's
9 non-profit disposition arm where it utilizes to--that
10 it utilizes to receive tax lien property and
11 disposing of them for other housing purposes. Those
12 two entities were selected via our Open Procurement
13 Process, and--and that--that's where we are
14 proceeding in terms of financing of them. I will
15 also say, and I'm not familiar with the firms that
16 you're talking about, but our--NYCHA's and the MBE,
17 WBE spend has increased dramatically across--in the
18 last few years.

19 COUNCIL MEMBER WILLS: Well, you know
20 what, I do appreciate that. I do understand that.
21 So I don't want to get into that portion of it--

22 SHOLA OLATOYE: [interposing] okay.

23 COUNCIL MEMBER WILLS: --but with these
24 NYCHA homes that were designated, these NYCHA homes
25 are in our communities. And we've had contractors

2 and firms that have approached NYCHA that have an--an
3 incredible plan together where they came in with
4 local utility supply companies that would give them
5 the credit lines. It was already agreed on that they
6 could do it. They came in with hiring people that
7 were from the communities where these houses were, or
8 are blights on the communities. And Neighborhood
9 Restore is a horrible program. I have--I have--I can
10 give you addresses where Neighborhood Restore has
11 gone in and fixed the programs in my district or
12 fixed homes in my district, and they're still for
13 sale or on the market or trying to get to the public
14 domain for the last three years. They've actually
15 approached us because they can't sell them. Nobody
16 has confidence in them doing it.

17 So I really don't understand why--And I
18 know you said you're not familiar with them, but I
19 would like you to get back to me to find out why
20 these firms were not considered because these firms
21 had great proposals. And I think that it's a
22 disservice for-- Even though Habitat for Humanity is
23 great. I mean we've done a lot of work with them. I
24 know Council Member Richards has done great work with
25 them, and President Carter is great. But sometimes

2 you have to allow smaller firms to be able to come
3 in. Sometimes you have to allow that this--that you
4 have to admit that certain things that we do block
5 minority firms and minority not-for-profits and being
6 to compete on this level. I think that it did us a
7 great disservice for our community not to be able to
8 have that type of program put in. So what you're
9 doing is great and fine, but I would ask that a real
10 look gets at the next round because I know all the
11 houses--similar houses have to go through the
12 designation process to do that.

13 SHOLA OLATOYE: That is--and I would love
14 to work with your office to make sure that all of our
15 procurement--all of our procurement not just this
16 particular project in question is--gets out to your
17 networks and the members in your communities such
18 that there is as wide a pool as possible that we're
19 selecting here. So I look forward to working with
20 you on that.

21 COUNCIL MEMBER WILLS: So my last
22 question is in the letter you stated to the Deputy
23 Commissioner or the Deputy Controller for Audits
24 NYCHA found that in some cases contract values cited
25 by the contractors--Comptroller's Office were

2 incorrect or calculations were made for contracts
3 that were not yet complete. And in that we were
4 talking about the Section 3. I'm interested in the
5 part where it says calculations were made for
6 contracts that were not yet complete. And what did
7 you mean by that, or did NYCHA mean by that?

8 SHOLA OLATOYE: I'm not familiar with
9 that. But what is that--was that Section 3--

10 COUNCIL MEMBER WILLS: [interposing]
11 This is yes--

12 SHOLA OLATOYE: --the Controller for
13 Audits?

14 COUNCIL MEMBER WILLS: Yes. Do want the
15 passages. [IC]

16 SHOLA OLATOYE: [interposing] I know I
17 have that.

18 COUNCIL MEMBER WILLS: Okay.

19 SHOLA OLATOYE: So--

20 COUNCIL MEMBER WILLS: [interposing] I
21 mean can you do that pass it to her. [sic] I never
22 did that before. [laughs]

23 SHOLA OLATOYE: I defer to the Chair.

24 COUNCIL MEMBER WILLS: Right, okay.

25 CHAIRPERSON TORRES: No objections here.

2 COUNCIL MEMBER WILLS: All right.

3 [laughs]

4 SHOLA OLATOYE: So in our response to the
5 numerous audits that we experienced from our
6 Controller with regard to Section 3 Program, we were
7 taking issue with the methodology because there were
8 contracts that were included in the same that had not
9 yet been confirmed and modified. Meaning they were
10 still out there. They were not--they hadn't been
11 executed. And so he was--

12 COUNCIL MEMBER WILLS: [interposing] Oh,
13 okay, so that's where I need to begin. They were
14 executed and not complete.

15 SHOLA OLATOYE: There was no money that
16 had been, you know, actually put out on the street
17 yet. These are contracts--

18 COUNCIL MEMBER WILLS: [interposing]
19 Okay. That's what I needed to know because I have--I
20 have a construction background, and when you said not
21 yet completed, it means that I've started the
22 contract and I'm partly through it. So if you're
23 doing that, you're already looking and you're hiring.
24 So if you're in violation, you're in violation.
25 There's no way to backtrack that. But you just

2 answered it. I appreciate it. Thank you for your
3 answers and all the time that you've done. I would
4 also want to commend the work of your staff,
5 especially Brian Hogan [sic] who gets calls and
6 emails from my staff every other day. And he
7 definitely tries, but we do need to go a little
8 further in ensuring the contactors keep their
9 promises with the work that's being done, the capital
10 work that's being done in the communities. I mean,
11 you know, some of communities haven't had renovations
12 done for 30 years. And when you have an open process
13 and ask a community to tell us what you want. And
14 we're supposed to get fiberglass backboards, which
15 may seem small to most people, it means a lot to
16 residents who haven't had something in 30 years. So
17 when that's supposed to get done, it should be done.
18 It should not be two years after the contract was
19 done, and we promise that it's going to be put in and
20 it's not been put in.

21 And the last thing I wanted to say was
22 the senior centers that the Chair was--he was
23 speaking on the community centers in Baisley Houses I
24 would ask that you look into it because we have a low
25 turnout for seniors in some of the complexes. And

2 not because we don't have seniors living there, but
3 the engagement was horrible, and we've had a director
4 leave and another director had been put in and left.
5 So the residents, the senior residents are not
6 comfortable with coming out. And this center could
7 be a jewel. We have two new day cares there. We can
8 create an incredible intergenerational program. So I
9 would ask that you look into that for us. Thank you,
10 Mr. Chair. Thank you, Mr. Chair.

11 SHOLA OLATOYE: Thank you.

12 CHAIRPERSON TORRES: Just very quickly.
13 So NYCHA has a new General Manager.

14 SHOLA OLATOYE: Yes, sir.

15 CHAIRPERSON TORRES: And he's set to
16 start when?

17 SHOLA OLATOYE: He will begin April 8th,
18 and his--his appointment as General Manager is
19 effective April 16th.

20 CHAIRPERSON TORRES: Okay. Our Majority
21 Leader Jimmy Van Bramer.

22 COUNCIL MEMBER VAN BRAMER: Thank you
23 very much, Mr. Chair, for your leadership, and your
24 indefatigable efforts on behalf of NYCHA residents
25 and the City of New York. And Chair Olatoye, thank

2 you so much for all of your work, and as you know, I
3 represent three amazing NYCHA developments in my
4 district that I am very honored to represent and very
5 proud of in Queensbridge, Woodside Houses and the
6 Ravenswood Houses. And we had so many good things
7 happen in those developments, and I'm proud to say
8 that our senior centers and community centers are
9 well utilized, and the heart of Queensbridge the
10 Jacob Riis Settlement, as you know, is so active with
11 so many seniors. And while there is, you know,
12 seemingly good news in the lighting and the
13 scaffolding situations, there is a very local issue
14 that we have had difficulty moving and that affects
15 the seniors at Queensbridge and the Jacob Riis
16 Settlement House. The bathrooms and the air
17 conditioning has been a capital project that's been
18 stalled for some time. I would ask that personally
19 get involved and look into that. It's a matter of
20 dignity for our seniors, which I know that you
21 appreciate as much as anyone. And there are a few
22 things that are as important to me as getting it
23 right for the seniors of Queensbridge. And so, I
24 don't expect you to know the details of that right
25 here, right now--

2 SHOLA OLATOYE: [interposing] Okay.

3 COUNCIL MEMBER VAN BRAMER: --but it has
4 been going on for some time. And, you know, we need
5 a--we need a resolution. We need that work to get
6 done once and for all. I've certainly allocated
7 funding and I think we've allocated more funding, but
8 it needs to be done. So I just ask you to personally
9 get involved, and--

10 SHOLA OLATOYE: [interposing] I will.

11 COUNCIL MEMBER VAN BRAMER: --intervene
12 in that. I know you've been out there, and--and I
13 appreciate the fact that you've come to all of our
14 settlements in my district on multiple occasions.
15 And we had things that we did as we walked through
16 Queensbridge, and walked through the center of
17 Queensbridge there. And we've been talking to a
18 number of folks, and certainly it's been a topic for
19 a long time. As you know, there's retail and first
20 floor space in Queensbridge. Sort of our Village
21 Square, if you will in Hunter Queensbridge and some
22 of that space is utilized, but some of that space is
23 not utilized. And I'm wondering if--if there's some
24 attention, and maybe resources to be allocated to
25 make sure that we--make sure all those retail

2 storefronts are utilized, and we improve the
3 streetscape of that particular part of Queensbridge.
4 Obviously, there's revenue to be generated, too, if
5 those locations are occupied. We're just wondering
6 if you had any--any thoughts on that, or if I haven't
7 walked with the street with you.

8 SHOLA OLATOYE: Yes. So real time
9 Council Member, just to go back to the bathrooms
10 issue. So both the HVAC and bathrooms job the
11 drawings are ready for bid just so you know that.
12 And that the CP has been submitted to OMB, and
13 construction is scheduled to begin in late August.
14 So that--and you would--I'd be happy to also sit with
15 you and make sure that that is consistent and
16 communicate that out to residents.

17 COUNCIL MEMBER VAN BRAMER: That's--first
18 of all, thank you and thank your staff for the--the
19 real time update. You as the Chair deliver, and you
20 deliver real time updates on the projects, which is
21 appreciated. And obviously there is just so much you
22 can do. But given that part of the project is air
23 conditioning, and it's scheduled to start in August--

24 SHOLA OLATOYE: [interposing] Uh-huh.

2 COUNCIL MEMBER VAN BRAMER: --if there's
3 a way to move that up just a little bit of our
4 seniors. If we're going to get air conditioning this
5 year that's great. That's a--that's a major victory.
6 If there is a way for the agency--and I'm looking at
7 your team over there--to get it before August. So
8 the seniors and everyone in Queensbridge can benefit
9 from it this summer, that would be ideal.

10 SHOLA OLATOYE: I hear you and I would
11 say, you know, that real--realistically it probably
12 would be quite difficult given the process we have to
13 go through. But we should certainly work together to
14 ensure that OMB and our colleagues understand how
15 pressing this particular issue.

16 COUNCIL MEMBER VAN BRAMER: You have my
17 full support and collaboration on that effort.

18 SHOLA OLATOYE: Good, and then on the
19 retail front [coughs] now I remember the space that
20 we walked through very clearly. There are two
21 things. One, we've actually done one. We now have a
22 97% retail lease-up rate in all of our existing
23 retail throughout our portfolio. I believe that
24 these--those stores represent the 3% that isn't used.
25 So I'll have to come back to you and find out what

2 the status is of that. I know there are some capital
3 issues associated with some of those buildings. And
4 that's often times the sad but, you know, sort of
5 reality of when you see stores that are offline that
6 there's a capital cost. That there really isn't--
7 there really aren't the resources from--from our
8 coffers to address such that you can put them back
9 online to make--to make profitable. But I will
10 follow up with you and let you know kind of what the
11 needs--what the needs are. And certainly as part of
12 our overall plan with regard to Next Generation
13 NYCHA, is really looking at all of our real estate
14 and throughout portfolio and figuring out how we can
15 better leverage and asset that. And these spaces
16 would certainly be--be part of that and to make sure
17 that they reflect the community's needs. And they
18 meet the community's needs, and ultimately, you know,
19 provide some street level activity in your
20 neighborhood school. So let's talk about that. I'm
21 happy to talk with you about that.

22 COUNCIL MEMBER VAN BRAMER: We'd love to
23 do that. I think you know how special Queensbridge
24 is--

25 SHOLA OLATOYE: [interposing] Yes.

2 COUNCIL MEMBER VAN BRAMER: --to me, and
3 to everyone really in the City of New York. Woodside
4 Houses, as you know, we have a terrific community
5 center. While we would love to one day be able to
6 move it to a different location, I just want to
7 stress how important it is as we were able to restore
8 funding last year. Woodside Houses is one of those
9 that had been on the chopping block. Obviously, I
10 can't imagine a scenario where we would let the
11 Woodside Houses Community Center close. I certainly
12 would never go along with that. I know you support
13 the residents at Woodside Houses as well. So I just
14 want to state that those community centers and
15 seniors should never ever be a part of a discussion
16 that involves closure in my mind. And obviously
17 Ravenswood Houses additionally the same situation.
18 Less under threat, but equally important.

19 SHOLA OLATOYE: Uh-huh.

20 COUNCIL MEMBER VAN BRAMER: And I just
21 want to point out all those. We had some great
22 victories with the lighting at Ravenswood, and I
23 thank you for joining us there for the--the
24 announcement. And look forward to all of these
25 things being completed, those that haven't been

2 completed in my district. But I will talk about the
3 bathrooms and see that through, and that will be
4 perhaps an unconventional ribbon cutting. But
5 probably one of the most important that I'll ever do.
6 So I look forward to being there with you when we get
7 that work done. And I am going to hand it to my
8 wonderful colleague Council Member Laurie Cumbo.

9 SHOLA OLATOYE: [off mic] Thank you.

10 COUNCIL MEMBER CUMBO: Thank you for the
11 compliment. Good afternoon. Thank you so much for
12 being here. I apologize. I had a Brooklyn
13 Delegation meeting. So some of your--some of these
14 questions might have been asked. And if they have
15 been, you can just let me know we've already gone
16 over that. And if you could just tell me I guess
17 briefly a shortened version of the answer, and then
18 I'll look back on it to get more of an explanation.
19 This is my main one, and I'm sure you know. You
20 talked in your testimony about the community centers,
21 the \$17 million that the City Council and the de
22 Blasio Administration kept the 57 community and
23 senior centers open in 2014. And I noted here that
24 you wrote a thank you. But I didn't get an
25 understanding of what does 2015--what does 20--

2 Moving into 2016 Fiscal Year, what does that mean
3 moving forward? My question is what are the
4 Authority's plans to ensure the ongoing operation of
5 these centers?

6 SHOLA OLATOYE: So we did cover that--

7 COUNCIL MEMBER CUMBO: [interposing]

8 Okay.

9 SHOLA OLATOYE: --as you can imagine.

10 Not a problem and what I will say is there are very
11 senior level conversations about ensuring two things:
12 One, that the centers remain open. That there not be
13 any interruption service, and that we are literally
14 having conversation as we speak with Deputy Mayors
15 and high senior level senior officials around what
16 the budgetary half of that is. But the goals are
17 one, as I said, no interruption in service, and
18 keeping those centers open.

19 COUNCIL MEMBER CUMBO: I'm curious
20 because we all touted it as such a success, and in
21 terms of in my district the ability for it to bring
22 down levels of crime in the community and that sort
23 of thing. Why do you think at this time that we're
24 still questioning whether or not this program will be
25 maintained as it was the year before. Because part

2 of the challenge that we have, as you know, keeping
3 them open last year around this time and before meant
4 rallies, demonstrations, op-eds, bringing our seniors
5 out on buses, on vans here and at their community
6 centers and so on. And as time consuming as that is,
7 and it kind of goes back into the budget dance, if
8 you will. We have to know on our part should start
9 gearing up? Because now is the time to start gearing
10 up, and while we want to focus on so many other
11 things, if we're not-- If we don't have assurances
12 as to the ongoing nature of this, then ultimately we
13 have to starting the four-year-olds out again, and
14 getting the senior centers in their walkers and their
15 wheelchairs and bringing the back up.

16 SHOLA OLATOYE: So--and all of those
17 efforts were certainly appreciated. And I think the
18 reason why we haven't asked you to do that this year
19 is because there's a real commitment by the
20 Administration to keep them open. And to ensure that
21 service is continuing. I do not believe that there
22 is anyone who believes that there is--that those
23 services should not be continued. In fact, the Mayor
24 has already talked about extended hours for the
25 community youth centers this summer to replicate the

2 program that we were at together last summer. So
3 there--I think in the absence of that kind of
4 organizing activity is because there is a commitment
5 and a knowledge that these are critical services to
6 the community. I think--and so I think that's--
7 that's just the reality of it. And the question for
8 us is really just an issue of costs. And it is--it
9 is one as I said that both the Mayor and the Deputy
10 Mayor are very focused on. And that the goals of
11 ensuring that our young people and our seniors have
12 uninterrupted places to be--

13 COUNCIL MEMBER CUMBO: [interposing] Uh-
14 huh.

15 SHOLA OLATOYE: --is one that we support,
16 and we continue to support.

17 COUNCIL MEMBER CUMBO: Have you had
18 conversations also with DYCD as well as the DCLA in
19 regards to arts and cultural programming being a part
20 of the implementation. Because we in our district
21 had to pull together a lot of arts organizations
22 ultimately to lend their services for free to provide
23 that level of programming. So while last year was
24 great, we didn't really know until the final hour
25 that this program was even going to be implemented.

2 So it made it difficult to program spaces during
3 those summer months. Because we didn't find out
4 until pretty much the end of June--

5 SHOLA OLATOYE: [interposing] Right.

6 COUNCIL MEMBER CUMBO: --and the program
7 was on its heels in July and August. We want to know
8 if those agencies have been contacted to create some
9 kind of infrastructure, or as well as the Council
10 Offices so that-- Because right now would be the
11 time that we would have to start to program and plan
12 events in the different developments to make--
13 Keeping them open meaningful?

14 SHOLA OLATOYE: So to answer your first
15 question have we had conversations with the DYCD and
16 I've been in constant contact with Commissioner Chong
17 as well as--And on the senior side I would say DFTA.
18 And in terms of the planning, yes there was--we heard
19 very loud and clear from our--our center director,
20 our non-profit partners about the need for more sort
21 of lead time. And we learned some things from last
22 summer which programming, you know, that we thought
23 would be successful that wasn't. And the programming
24 that didn't would be sort of as popular as it was
25 like cooking. You know--

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2 COUNCIL MEMBER CUMBO: [interposing] Wow.

3 SHOLA OLATOYE: --it was just right. So,
4 yes, and there actually--there have been
5 conversations and convenings with those community
6 partners to begin to understand lessons learned. So
7 that there can be better planning for the summer of
8 2015. I'm going to defer to my colleagues at USCD
9 who are reading those discussions, but certainly
10 there--that has been a part of the sort of learning
11 from the summer. And I know that it's something that
12 the Mayor is very--and this Administration is very
13 interested in continuing. Because we--we--we saw the
14 real impact of not only increased service--

15 COUNCIL MEMBER CUMBO: [interposing] Uh-
16 huh.

17 SHOLA OLATOYE: --opportunity and
18 locations, the ability to have NYPD. Our many women
19 in law enforcement they are not there responding to
20 problems, but there to be a part of the program--

21 COUNCIL MEMBER CUMBO: [interposing]
22 That's right.

23 SHOLA OLATOYE: --as well. We saw the
24 increased--we heard very positive feedback from
25 residents around the temporary lighting initiative,

2 which the Mayor has given us resources to continue
3 on. So there is no question that there is a desire
4 to--that there is a commitment to continue the
5 successful elements of that initiative going forward.

6 COUNCIL MEMBER CUMBO: Because I think it
7 would take some time to recognize if it's really been
8 successful by doing it over the course of a number of
9 years to evaluate the efficiency economically of
10 doing it this way. Versus police work on the back
11 end when no programming or services were provides.
12 And all of those sorts of things and incarceration
13 rates, and acts of violence that are elevated during
14 the summer months. How can we invest in this way to
15 keep those costs down long term.

16 SHOLA OLATOYE: Uh-huh.

17 COUNCIL MEMBER CUMBO: Council Member
18 Treyger couldn't be here, but he wanted to ask--He
19 wanted me to ask two questions for him. The first
20 was he stated that the fight for the 57 community
21 centers and senior centers even pre-dated him because
22 he said he had four centers that were closed even
23 prior to that. And he said that there was not an RFP
24 process for those particular centers, and wanted to
25 know for those centers that were either closed in his

2 district or were then given to DYCD or other agencies
3 or not for profits to run was there going to be an
4 RFP process moving for those centers that fell into
5 that catchment.

6 SHOLA OLATOYE: Are you talking
7 historically or going forward?

8 COUNCIL MEMBER CUMBO: I would say moving
9 forward what would be the strategy for those places?

10 SHOLA OLATOYE: So, those are
11 conversations that we are having right now, and I
12 can't speak to-- There are no plans to interrupt
13 service or--or close our center--these centers going
14 forward. The administration of these programs is the
15 conversations that we're having right now with our
16 DYCD and DFTA colleagues. Historically, the process
17 has been when NYCHA has officially closed the center
18 and DYCD or DFTA have reopened them--

19 COUNCIL MEMBER CUMBO: [interposing] Uh-
20 huh.

21 SHOLA OLATOYE: --that they then either,
22 you know, go through whatever process that governs
23 their selection of community operators, whether that
24 be an RFP. But I can't speak to that. That would be
25 their sort of process, that's historically, but we

2 are literally having those discussions right now.
3 But the overall goal again is no interruption in
4 service at these centers going forward.

5 COUNCIL MEMBER CUMBO: Okay. I'll share
6 that with him. And this may have been addressed as
7 well. Before you came into office we had had the
8 hearing on the boiler system that affected many parts
9 of Coney Island as a result of Hurricane Sandy. As
10 well as many other issues, and as a result of that I
11 know that significant resources were allocated for
12 boilers for those developments that were dramatically
13 impacted as well as others that have also faced that.
14 So, to date, how many gas boilers have been
15 installed, and how many oil to gas conversions are
16 remaining, and when will these conversions take
17 place?

18 SHOLA OLATOYE: So specific to the
19 affected Sandy developments all 37 boilers have been
20 converted from oil fire to natural gas. That has
21 been completed. There's one outstanding I think in
22 the capital project that is expected to be done by
23 the end of April. But, all 37 have been completed,
24 and are now running on natural gas. And just to be
25 clear, these are still temporary mobile boilers. The

2 actual full rehabilitation, and improvement of these
3 buildings is pending our final agreement with FEMA,
4 which we expect imminently, and are looking-- And as
5 soon as we do that--as soon as we execute our final
6 LOA with them, resources can begin to flow to the
7 Housing Authority, and we can begin that work.

8 COUNCIL MEMBER CUMBO: So, right now the-
9 -the developments that were impacted by Hurricane
10 Sandy have a temporary boiler system that's in place-
11 -

12 SHOLA OLATOYE: [interposing] Correct.

13 COUNCIL MEMBER CUMBO: --and the 37 that
14 have been implemented.

15 SHOLA OLATOYE: Correct.

16 COUNCIL MEMBER CUMBO: Okay. Then moving
17 forward, do you anticipate that prior to the winter
18 of this year that those additional boilers will be in
19 place?

20 SHOLA OLATOYE: Permanent boilers? No.
21 We don't--we do not. Just to be candid, you know,
22 the construction, design and planning for all of this
23 work has actually begun.

24 COUNCIL MEMBER CUMBO: Uh-huh.

2 SHOLA OLATOYE: Our ability to frankly
3 float the federal government is somewhat limited
4 given the context of our financial situation. So we
5 actually--but we have begun the design and planning
6 of the permanent boiler replacement, and all of the
7 work that is necessary to bring these buildings--make
8 these buildings more resilient. But the actual start
9 of construction will be pending when we actually get
10 these resources. And to think that we will have to
11 completed all construction by the next heating season
12 is probably somewhat optimistic.

13 COUNCIL MEMBER CUMBO: When do you think
14 realistically that those boilers will be implemented?

15 SHOLA OLATOYE: It's going to depend on
16 when we get the resources from FEMA in order to begin
17 the work.

18 COUNCIL MEMBER CUMBO: Okay, and what
19 about in the other developments. As you know, in our
20 development--in my district in Farragut Houses it was
21 a huge issues in regards to boiler issues over the
22 winter as we had a very cold winter and continue to
23 do so. What about those developments that could have
24 benefitted from perhaps this type of temporary boiler
25 system? Are there certain developments that have a

2 chronic boiler and heat--hot water issues that you
3 thought perhaps it would be a good idea to provide
4 them with the same sort of temporary boilers until a
5 more permanent solution could be addressed?

6 SHOLA OLATOYE: Well, you're absolutely
7 right that we've had--there are systemic heating and
8 hot water plant issues throughout the portfolio. And
9 we are addressing those as our operating and capital
10 resources allow. It's inefficient--it is
11 insufficient for sure. And a really important part,
12 and frankly one of the first tasks for our new
13 General Manager is going to be working with staff to
14 have a better sense in planning for the heating
15 season going forward. If--and one of our--you know,
16 a big part of our capital program is--is systems
17 replacement. But there's a limited amount of
18 resources and that we try and meet the needs where
19 the--where we know the need is greatest. And that is
20 something that obviously is an ongoing and often
21 times insufficient response. But with the resources
22 we have, that's--that's what we're doing. We are,
23 you know, incredibly optimistic about potential
24 resources that might come to us via--via the State
25 that would allow us to focus on the building

2 envelope. And therefore utilize existing NYCHA
3 resources to deal with some of these--these heating
4 and infrastructure issues. But this is--this is a
5 major challenge for us.

6 COUNCIL MEMBER CUMBO: I guess I would
7 just like to say as a member, I personally cannot
8 imagine that there was another development that had
9 more heat and hot water issues--

10 SHOLA OLATOYE: [interposing] There was.

11 COUNCIL MEMBER CUMBO: --than Farragut
12 Houses because they were calling us daily as well as
13 our Congressman as well as our State Assembly Member
14 and we just want to make sure that Farragut Houses
15 doesn't undergo another winter like the one that they
16 did. The next question has to do with downsizing.
17 So this is something that has been an issue that
18 residents have brought to our attention. It's more
19 of a policy issue. So when a resident has not
20 initiated a move due to downsizing, why are they
21 required to pay an additional security deposit? It
22 is my understand that according to the HUD
23 regulations when there has been an involuntary
24 initiated relocation, there should be no required
25 additional fees. Throughout the five developments in

2 the 35th District there has been an outcry of seniors
3 feeling bullied, if you will, into moving out of
4 their home that many have lived in for over 40 or 50
5 years. And then having to come up with additional
6 money to pay a security deposit when most are on
7 fixed incomes.

8 SHOLA OLATOYE: So first, there's no
9 requirement for any additional security deposit for
10 residents who are moving into another--or choose to
11 relocate to another department--or another apartment.
12 One important caveat is--

13 COUNCIL MEMBER CUMBO: [interposing] Uh-
14 huh.

15 SHOLA OLATOYE: --if residents owe
16 existing fees to the Housing Authority, we will often
17 times seek to collect those fees. Those fees could
18 be related to washer and dryer, air conditioning or
19 other things that may be--that there is a standard
20 schedule of fees that residents are responsible for
21 paying. That actually is a major challenge for us an
22 authority in terms of the collection of those fees.
23 And represents about---

24 [background comments]

2 SHOLA OLATOYE: It's about \$50 million of
3 uncollected revenue on fees. So there is no
4 additional security deposit required upon apartment
5 relocation.

6 COUNCIL MEMBER CUMBO: Uh-huh.

7 SHOLA OLATOYE: But I will say that if
8 residents owe existing fees related to the items I
9 mentioned that might be what you're referencing.

10 COUNCIL MEMBER CUMBO: Okay.

11 SHOLA OLATOYE: So that's about--that's
12 one issue.

13 COUNCIL MEMBER CUMBO: Uh-huh.

14 SHOLA OLATOYE: The second issue is-- If
15 you would just remind me of it.

16 COUNCIL MEMBER CUMBO: That was the--that
17 was the entire issue in terms of residents feeling
18 that they have to--why should they have to come up
19 with additional money to pay a security deposit when
20 they are on fixed incomes.

21 SHOLA OLATOYE: That's not true.

22 COUNCIL MEMBER CUMBO: Okay. We have to,
23 I guess talk about that because maybe somewhere in
24 your processing or administrative information that
25 residents are understanding and have paid money for a

2 deposit for the new apartment that they're expected
3 to move into, which is quite unexpected to them.

4 SHOLA OLATOYE: We should--we'd love to
5 know more about that.

6 COUNCIL MEMBER CUMBO: Okay. The other
7 one has to do with the--the *Almita v. Rita [sic]*
8 settlement ordered by the court on August 19th in
9 regards to downsizing. So the question here is that
10 as part of that settlement tenants may also request a
11 reasonable accommodation that would allow them to
12 remain in their apartments if they have a disability
13 that makes it difficult and detrimental to move.
14 They may also request accommodations relating to a
15 location or configuration of an apartment to which
16 they are required to move. So on the notification
17 that those that have been initiated a downsizing or a
18 downsizing letter has been initiated to them, it does
19 not state to those particular seniors that they
20 should have a reasonable accommodation as the result
21 of a medical issue others. They don't have any
22 information that they could request the ability not
23 to move as a result of a medical issue, which is part
24 of what is stated here.

25 [pause]

2 SHOLA OLATOYE: So we are revising. You
3 are correct. We are revising on our policy to
4 include that information. That resident has a right
5 to request a medical--for medical reasons, and the
6 necessary documentation that we would require to
7 substantiate that. So that is being included into
8 all new right sizing--right sizing information that
9 goes out to residents.

10 COUNCIL MEMBER CUMBO: And when will that
11 be implemented because our residents come to us
12 particularly our seniors devastated that they have to
13 move. And management is not informing them that they
14 have that right.

15 SHOLA OLATOYE: [interposing] [off mic]
16 I check into that. [sic]

17 COUNCIL MEMBER CUMBO: And so our office
18 often has to take on that. So when will that
19 actually be initiated?

20 SHOLA OLATOYE: We will do that this
21 year, and we will follow up with you, City
22 Councilwoman, about an exact date for when--when the
23 new communication will include this provision.

24 COUNCIL MEMBER CUMBO: Okay. Thank you.

2 BRIAN CLARKE: Yes. Good morning Brian
3 Clarke, Senior Vice President of Property Management.
4 So, in--in the interim we sent out a notification to
5 our property management offices to advise, you know,
6 when we are--when there is families that are right
7 sizing to advise them of that--of their right to
8 request a reasonable accommodation for that. So we
9 sent a general notice out to our staff.

10 COUNCIL MEMBER CUMBO: I think that--

11 CHAIRPERSON TORRES: [interposing] We're
12 actually going to-- If I may, we're going to take a
13 ten-minute break. A ten-minute break. Yes.

14 COUNCIL MEMBER CUMBO: Okay, so I'm just--
15 --right now or--?

16 CHAIRPERSON TORRES: Now actually.

17 COUNCIL MEMBER CUMBO: Okay. All right.
18 So then we'll just wait. Okay. Thank you. He's
19 having a break.

20 [pause]

21 SERGEANT-A-ARMS: Ladies and gentlemen,
22 please find a seat. Please find a seat, and do
23 private conversations outside. Once again, find a
24 seat.

25 [pause]

2 CHAIRPERSON TORRES: So, we're going to
3 resume today's committee hearing. Of course, the
4 Public Housing Committee is known for its long
5 intensive questioning. So I would love to give
6 Council Member Cumbo the opportunity to resume her
7 questioning.

8 COUNCIL MEMBER CUMBO: I thank you so
9 much and I thank you for having the break. I wanted
10 to continue with that line of questioning. We want
11 to make sure as in that settlement stated that
12 residents are made aware of all of their rights when
13 it comes to the downsizing. I wanted to ask you once
14 a tenant receives notification that there is going to
15 be a downsizing, how much time are they notified in
16 that documentation that they have to actually
17 relocate?

18 BRIAN CLARKE: Okay, if-- First off, let
19 me say good afternoon again. Brian Clarke, Senior
20 Vice President of Operations for Property Management.
21 I'd just like to clarify the question regarding the
22 security deposition. So the--during transfer is
23 there is no change in income so if they have same
24 income and they're downsizing or going to a larger
25 apartment and there is no change in income. Then

2 there's no change in their security deposit, and it's
3 simply transferred to the new unit. However, if the
4 income has gone up, there would be a corresponding
5 adjustment to the security deposit based on the new
6 rent. And therefore there could be an additional
7 payment to the security deposit.

8 COUNCIL MEMBER CUMBO: I think that would--
9 -I'm hearing something different, and that's fine.

10 BRIAN CLARKE: [interposing] Sure.

11 COUNCIL MEMBER CUMBO: But it's one of
12 those things where I think explicitly putting it all
13 in writing in that documentation notice in terms of
14 the fees that are going to be assessed. If your
15 salary went up, that's going to be assessed into it,
16 and all of these things. But let me also ask you, do
17 tenants when they first come in anyway pay some sort
18 of initial security deposit?

19 BRIAN CLARKE: Yes.

20 COUNCIL MEMBER CUMBO: So then does it--is
21 it something that you hold onto that then accrues
22 interest that increases in value?

23 BRIAN CLARKE: Yes.

24 COUNCIL MEMBER CUMBO: So even on top of
25 that security deposit and the interest that has

2 accrued over the years because as you know, many of
3 them have lived there for 30, 40, 50 years. There
4 would still be a reason on occasion to change an
5 additional security deposit over that deposit?

6 BRIAN CLARKE: Yes. Yeah, if the income
7 has increased significantly.

8 COUNCIL MEMBER CUMBO: Okay. Well, I
9 can't--I can't imagine for many of our seniors that
10 it would have so we definitely want to talk more
11 about that as well.

12 BRIAN CLARKE: Sure.

13 COUNCIL MEMBER CUMBO: The other question
14 goes into this is a huge issue in terms of ramps. As
15 many tenants are being downsized and being put into
16 different housing, and not be made aware of the
17 medical accommodation and all those sorts of things,
18 they're often being transitioned other homes that
19 give them difficulty with mobility. Ramps, buildings
20 that don't have elevators, so on and so forth. Was
21 there any funding put into the Capital Budget in
22 regards to ramps and those sorts of things to make
23 our NYCHA developments more accessible. And how do
24 you determine which buildings will have that level of
25 accessibility?

2 SHOLA OLATOYE: So first of all, it will
3 require I think it's 10% of our portfolio be
4 accessible. And so that is an ongoing process to
5 ensure that our buildings are, you know, are ADA
6 compliant or at least meet the requirements that HUD
7 requires us to do. I agree with you that our policy
8 should include all of these different pieces of
9 information. So I want to make sure we come back to
10 you and to this body, and make sure that that is
11 something that is a change in the ongoing right
12 sizing policy.

13 COUNCIL MEMBER CUMBO: [interposing]
14 Thank you. Because that's good to know. Thank you.

15 SHOLA OLATOYE: I think that's very
16 important. So thank you for raising that. And one
17 of the major challenges again is a match in terms of
18 if there's a fixed number of available apartments.
19 And then certainly needing to make sure that that
20 resident's needs are met or they are in buildings
21 that are accessible to them. That is something that
22 we also need to be cognizant of in moving residents,
23 or when they do relocate to another apartment. So
24 the first answer is we're required by HUD to ensure
25 that 10% of our portfolio is accessible. That's an

2 ongoing operational function that we do regularly.

3 And then we certainly need to ensure in the right

4 sizing approach that when residents are relocating to

5 a new--to another unit. And that their accessible

6 needs are being met.

7 COUNCIL MEMBER CUMBO: Okay. That would

8 be critical for us to be able to provide our tenants

9 with as much information as possible about the

10 downsizing.

11 SHOLA OLATOYE: I agree.

12 COUNCIL MEMBER CUMBO: This may have been

13 asked by the Chairman, but wanted to talk about it.

14 And, if you have answered it, I have a follow-up

15 question that I'd like to ask because it comes to

16 this. It's talking about despite the record New York

17 City homelessness, NYCHA is allocating only 750

18 public housing apartments each year to homeless

19 families and children. Only 12% of the 6,000 public

20 housing vacancies each year. Why is NYCHA allocating

21 so few apartments to homeless families and children.

22 CHAIRPERSON TORRES: We haven't covered

23 that topic yet.

24 SHOLA OLATOYE: We had a robust

25 conversation about this topic. So first I will just

2 as context say that when NYCHA along with ten other
3 city agencies were asked to come up with really
4 short-term solutions to what is a systemic--

5 COUNCIL MEMBER CUMBO: [interposing] Uh-
6 huh.

7 SHOLA OLATOYE: --citywide issue, last
8 September NYCHA quickly housed more than 750 families
9 in our--in our Public Housing Portfolio, as well as
10 280 families in our Section 8 Portfolio. For 2015,
11 we've committed to 750 units in our Public Housing
12 Portfolio in addition to 500 additional units for
13 victims of domestic violence and homeless. And you
14 may have missed this piece, but we because of some
15 additional resources in the Section 8 program--

16 COUNCIL MEMBER CUMBO: [interposing] Uh-
17 huh.

18 SHOLA OLATOYE: --have also committed an
19 additional 500 vouchers to meet the need of homeless
20 families and potential victims of domestic violence.
21 So in total in 2015, we will be supplying homes for
22 more than 1,700 families. And, you know, that is a-
23 a--an administration position, and this is something
24 that we will, and are on target to meet those goals.

2 COUNCIL MEMBER CUMBO: Now my final
3 question goes into the lottery system. So if
4 homeless families with those challenged with issues
5 of domestic violence and needing to rebuild a new
6 life, how do they get--incorporated veterans and so
7 on--how do they get incorporated into the lottery?
8 Is there almost a separate lottery for them, or do
9 they up their chances in the lottery system? How are
10 they incorporated?

11 SHOLA OLATOYE: So it's--it's we have a
12 priority system, not a lottery. It is a priority
13 process that is set--

14 COUNCIL MEMBER CUMBO: [interposing] For
15 them or just not in general at all?

16 SHOLA OLATOYE: --for--for admission to
17 the Housing Authority we're at large, we're at large.
18 There is a series of priorities and zero being the
19 highest, which is for homeless families and one. And
20 there's a working families priority. There is--
21 I'll talk about veterans separately because that is a
22 totally separate program funded completely separate
23 from Public Housing and Section 8. So let's talk
24 about that separately. So, as part of the change in
25 our annual plan last year, we ensured that homeless

2 families received the highest level of priority in
3 the admissions process. And that is what essentially
4 if you think about it as liens, sort of opened up
5 another lien for families to access the number of
6 Public Housing units that are available to--that come
7 up and that are available. We're working very
8 closely with DHS and HRA to assume that. And this is
9 a really important point. Homeless families that are
10 in the DHS system also have to be on our wait list.
11 So there aren't families that are jumping over the
12 250,000 who are on our list. So there's a very
13 intensive coordination process that we--that our
14 staff, DHS and HRA are working--that have been
15 working on to match the families who are currently in
16 shelter with families that are currently on our wait
17 list. And so, through that process, you can come
18 through--there is a process of the N1--the N0, and--
19 and as well as if you're coming via HRA as a domestic
20 violence as well. So these are families who are
21 already on our wait list because that is the pool
22 from which we have to select.

23 COUNCIL MEMBER CUMBO: Okay. Now, let me
24 just be clear. So, in the--there's the priority,
25 people that have great need that you documented or

2 you just spoke about, right. Now, for everyone else
3 that just may want to get into NYCHA, they're not a--
4 they're not a DV survivor. They're not a veteran,
5 which is whole other category. They're not homeless.
6 How do they get--are they because we've heard a lot
7 that there's a lottery system of sorts in terms of
8 there's a computer generated system that picks out--

9 SHOLA OLATOYE: [interposing] Right.

10 COUNCIL MEMBER CUMBO: --who's up.

11 SHOLA OLATOYE: There is something
12 called--that is governed by Federal Housing Law
13 called the Tenant Selection Process or TSAP. It's
14 not a lottery system. It really does really in
15 sequential order just sort of take the next sort of
16 family that's on the list. But you are speaking to a
17 very real challenge, which is there are 250,000 on
18 that wait list. And, the average wait is ten years.

19 COUNCIL MEMBER CUMBO: Now, this my final
20 one, I promise, Chairman. I think that's great. I
21 mean I think that how you've outlined all of this,
22 and I think that tenants would think that they
23 understand that there's a priority and that there's a
24 process. The challenge that we have in my district
25 as well as in others people don't understand how

2 certain--at certain times, certain ethnic groups come
3 in in blocks. They come in entire blocks, but don't
4 seem to fit any of the criteria that you're talking
5 about. And they feel like I understand that there's
6 a criteria. I understand there are certain
7 individuals that are prioritized ahead of other
8 individuals for different reasons. But what they
9 don't understand is how in this priority system
10 certain communities have blocks of people that come
11 in, in almost one entire whole ethnic block. And I
12 love all of the diversity in my district. I have one
13 of the most diverse districts in the city on all
14 levels. It's an exciting district. Everybody
15 contributes something very valuable, but at the same
16 time I don't know how to explain to the residents why
17 their number hasn't been called. But they'll see
18 large migration patterns of the same ethnic group.
19 It's not as if it's one person from this country, an
20 other person from this country. How does the
21 Authority handle certain situations such as that?

22 SHOLA OLATOYE: So we follow and adhere
23 to Federal Fair Housing Rules and, in fact, the
24 process in which we utilize was--is an exact result
25 of several Fair Housing Lawsuits back in the '70s and

2 the '80s. And so, the process by which we sort of
3 govern the entire admissions process is one that is
4 strictly adhered to in terms of the Fair Housing
5 process. As I said earlier in response to some of
6 these similar questions, we have a .7 vacancy rate
7 within the Housing Authority. So, right now there's
8 about a thousand vacant units within the Housing
9 Authority. Eight hundred and plus are already
10 matched to families. So then now there's very few
11 sort of waves of people coming to anywhere because we
12 are so tight as a--just a finite number of units. I
13 can't speak to the sort demographic--the sort of
14 demographic changes in any particular group. [sic]

15 COUNCIL MEMBER CUMBO: [interposing] We
16 have--we have a very large Asian population in our
17 district, which we love and they add something very
18 valuable to our community and our district. And they
19 are welcomed in our district, but we want to
20 understand, or the tenants want to understand how is
21 it? Because the way they're understanding it is that
22 people from all ethnicities could be moving into the
23 district. But that's not actually the case. They
24 are having challenges in terms of understanding how
25 one particular ethnic group that speaks the same

2 language across the board-- And I know that there
3 are many different dialects, and many different
4 languages, but how is it that one specific group had
5 the opportunity to move into a development in large
6 numbers.

7 SHOLA OLATOYE: I'd be happy to have
8 staff come out and explain the tenant selection
9 process to your residents.

10 COUNCIL MEMBER CUMBO: Uh-huh.

11 SHOLA OLATOYE: And again, you know, we
12 are --we operate and adhere to Federal--all Federal
13 Housing--Fair Housing Rules, and that is the process
14 by which our entire tenant selection process is
15 governed. So, I'd be happy to explain that to
16 residents and, you know, we are--we are a changing
17 society. So that is--

18 COUNCIL MEMBER CUMBO: [interposing]
19 Definitely.

20 SHOLA OLATOYE: --that is the reality
21 of our--

22 COUNCIL MEMBER CUMBO: [interposing] We
23 all need housing.

24

25

2 SHOLA OLATOYE: --our city. So I would
3 embrace these changes, and certainly consider it a
4 vital part of the city's beautiful mosaic.

5 COUNCIL MEMBER CUMBO: Thank you.

6 CHAIRPERSON TORRES: Council Member
7 Mendez, do you have any questions and then--

8 COUNCIL MEMBER MENDEZ: Thank you, Mr.
9 Chair and--

10 CHAIRPERSON TORRES: [interposing] I just
11 want to acknowledge Council member Deutsch as well
12 from Brooklyn.

13 COUNCIL MEMBER MENDEZ: Thank you, Mr.
14 Chair. I've been practicing, and I'm going to have
15 you practice as well. My legal name Prasoda [sp?]

16 SHOLA OLATOYE: [off mic] Prasoda.

17 COUNCIL MEMBER MENDEZ: You got it. Okay.
18 Let's see if you can get it the second an third time.
19 Chair Olatoye.

20 SHOLA OLATOYE: Yes, great. Thank you.

21 CHAIRPERSON TORRES: But I thought it
22 Olatoye. [sic] Okay. [applause]

23 SHOLA OLATOYE: Keep going. Let's go to
24 the substance. [sic]

2 COUNCIL MEMBER MENDEZ: So I don't--I've
3 been in and out so I don't know if this was asked and
4 answered. I had some questions about the Voluntary
5 Section 8 Conversion in your former city and state
6 developments. Were there any questions on that?

7 SHOLA OLATOYE: We did talk about that.

8 CHAIRPERSON TORRES: [off mic] Uh-huh.

9 COUNCIL MEMBER MENDEZ: Yes. Okay. So,
10 it's about 5,000 units that still have yet to be
11 converted. It's been years, and I don't know maybe
12 we've gotten a couple of extra, but we haven't really
13 gotten the rest of that conversion. What is the plan
14 to convert it? Why haven't we been able to, and what
15 is that costing the Authority for those 5,000 units
16 not being able to convert it at this point?

17 SHOLA OLATOYE: So, you are correct that
18 there are 5,000 unassisted units that we receive no
19 subsidy from any source. In 2014, we converted 268
20 of those units. In 2015, we're projecting 330. As
21 you know, this is a voluntary process, and it does
22 cost the Housing Authority about \$75 million in
23 potential lost revenue. And this--this is--
24 increasing the number of conversions is an issue that
25 the Administration and we are currently under very

2 specific conversations as how we can increase that
3 number going forward as part of our Next Generation
4 NYCHA process. So it's very much top of mind given
5 the potential revenue implications that it has for
6 the Housing Authority. Has the Housing Authority
7 identified some of the barriers that is preventing
8 the conversion at this point. Without giving me
9 reasons, just have you been able to figure it out.

10 RICHARD COUCH: I know just historically
11 going back, although I wasn't here back in 2007 and
12 2008, but they had very aggressive projections for
13 the conversion of those 8,400 units. There were
14 4,700 expected or projected in the application to HUD
15 in year 1; 3,700 projected in year 2. I believe a
16 lot of the benefits that they had expected for
17 residents under that program were not able to come
18 about. I believe one of them was that an overcrowded
19 unit could, you know, take the voucher and maybe get
20 two units. I think that benefit went away at least
21 in the later process of the transition. So some of
22 these benefits that were being carried to residents
23 were at least contemplated for residents as the
24 program was being developed I believe did not come

2 through at the level that make a voluntary conversion
3 successful as expected.

4 SHOLA OLATOYE: The other piece here, and
5 I know you know this, this is voluntary. It requires
6 a very dedicated focused sort of staff at the Housing
7 Authority to make this a reality and to increase
8 these numbers. This is what we do in sort of normal
9 course of business to increase this. It will require
10 a different level of staffing. Secondly, there is--
11 it needs to also be targeted to a sort of very
12 specific person of our demographic to ensure that
13 there is actual benefit for the residents. To
14 ensure, you know, that folks aren't going to be
15 seeing an increase in their income such that they are
16 actually on fixed incomes. So, I--you are exactly
17 right to be focused on this, and this is certainly--
18 this is part of our strategy. Which we're working
19 very closely with the Administration to not only
20 increase, but really have a real program to actually
21 realize the potential for rent revenue that we're
22 currently not receiving.

23 COUNCIL MEMBER MENDEZ: Okay. Regarding
24 the Optimal Property Management Operating Model, how
25 did you choose the 18 developments that were put into

2 this program, and what do you expect to be cost
3 savings in going to this model.

4 SHOLA OLATOYE: So the OPMOM pilot was--
5 we selected the 18 based on a couple of factors.
6 One, we chose developments where there was--where for
7 lack of a better term we didn't want the best
8 development. We really wanted a real representative
9 sample of NYCHA operating--the reality of NYCHA sort
10 of operating conditions on the ground. So we looked
11 at work orders. We looked at planned and either
12 completed capital work. We looked at staffing
13 capacity and history. We looked at geographic
14 concentration as well, and we looked at candidly a
15 source of residence, leadership involvement. Based
16 on those criteria, we went through the process and
17 selected the 18--the 18 that we did. The goal here
18 is twofold. One, this process of management is
19 something that every other housing authority does,
20 and NYCHA is late to the party. And so this is--this
21 is a way that housing authorities managed public
22 housing, which is empower local development managers
23 to make management decisions based on real time
24 budgeting. This is what--this is the asset
25 management approach that is required by HUD, and

2 something that we've not been doing. And so, this is
3 both getting in line and compliance with our HUD
4 regulator. But, too, following best practice in
5 overall property management. The potential cost
6 savings are still being realized--are still being
7 thought through. One, this is principally we're
8 really focused on operating. We sort of kept the
9 capital program separate. So we are three months
10 into the pilot, and we are tracking several points of
11 data to see--to understand what the potential cost
12 savings will be. Will it--will it be around staff
13 and labor costs? Will it be around materials costs?
14 Will it be around other sort of cost drivers? That
15 is the information that we're collecting. We've
16 created something called the Balanced Score Cards,
17 which will soon be up on our website when we have a
18 full quarter of data to report back on. And we'll
19 begin to, and the public will begin to learn as we
20 learn what the potential impact and hopefully
21 improvements to customer service to service levels,
22 and ultimately to improve quality of life.

23 COUNCIL MEMBER MENDEZ: What criteria
24 would you use in expanding this program, and at what
25 point do you think that might happen? Or, would we

2 be informed that that might be happening, expanding
3 it to more than these 18 developments.

4 SHOLA OLATOYE: So one of the things that
5 the current General Manager and I have always said is
6 that if we are learning things that work well in
7 these 18, we're not going to be stingy with those
8 learnings. For example, improved rent collection
9 processes, improved resident engagement, improved
10 operational practices that we will seek to replicate
11 those things in the larger part of our portfolio.
12 And that's really a large charge. That is the charge
13 of Mr. Clarke and Mr. Ponce, who oversee our
14 operation's effort. As the full program would
15 expand, we will certainly make sure that effective
16 electives are informed of that. We really believe
17 that you need a full year of operations to really
18 understand if it is working. So right now again
19 certain policies and practices we expect that to be
20 happening on a regular basis. But the full
21 transparent information of what is all that goes into
22 the pilot, we expect that will be another year before
23 we do add additional developments.

24 COUNCIL MEMBER MENDEZ: Okay. You said
25 we're late to the table. On this I'm just wondering

2 why we haven't implemented before. Is there
3 something different about the other markets where the
4 other PHAs are at as opposed to NYCHA that we haven't
5 done this yet? Or, that may not make this the most
6 feasible way of managing our properties here?

7 SHOLA OLATOYE: No. I actually think it
8 was just about will and focusing attention.

9 COUNCIL MEMBER MENDEZ: Okay. Thank you
10 very much. Thank you, Mr. Chair.

11 CHAIRPERSON TORRES: Council Member
12 Deutsch, do you have questions?

13 COUNCIL MEMBER DEUTSCH: Thank you,
14 Chair. Thank you very much, and thank you for being
15 on top of NYCHA. You're doing a great job. Good
16 afternoon, Chairwoman. I'm going to try to take it
17 easy on you. I know you're pregnant. I have five
18 children of my own. I have a grandchild and my
19 daughter is expecting her second. So I know how
20 pregnancy works. [laughs]

21 [background comments]

22 COUNCIL MEMBER DEUTSCH: But anyway, I
23 don't have any NYCHA housing in my district, but I
24 did represent working for the City Council for 14
25 years. I did have the sheets and notes from Housing,

2 which I represented working for my predecessor. And
3 I believe every person deserves, whether in public
4 housing or you live in--out of public housing in a
5 private apartment or a private dwelling--everyone
6 deserves the same resources. Back when I worked for
7 my predecessor, I did bring up an issue. I pulled
8 all of the violations out of the NYCHA housing. And
9 I noticed that they are not listed on HPD websites,
10 but if you're a private homeowner, a private building
11 owner, you are listed on the HPD website. So I--
12 number one, I feel that NYCHA should be listed like
13 it is by outstanding violations on the website. And
14 if there are buildings that have numerous violations,
15 they should be put on the slumlord list just like
16 everyone else. This is the only way we could keep up
17 with keeping the tenants in a safe environment.

18 Just most recently, I had--just this
19 week, I had seven young brothers and sisters who
20 perished in a tragic fire in my district, and I was
21 kind of busy with that this week. And I took a
22 proactive approach by having a community forum on
23 fire safety as well as trauma counseling for the
24 people in my district. And I continue to give out
25 smoke detectors. This week alone, I gave out about

2 400 smoke detectors and for the next four weeks,
3 we'll be distributing as many smoke detectors and
4 having safety forums on fire issues and fire safety
5 in my district. So I took a proactive approach. I
6 know that in Coney Island not too long ago an officer
7 got killed in a blaze--the name I believe is Officer
8 Dennis Guerrero. And I don't think that when I visit
9 the NYCHA buildings I never know if there are smoke
10 detectors in the main common hallways, lobby,
11 staircases. And I want to know what NYCHA is doing
12 after--especially after this last tragedy that
13 happened, what type of proactive approach NYCHA is
14 taking. What steps they're doing in order to make
15 sure that all the buildings have proper working smoke
16 detectors especially at this last fire that happened
17 in the lobby. It started in the lobby. So that's my
18 first question.

19 SHOLA OLATOYE: Okay. First, there's so
20 much to reply there. So, first, our condolences are
21 extended to the family--

22 COUNCIL MEMBER DEUTSCH: [interposing]
23 Thank you.

24 SHOLA OLATOYE: --and to the entire
25 community. It was an incredibly tragic and terrible

2 accident, and just a sad moment, a sad day for the
3 entire city. Secondly, as a public authority, and as
4 a something that's been very important for this
5 administration the issue of transparency. And one of
6 the first things that we did is place all of the
7 information about our--our portfolio online in
8 something called NYCHA Metrics. So residents can
9 find out now if there are heating and hot water
10 outages. They can find out if there is capital work
11 scheduled. They can find out what--what--sort of--
12 what is happening at their development through the
13 portfolio. What our financial situation looks like
14 at large. We are--this is a long issue that has been
15 discussed as to, you know, whether or not HPD
16 inspector should be in NYCHA. And I will just say
17 we--I worked very closely with Commissioner Bean.
18 And, you know, her budget does not sort of
19 accommodate for that.

20 And if that's something that this
21 Administration decides on policy, we certainly will--
22 will look to that. Right now, what we do is work to
23 address the myriad of issues that have. We receive
24 10,000 work orders a day. And so that is, and that
25 data is something that everyone including yourself

2 has access to, to understand the realities of a
3 system that's been system that's been systematically
4 disinvested into the past 30 plus years. On safety
5 issues, winter emergencies, on fire on emergencies on
6 natural disasters. We launched to partnership with
7 the Red Cross last year. We retrained more than a
8 thousand residents to serve as their own sort of
9 level of first responders in their developments. It
10 is one of the important lessons I think from not only
11 Sandy, but in some of the other recent tragedies have
12 been residents are often times our best--best sort of
13 line of defense to ensure that our residents can
14 remain safe. And so, in partnership with Red Cross,
15 we have put information around how do remain safe in
16 heat when in the winter. And how to avoid instances
17 that would lead to fires and et cetera.

18 So that's an important and ongoing
19 education and partnership that we have with the Red
20 Cross. With regard to the infrastructure in our
21 buildings, as you may or may not know, more than half
22 of our 2,500 buildings are more than 40 or 50 years
23 old. And in many new buildings sort of what we would
24 now know as up-to-date fire suppression systems, they
25 were simply not built to accommodate them. So we've

2 done a couple of things. One, there are fire alarms
3 in all of our apartments, and those are things that
4 are installed. And that's a major issue, and they
5 are now assessed, and we encourage our residents not
6 to take them off the walls and to replace their
7 batteries every six months, et cetera. In those
8 buildings that do not have actual smoke detectors in
9 whether it be the common areas or whatever, we
10 actually have staff who are there to ensure the
11 safety of our residents. And that is because the
12 capital cost to install such systems is so great, and
13 we don't have the resources to do it. So I am both
14 acknowledging the reality of the--that sort of those
15 buildings do not have the most up-to-date fire
16 suppression systems. But we are utilizing an interim
17 plan as possible--as best as we can. And that when
18 there is opportunities for complete rehab in capital
19 investment we do clearly need--we invest money to
20 bring our buildings up to existing fire and safety
21 codes. But you are absolutely right. In some of our
22 buildings that is a challenge. And so we actually
23 have to pay people to ensure the safety of our
24 residents.

2 COUNCIL MEMBER DEUTSCH: So I have a
3 question. This week alone, I probably obtained about
4 600 smoke detectors on my own, and that was through
5 Home Depot and local organizations. Now, I don't
6 understand--I still don't understand what--why these
7 buildings, why the NYCHA buildings do not have at
8 least smoke detectors in the hallways and the common
9 areas. I mean you're saying it's a capital projects.
10 It' costs--it's going to cost a lot of money. But
11 smoke detectors I think that we could trying to
12 obtain them from private companies or how much would
13 they cost to in turn ensure that the residents in
14 these buildings are safe?

15 BRIAN CLARKE: So good afternoon. Brian
16 Clarke the Senior Vice President of Operations for
17 Property Management. So the majority of our
18 portfolio are--are non-combustible, non--you know,
19 non-are fireproof buildings. And so they are not
20 required by code to have smoke detectors in, you
21 know, in public spaces. We do have some developments
22 that--that do. All of our apartment units are
23 required to have smoke and carbon monoxide detectors.
24 In fact, City Council helped to fund over three years
25 the donation of 60,000 carbon monoxide detectors over

2 the past three years that we've installed in our
3 apartment units. The Chair is absolutely correct
4 that during modernization work, when we are doing
5 work within in apartments or within electrical system
6 if they have to be brought up to current code. So we
7 have to put hard wired systems in. But they are not
8 required to have smoke detectors or carbon monoxide
9 detectors in public hallways. Because we are
10 fireproof construction, the instruction is that if
11 there is a fire a fire in the building is to shelter
12 in place. Then, of course, if there is a fire within
13 the--within the apartment unit, you know, they're
14 okay.

15 COUNCIL MEMBER DEUTSCH: Okay. I
16 understand that you are not required to do it, but,
17 you know, when--if you have a private building owner,
18 and they are constantly on top of the smoke detectors
19 making sure that they operate because they are
20 required to do that. At NYCHA you are behind
21 thousands and thousands of upgrades, and keeping up
22 with, you know, the maintenance of the buildings. So
23 I think that we should be more proactive and make
24 sure that the smoke detectors in the common areas. I
25 think that safety comes first. Among everything,

2 safety is number one. Okay, so on another note, on
3 the application process, when someone applies for--
4 First of all, I want to thank Brian Hogan who is here
5 somewhere. You're right here. I've been working
6 very closely with Brian. I want to thank you--I want
7 to thank you for having Brian. You know, working
8 together with the--with the elected officials. But,
9 when there's an application when someone applies for
10 housing, for example if the next availability is in
11 East Flatbush, and that person resides let's say in
12 Queens, you're basically taking him from one area,
13 and placing him in an area where he is not familiar
14 with. And not only that, his community--his
15 community affiliations are--let's say in Queens his
16 employment place, his neighborhood where he resides
17 as well as--as his children enrollments are also in
18 that area. For example, let's say Queens. So, I
19 sent a letter to NYCHA. We had 30 members of the
20 City Council sign onto it that you should take into
21 consideration where the children go to school, their
22 community affiliations, as well as where they work.
23 You know, and you basically are pulling people out of
24 one community and putting them in a totally new
25 place. And disenfranchising the children from their

2 schools, and now they have to start fresh. So, like
3 I said, we did write a letter to NYCHA in the
4 beginning of January of 2015. So once that option is
5 given to a person, and that person refuses, then you
6 have to start the prior application process all over.
7 So what can we do in order to look at these three
8 items making sure that if they have to wait a little
9 longer, at least put them back where they--the area
10 where they are familiar with and where they reside--
11 where they've come to reside?

12 SHOLA OLATOYE: So I don't know if you
13 were here for the part where I aid NYCHA is--we
14 adhered to Federal Fair Housing Laws. And so, you
15 know, it is our duty and responsibility to administer
16 what is a precious and very finite number of
17 resources, which is apartment units with 250,000 on
18 the wait list and a 60,000-a-night homeless
19 challenge. We have to place people where there is
20 availability. And one of the great--these are hard
21 choices, and we understand that, you know,
22 communities are incredibly important, but housing is
23 also important.

24 COUNCIL MEMBER DEUTSCH: Okay.

2 SHOLA OLATOYE: And if you are frankly
3 one of the fortunate people to receive a NYCHA
4 apartment that is--that is--that is what we can do
5 given that we have a .7 vacancy rate. And we have a
6 tremendous amount of demand. So while I'm incredibly
7 sensitive to community contextual relationships, and
8 schools, et cetera, I'm more sensitive to the fact
9 that far too many people don't have access to
10 housing. And so if you are one of the very few
11 people who can actually get a unit, you know, that is
12 ultimately you and your family's decision whether or
13 not you accept it. But ultimately we have to--I have
14 to ensure that this vital public resource is
15 stewarded for the entire city. And ensure that we do
16 that in a way that's fair and responsible.

17 COUNCIL MEMBER DEUTSCH: Okay. If the
18 applicant--if the applicant agrees to wait for the
19 next step--if the applicant agrees to wait for the
20 next available availability in the area. So actually
21 they're not going to be--they're not going to remain
22 homeless. So is that something that you would
23 consider?

24 SHOLA OLATOYE: No.

25 COUNCIL MEMBER DEUTSCH: And why is that?

2 SHOLA OLATOYE: Because there are 249,000
3 other people waiting for that apartment.

4 COUNCIL MEMBER DEUTSCH: Okay. All
5 right. No further questions, and thank you. Thank
6 you very much.

7 SHOLA OLATOYE: Thank you.

8 CHAIRPERSON TORRES: Well, thank you,
9 Council Member. So I'm going to conclude with a few
10 more questions. I noticed in your opening statement--
11 First, I commend you for saying here as long as you
12 have. So, you have always been a good sport about
13 our hearings. But in your opening statement you
14 said, "Today you will hear about the dire challenges
15 confronting NYCHA including continued underfunding
16 from the federal and state government." And, you
17 neglected to mention the city. And it would be
18 awkward for me to ask a Mayoral appointee whether the
19 City is contributing its fair share to NYCHA. So I
20 will asking about the payments. What is the total
21 dollar amount in payments that you make to the City
22 every year?

23 SHOLA OLATOYE: [off mic] \$288 million it
24 is? [on mic] I believe it's over \$288 million in
25 payments to a variety of agencies.

2 [background comments, pause]

3 SHOLA OLATOYE: Yes, over \$288 million in
4 payments to a variety of different city agencies.

5 CHAIRPERSON TORRES: How much funding did
6 you receive from the City last year?

7 SHOLA OLATOYE: We received \$210 million
8 in funding from New York City.

9 CHAIRPERSON TORRES: So you've actually--
10 you received--you actually gave more money to the
11 City than you received from the City. I think
12 that's--

13 SHOLA OLATOYE: [interposing] Correct.

14 CHAIRPERSON TORRES: --and you measured
15 payments against the investment. So that's something
16 worth considering whether the City is actually
17 contributing its fair share toward NYCHA.

18 SHOLA OLATOYE: Yeah, I would also say,
19 if I may--

20 CHAIRPERSON TORRES: [interposing] Sure.

21 SHOLA OLATOYE: --that one of the
22 important major policy shifts that this
23 Administration made, and I know it's something that
24 you have advocated for, for many years, is the
25 complete forgiveness of the police payments that the

2 Housing Authority has made for the past 20 plus
3 years. So that \$70 million, you know, that sort of
4 oozes right off the top of our already strapped
5 budget, is now permanently forgiven. So, you know,
6 that-- And, that was something that the Mayor did 30
7 days into his--into this Administration, and has now
8 baselined that going forward. Certainly, there are
9 other payments that we are in active conversations
10 with this Administration other parts of the--

11 CHAIRPERSON TORRES: [interposing] I
12 would love to speak about one of them.

13 SHOLA OLATOYE: Okay.

14 CHAIRPERSON TORRES: The most egregious
15 one is the pilot payments. So NYCHA pays nearly \$30
16 million a year in property taxes.

17 SHOLA OLATOYE: Uh-huh.

18 CHAIRPERSON TORRES: You know, the--right
19 now, we're debating 421-a. Developers receive a
20 property tax exemption. Madison Square Gardens
21 receives a property tax exemption. Hospitals and
22 cultural institutions receive a property tax
23 exemption. And yet the largest provider of
24 affordable housing for the poorest residents in our

2 city receives no exemption at all. What are your
3 thoughts on that, if you're able to comment?

4 SHOLA OLATOYE: I would certainly--it is
5 certainly that we are talking very seriously with
6 this Administration. That was one of the first
7 things that we've raised. I think there's been very
8 positive conversations on it with the Mayor and both
9 our colleagues at OMB. And I am very optimistic that
10 this will be something that can be addressed as we go
11 forward with our Next Generation NYCHA plans.

12 CHAIRPERSON TORRES: I would love to see
13 that payment gone. Obviously, you know, at NYCHA,
14 you have your work cut out for you. NYCHA has \$16
15 billion on capital needs. You're going to have an
16 operating deficit that will rise by 300% over the
17 next four years. So you're in the process of
18 developing a master plan for addressing these
19 monumental fiscal challenges for saving public
20 housing, Next Gen NYCHA. What is the release date
21 for Next Gen NYCHA?

22 SHOLA OLATOYE: We are--anticipate it to
23 be May--on or before May 1.

24 CHAIRPERSON TORRES: May 1, okay.

25 SHOLA OLATOYE: Uh-huh.

2 CHAIRPERSON TORRES: And I know part of
3 the, you know, the attempt to save public housing is
4 to think about new and creative streams of funding.

5 SHOLA OLATOYE: Uh-huh.

6 CHAIRPERSON TORRES: So one program that--
7 --that's been proposed is the Rental Assistance
8 Demonstration Program. The federal government has a
9 cap on the number of public housing units that can
10 enter RAD, which would effectively convert public
11 housing into project based Section 8. Is that--

12 SHOLA OLATOYE: [interposing] That's
13 correct.

14 CHAIRPERSON TORRES: --a correct
15 description?

16 SHOLA OLATOYE: Uh-huh.

17 CHAIRPERSON TORRES: So does NYCHA have
18 any applications--has NYCHA applied for RAD or are
19 there units that are set to enter the Rental
20 Assistance Demonstration Program?

21 SHOLA OLATOYE: It's under the previous
22 administration. An application was submitted for the
23 Rental Assistance Demonstration Project, yes.

24 CHAIRPERSON TORRES: So how many units?
25

2 SHOLA OLATOYE: Approximately 1, 100
3 units, sir.

4 CHAIRPERSON TORRES: Okay, and do we know
5 what is the status of the application?

6 SHOLA OLATOYE: So right now, this entire
7 initiative is being re--rethought. As you mentioned,
8 Congress approved the increase of the cap to 185,000
9 unit last December. HUD is sort of still developing
10 its guidelines for public housing authorities across
11 the country in terms of how kind of RAD 2.0 will
12 work. So we await that guidance before moving and
13 doing anything and obviously an administration
14 decision about--if--if we were to proceed in a very
15 aggressive outreach plan would need to answer.

16 CHAIRPERSON TORRES: And so you're--
17 you're waiting from guidelines from HUD to decide--

18 SHOLA OLATOYE: [interposing] That's
19 correct.

20 CHAIRPERSON TORRES: --on the fate of
21 what to do with those 11,000 units?

22 SHOLA OLATOYE: 1,100.

23 CHAIRPERSON TORRES: 1,100 units.

24 SHOLA OLATOYE: 1,100 and we are waiting
25 on guidance on the structure of the program.

2 CHAIRPERSON TORRES: And what are the
3 criteria for a conversion to RAD?

4 SHOLA OLATOYE: So it really does depend
5 on the Housing Authority--

6 CHAIRPERSON TORRES: [interposing] Yeah.

7 SHOLA OLATOYE: --in terms of--but
8 ultimately, it's--it's typically developments that
9 have very high capital needs, very high operating
10 expenses. And the ability to--this is a preservation
11 strategy. It's an opportunity to tap other types of
12 resources to bring into the Housing Authority to
13 ultimately preserve public housing.

14 CHAIRPERSON TORRES: And do we know what
15 share of the Public Housing Portfolio is potentially
16 eligible for that, or do you have estimates on the
17 number?

18 SHOLA OLATOYE: I don't have that number,
19 no.

20 CHAIRPERSON TORRES: Okay. I want to ask
21 a question about Section 8. So under the Section 8
22 program, NYCHA subsidizes about 70% of a voucher
23 holder's rent up to-- If I'm mischaracterizing it,
24 let me know. Up to a certain point of fair market

2 value, what is known as the payment standard. Is
3 that a correct description?

4 SHOLA OLATOYE: That's correct.

5 CHAIRPERSON TORRES: And now, one concern
6 I have is potential cuts that might be looming in
7 relation to the payment standard. So are there any
8 decrease--decreases in the payment standard in the
9 works that are set to take effect in the next few
10 years or--

11 SHOLA OLATOYE: Sure so--so--

12 CHAIRPERSON TORRES: [interposing] Which
13 would result in a rent increase for many voucher
14 holders--

15 SHOLA OLATOYE: [interposing] That's
16 right.

17 CHAIRPERSON TORRES: --so that's the
18 practical effect of it.

19 SHOLA OLATOYE: That's right. So, as I
20 referenced in my testimony, NYCHA did because of the
21 uncertain funding future with regard to the Section 8
22 Program, I think it's really important to note that
23 NYCHA has lost more than 7,000 vouchers in the last
24 two years because we do not--we have not and do not--
25 we have not received sufficient revenue to cover the

2 program's expenses, our program essentially is out of
3 balance. So when that happens, you are--you can
4 apply for shortfall funding. When you apply and
5 receive that shortfall funding, you--agencies in
6 shortfall status cannot issue new vouchers. So those
7 7,000 vouchers were forever lost. So one of the hard
8 choices we had to make in 2014 was twofold: How do
9 we get this program back in--back in sync? And is
10 there a potential of actually issuing new vouchers to
11 support the Mayor's Affordable Housing Plan? What we
12 did was reduce our payment standard from the previous
13 110% to 105% of the published fair market value,
14 which did one thing. It made us consistent with the
15 entire--with HPD's payment standard as well, which
16 was also 105%. Effectively NYCHA was paying them
17 more for the same kinds of units. Remember, these
18 are private units in the marketplace. And so, while
19 it sort of--it will have an impact of about 28% or
20 25% of--of our tenant voucher holders, we believe
21 that potential impact of being able to issue new
22 vouchers in 2016 is--was--was a--is an important
23 outcome of this policy decision.

24

25

2 CHAIRPERSON TORRES: So we're decreasing
3 the payment standard so that you can issue more
4 vouchers?

5 SHOLA OLATOYE: So that we can issue more
6 vouchers and also ensure that the program is--

7 CHAIRPERSON TORRES: [interposing] Can I
8 ask you how many more vouchers you'll be able to
9 issue?

10 SHOLA OLATOYE: Approximately a thousand,
11 but we'll--we're going to see what the overall
12 attrition rate is this year, and what we can do.
13 We're projecting about a thousand units--a thousand
14 vouchers, excuse me.

15 CHAIRPERSON TORRES: Great. So, Madam
16 Chairman, I thank you for your testimony, and I just
17 want to echo again if we can give tax exemptions to
18 Madison Square Gardens and developers, we should be
19 able to give NYCHA a tax exemption. Thank you.

20 SHOLA OLATOYE: Thank you very much, sir.

21 CHAIRPERSON TORRES: I want to take a
22 five-minute break.

23 [pause]

24 SERGEANT-A-ARMS: Quiet please.

25

2 CHAIRPERSON TORRES: We are resuming the
3 hearing. We're going to call up the next panel.
4 Stephanie Bloodshaw from Missoula Scribe--Massoula
5 Scribe. And forgive--if I mispronounce, forgive the
6 mispronunciation. Taj Finger from the Senate for
7 Count Innovation; Deborah Pollack from the West
8 Harlem Group Association; and I believe Lisette
9 Murphy. All right, and okay. Great. We'll begin
10 with--with Stephanie.

11 [background comments]

12 CHAIRPERSON TORRES: Okay.

13 STEPHANIE BLOODSHAW: Hello, thank you
14 for this opportunity.

15 CHAIRPERSON TORRES: [interposing] Well,
16 actually we have a time. You have three minutes.

17 STEPHANIE BLOODSHAW: Go?

18 SERGEANT-A-ARMS: [off mic] You can
19 start. [sic]

20 STEPHANIE BLOODSHAW: Good evening. My
21 name is name is Stephanie Bloodshaw [sp?] from the
22 Missoula Squad. The Missoula Squad is a group of
23 families who have organized to obtain housing. The
24 Missoula Squad members reside in the Bronx cluster
25 sites. As we advocate for permanent house, we've

2 been with--excuse me--we've met with Denowitz [sp?].
3 We've been to your office, Mr. Torres, and we've met
4 with your Chief of Staff Juan Antigua [sp?]. We also
5 went to see Mark Jonah. We also went to see Jose
6 Serrano to plead and ask for aid obtaining permanent
7 housing. The Missoula Squad is advocating for more
8 affordable housing. We're also advocating for 2,500
9 NYCHA apartments. We're also advocating for 4,000
10 more LINC Vouchers. We're also asking or advocating
11 for 2,000 more HPD. That was the purpose--excuse me
12 units. That was the purpose of visiting the council
13 members to help us come up with an exit plan to exit
14 the cluster sites. I'm not sure if you guys seen the
15 DOI Investigation last week where they pointed out
16 that they're spending \$25 million a month on cluster
17 sites. Cluster sites are not conducive. The case
18 managers are not finding an exit plan for people to
19 exit the system. In our squad, last week alone two
20 people got diagnosed with depression. One member had
21 a stroke trying to exit out of our system. You can't
22 get help from DHS. You can't get help from any of
23 the Council members. You can't get help from NYCHA.
24 You can't get help from Mayor de Blasio. So we're
25 trying to figure out how are we going to exit this

2 shelter. Half the people work in my squad, and we
3 are asking for affordable housing. We don't
4 understand--I understand all the power tricks that
5 going on. But at the end of the day like I said, one
6 guy back here just got diagnosed with depression.
7 Okay, it's not funny. It's not a game. Nobody wants
8 to be there, and if you guys don't mind, your \$25
9 million a month being wasted on cluster sites.
10 That's fine, but we want out, and I think you guys
11 can do better. The new Commissioner I tried to talk
12 to her. She just blew me off. De Blasio can do
13 better. I heard you're on the Housing Committee.
14 That's why we came to you. Everybody is still in the
15 same position. As of meeting with Denowitz, meeting
16 with your Chief of Staff, Juan Antigua; meeting with
17 Mark Jonah; meeting with Jose Serrano, nobody is in a
18 better predicament than where they were. And it's
19 like we're talking, talking, talking, talking and
20 it's like talking to a wall. And it's--this is why
21 we're--

22 CHAIRPERSON TORRES: [interposing] I--I
23 just want to because you just singled me out. I just
24 want to-- So you met with my office?

25 STEPHANIE BLOODSHAW: Yes.

2 CHAIRPERSON TORRES: To think that you
3 were going to leave that office, and we were going to
4 be able to single-handedly--

5 STEPHANIE BLOODSHAW: [interposing] Well,
6 I--

7 CHAIRPERSON TORRES: --close the gap
8 between the demand for affordable housing--

9 STEPHANIE BLOODSHAW: [interposing] No we
10 didn't.

11 CHAIRPERSON TORRES: --and the supply is--
12 -

13 STEPHANIE BLOODSHAW: [interposing] We
14 just wanted you guys to jump on board and help the
15 60,000 people exit the system. We thought that you
16 would concerned since it was in your district.
17 [bell] One of the cluster sites is in your district,
18 sir.

19 CHAIRPERSON TORRES: Yeah. Well, trust
20 me. I'm concerned. But I--I--we're aware of your
21 concerns. It's just a question of--and obviously the
22 Mayor has a plan to create 80,000 units over the next
23 ten years. And he's obviously put more resources
24 into subsidies for homeless families than we've seen
25 in years past. But the reality is there is a limit

2 to what--and we are also supporting New York/New
3 York, which creates supporting housing developments
4 for homeless families. So we are honing the tools
5 that we are deploying to provide greater housing.
6 But the reality is that there's a limit to what
7 cities can do without more support from the state and
8 without more support from the federal government.
9 And we are actually receiving fewer resources from
10 the federal government rather than more. And so, I
11 just want to be honest, you know, that the need is
12 always going to be greater than our capacity to meet
13 hat need. And that's the honest reality, and anyone
14 who tells you otherwise is simply lying. So that's
15 my honest answer. The next, Deborah Pollack.

16 DEBORAH POLLACK: [off mic] Pardon my
17 great--[on mic] my great entrance. Good afternoon.
18 Thank you for allowing me to testify, Chair Torres.
19 My name is Deborah Pollack and I'm the Director of
20 Social Services at West Harlem Group Assistance. I'm
21 here to testify on behalf of a program called
22 Communities for Healthy Foods. But more importantly
23 the great project we're doing with NYCHA, a public-
24 private partnership we have that will yield about 160
25 NYCHA units on 114th Street between 7th and 8th that

2 were long left vacant by NYCHA for about 20 years.
3 And 160 tax credit primary units for 30, 40 and 50%
4 of their median income of people in New Your City.
5 So we are creating 160 new housing units so badly
6 needed based upon Communities for Healthy Foods,
7 which was funded initially by the Tish--by the
8 Illumination Fund. We are asking for \$760,000 in
9 Council money for groups that are doing Communities
10 for Healthy Foods throughout New York City.

11 The Bronx New Settlement I think you know
12 in Manhattan, West Harlem Group Assistance is doing
13 it. We started a healthy food hub that's a central
14 location for health access, education and awareness.
15 Randolph was started with a health and wellness base,
16 and that was started from the tenants at Randolph
17 Tenants Association. Again, left alone for about 20
18 years, it was their choice to have a health and
19 wellness component. So Communities for Healthy Foods
20 backs onto Randolph and the New York City Housing
21 Authority and our public-private partnership to see
22 that NYCHA actually private partnerships. These 160
23 units are going to be beautiful, and people lived in
24 kind of squalor for a very long time, as we all know,
25 are going to have beautiful units. So we are asking

2 for you support for our ask for \$760,000 for four
3 very poor neighborhoods to have Communities for
4 Healthy Foods join their neighborhoods. Thank you
5 and again I'm sorry for my late entry.

6 [background comments]

7 CHAIRPERSON TORRES: Because NYCHA is a
8 city unto itself, we could speak about homelessness.
9 We just spoke about public health, and now we're
10 going to speak about criminal justice, right. The
11 Center for Court Innovation. Maybe not. I don't
12 know. The Center for Court Innovation.

13 TAJ FINGER: Well, kind of criminal
14 justice. Good afternoon, Chair Torres. My name is
15 Taj Finger and I'm representing Center for Court
16 Innovation. Thank you for giving me the opportunity
17 to speak today. I'm here to urge the Public Housing
18 Committee, as they are considering the Proposed
19 Mayor's Budget to support funding for the Center for
20 Court Innovation as we continue to work to improve
21 the health, safety and access to services for
22 residents living in public housing throughout New
23 York City.

24 Our Justice Centers serve public housing
25 residents in neighborhoods throughout New York City

1 including Brownsville, the Bronx, Staten Island and
2 Queens. So, I'll focus on just two. The Red Hook
3 Community Justice Center catchment area covers three
4 NYCHA developments totaling more than 10,000
5 residents. While the Harlem Community Justice Center
6 provides services to the residents in the area of the
7 second largest concentration of public housing in New
8 York City. Both of our justice centers operate
9 housing resource centers to assist NYCHA residents
10 with repairs, rent payment, and Housing Court cases.
11 A service desk rarely needed given that in most
12 Housing Courts 90% of landlords have legal
13 representation and only 10% of tenants have
14 representation. And as Council Member Cumbo was
15 saying, residents are coming to the council members
16 because they don't know what to do when situations
17 arise, and we want to be that resource for them. Our
18 Housing Resource Center staff they act as liaisons
19 between NYCHA tenants and the judge particularly
20 where tenants request repairs. Each year the Housing
21 Resource Center in Red Hook assists more than 400
22 clients, and in Harlem a recent analysis revealed
23 that more than 250 evictions were prevented through
24 the efforts of our Housing Resource Center staff.
25

2 Our Community Justice Centers also offer a variety of
3 other programs and services to public housing
4 residents. In Harlem, many young women--men and
5 women who reside in NYCHA are served by the Harlem
6 Justice Court. A program for justice involve young
7 people seeking employment, education services and
8 meaningful opportunities to serve their community.
9 In Red Hook in partnership with the Manhattan
10 District Attorney's Office the Red Hook Community
11 Justice Center operates a Saturday Night Lights
12 Program, which oddly enough happens on Fridays. And
13 the program is at the Miccio Community Center located
14 inside the Red Hook Houses aimed at preventing
15 violence because Friday and Saturday nights is
16 typically when most violent events occur.

17 I would also be remiss not to discuss our
18 hope to have a Brownsville Community Court. We
19 already have a Brownsville Community Justice Center
20 where we provide services to public housing residents
21 inn Brownsville with building community cleanups, and
22 providing after school and recreational program. But
23 once we have a--hopefully with the Council's support,
24 we'll have a Community Justice Center with the
25 Housing Court. And we could provide the same types

2 of housing resources to--that we provide to our
3 residents of Red Hook and Harlem. Thank you very
4 much. I really appreciate the opportunity to speak
5 today.

6 CHAIRPERSON TORRES: Well, thank you for
7 your time. I'm a great--a great admirer of the
8 program. So I feel like if we want to reform Housing
9 Court or Summons Court or Criminal Court we should
10 replace them all with Community Justice Centers. So
11 that's the vision toward which we should be moving.

12 TAJ FINGER: Thank you very much. That's
13 our hope.

14 CHAIRPERSON TORRES: Ms. Murphy.

15 LISETTE MURPHY: Hi, good afternoon. My
16 name is Lisette Murphy. I'm actually one of the
17 families that are with Missoula Parkway for the
18 cluster sites of everything that has been going on.
19 I'm one of the families that has passed through a
20 hardship due to the circumstances of the programs and
21 things like that we are going through. I'm one of
22 the families that has suffered in this particular
23 way--this particular atmosphere of what are you guys
24 going back and forth and bickering about 25,000
25 apartments or not apartments, if there are any

2 available, if there are 150. There's a lot of--a lot
3 of things that are going when you guys don't come
4 down to us to really open up and see how necessary it
5 is for us to have some type of explanation some type
6 of maybe more apartments that will be available,
7 vouchers. Anything that would help us get out of the
8 system instead of battering us against us to back us
9 up more in the system instead of getting us out of
10 the system. Me, I've been in this place for about
11 two years now, and I was supposed to be transferred
12 out because where I live that there is supposedly
13 code violations. There is mold. There's water
14 damage. There are a lot of things that are going on.
15 Due to the circumstances about how many families are
16 coming in and out of the system, I have been placed
17 in this place. They put me in a place that there are
18 other families residing there that come from exactly
19 the shelter system. Not the families that are being
20 transferred from one shelter system to another. I do
21 work. I was told by Mr. Trevor Geraldine [sp?] that
22 if I did not take this last transfer that I would not
23 be helped with a voucher. Which is a LINC Voucher.
24 I have been on the waiting list for a NYCHA apartment
25 for 10 years, and I've always worked, and I have

2 gotten nothing in response back to this. It's sad to
3 say, but even trying out of the system is harder than
4 even getting into your own apartment. And being
5 helped with any type of security, some type of
6 assurance that you're going to be okay if you take a
7 program that will last five years. Or, something
8 that will last a lifetime. So basically, what I want
9 to know is there anyway possible that I can get help
10 to try to get into a New York City into NYCHA
11 apartment or have a LINC Voucher that will help me
12 get out of homelessness?

13 CHAIRPERSON TORRES: As far as public
14 housing, so I--I--look, if I were--I believe we
15 should create more public housing. I believe we
16 should have more Section 8 Vouchers. I believe we
17 should have more subsidy programs for homeless
18 families so that they can transition to permanent
19 housing. But NYCHA every year only has 5,000 vacant
20 apartments. Yet, there are 250,000 people on the
21 waiting list. So the gap between demand and supply
22 is huge, and it's only getting bigger. And the same
23 is true for the Section 8. The fact that we have
24 60,000 families in our--in our shelter system. Even
25 if we--even if we wanted to put, you know-- I think

2 Section 8 Vouchers is one of the best options for
3 aiding many people transition to permanent housing.
4 But we're actually prohibited from putting more
5 funding into Section 8 because it's a federal
6 program.

7 LISETTE MURPHY: Uh-huh.

8 CHAIRPERSON TORRES: So even if we could
9 put more money into Section 8, we are legally
10 prohibited from doing so. So, we--we have more
11 limitations that people realize, and I know it sounds
12 like bickering. I think my mother would be homeless
13 without public housing. I grew up almost all my life
14 in public housing. So I know what it's like to
15 struggle. This is not abstract of me, but these are
16 genuinely complicated issues. We live in a world
17 with limited resources--

18 LISETTE MURPHY: [interposing] Okay.

19 CHAIRPERSON TORRES: --and we're
20 receiving no support from the federal government.
21 There are people in the Republican Party in Congress
22 who believe that the government should have no role
23 in providing people with housing. That's a fact.
24 There's a whole movement that believes that you have
25 no right to receive support from the government. And

2 so that's what we're up against. So it's not--you
3 know, to the extent that you're struggling to find
4 housing it's not because people like me don't have
5 empathy for the struggles you're facing. It's that
6 we don't have supporters in Washington. I think
7 that's the heart of it.

8 LISETTE MURPHY: I think that just
9 sometimes that you guys should take a little more
10 effort and really look into the families that keep
11 falling back into the system. And, you know, instead
12 of prolonging it, help them. You know, instead of
13 the people who are working like myself-- I've been in
14 and out of these places because DHS decided that they
15 wanted to take people out without giving proper
16 notices. I have a video of what's occurred to me
17 over the past week in one of these cluster sites
18 facilities. There is not even proper documentation
19 given to us let along giving--helping us even fill
20 out a NYCHA application just to get on a waiting
21 list. Just to say, hey, maybe something can come up.
22 Maybe you can qualify. Maybe you can't, but at least
23 give it a try. They don't even take it as far as
24 that. So all that money that you guys are putting
25 into these cluster sites and into these shelters and

2 into these people that aren't doing anything. What
3 are the families to do from then? We have no answers
4 so we get taken off from where we are from one
5 placement that we've been there for two years and we
6 lived there liked we're residents. To be pulled out
7 with no documentation to be put somewhere else. That
8 you get there, and they're like oh well, we didn't
9 know. They walk you out. They take you back. They
10 put you back to pack. There is no security and
11 nothing. There is no security even in the system.
12 There is no security to even say, Hey, maybe I can
13 try to qualify for something. We don't even have
14 that option, and it's sad that I work. I'm a working
15 parent. I have two children. I've done it for two
16 years and, you know, there's no answers for me. I'm
17 like there's somebody threatening me that if I don't
18 move to the new place where they're going to put me
19 because their paperwork goes from here to there and
20 from here to here because it just makes it look so
21 proper. It's not proper. It's not right at all, but
22 what can we do? We come to you guys and voice our
23 opinion. We are telling you what's going on. We
24 give you all an insight. Maybe I take it into
25 consideration, maybe I don't. But to let you know

2 that there's--there's more out there than what we
3 think. I went as far as--because I'm a New Yorker
4 and I live here, I went as far as trying to apply for
5 Section 8 and Putnam County. Trying to go far and
6 beyond because here there is not enough and there's
7 no answers. I understand, but what are the families
8 to do out of the shelter system when they do or they
9 don't get out and they're being placed from one
10 shelter to another for years after years after years
11 instead of getting them out so they have something of
12 their own. They are not even stable to do that.

13 CHAIRPERSON TORRES: Okay. Look there
14 are limits to what we can do, but you're doing the
15 right thing. We can always do more. So keep pushing
16 those in elected offices--

17 LISETTE MURPHY: [interposing]
18 Absolutely.

19 CHAIRPERSON TORRES: --to invest more
20 resources in homeless prevention and new housing so
21 we definitely can do more.

22 LISETTE MURPHY: Uh-huh.

23 CHAIRPERSON TORRES: So thank you for
24 your testimony.

25 LISETTE MURPHY: Thank you.

2 CHAIRPERSON TORRES: So I think with--
3 with no more requests for testimony, this meeting is
4 adjourned.

5 [gavel]

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C E R T I F I C A T E

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



Date April 11, 2015