

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE JOINTLY WITH COMMITTEE ON
PUBLIC HOUSING, COMMITTEE ON LAND USE, COMMITTEE ON
TECHNOLOGY AND COMMITTEE ON PARKS AND RECREATION

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May 18, 2017
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HELD AT: Council Chambers - City Hall

B E F O R E: JULISSA FERRERAS-COPELAND
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Chairperson

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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

Karen Caldwell, Executive Vice President & Chief
Financial Officer
New York City Housing Authority, NYCHA

Nicole Ferreira, Executive Vice President
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New York City Housing Authority, NYCHA

Brian Honan, Director
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New York City Housing Authority, NYCHA

Anne Roest, Commissioner & Chief Information Officer
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Annette Heintz, Deputy Commission
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John Winker, Associate Commissioner
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Mitchell Silver, Commissioner
Department of Parks and Recreation

Liam Kavangh, First Deputy Commissioner
Department of Parks and Recreation

Matt Drury, Director of Government Relations
Department of Parks and Recreation

Dorothy Lewandowski, Commissioner
Borough of Queens

[sound check, pause][gavel]

CHAIRPERSON FERRERAS-COPELAND: Good

morning and welcome to today's Finance Committee hearing. My name is Chair Ferreras-Copeland. I'm the chair of the committee. I want to begin by thanking my co-chair Council Member Ritchie Torres and the members of the Public Housing Committee for joining us. I wanted to acknowledge the members of both committees who are here with us. We have Council Members Mendez, Matteo, Treyger and Gibson. This morning the committee to continue its look at Fiscal 2018 Executive Budget with the New York City Housing Authority. We will hear from NYCHA Chair and CEO, Shola Olatoye. I'll begin with a brief overview of NYCHA's Budget, which I would note is not a part of the city's budget, and which follows the calendar year. The Authority's total revenues for 2017 are approximately \$3.26 billion around one-third of which comes from the tenant rent. NYCHA's total expenditures for 2017 total approximately \$3.24 billion, over 40% of which are for personnel services including salaries and fringe benefits. This gives NYCHA a projected surplus of \$21.1 million in 2017's adopted operating budget. Finally, NYCHA reports

1 approximately 2.-2.6 months of operating reserves,
2 which is in accordance with the amount recommended by
3 the Department of Housing and Urban Development. On
4 a small portion, about 2.5% of NYCHA's Fiscal 2017's
5 operating budget comes from city funds. The city's
6 Fiscal 2018's Executive Budget provides \$16.7 million
7 in city operating funds for Fiscals 17 to 21 to
8 support operating costs of NYCHA's core services.
9 Highlights include funding for façade repairs and
10 NYCHA managed senior centers. Before we hear from
11 the Chair, I wanted to highlight a few concerns that
12 I hope to discuss further to this morning's hearing.
13 In the Council's Budget Response this year we urged
14 additional funding for several cruise ship programs
15 and services. This includes an expansion of the food
16 business Pathway's program, which has helped nearly
17 140 NYCHA residents receive training to start
18 business and the childcare business Pathways program,
19 which assists NYCHA residents in developing home-
20 based childcare businesses. These programs have
21 provided vital opportunities for NYCHA residents.
22 Yet the Administration ignored (sic) our call to
23 allow others to benefit from these programs.
24 Furthermore, we encourage the Administration to align
25

1 funding for roof repairs with NYCHA's capacity to
2 complete them. Currently, there is \$533 million over
3 five years allocated for this program to address
4 health hazards posed by NYCHA's residents—posed to
5 NYCHA's residents. However, NYCHA has stated that it
6 would—would be able to complete a billion dollars in
7 roof repairs over this period. We will continue to
8 work with the Administration to address these issues
9 as we move towards budget adoption.
10

11 Next, the city's Fiscal 2018 Executive
12 Plan provides \$2.8 million funding for NYCHA's senior
13 centers. In recent years NYCHA has transitioned the
14 management of most of these centers through the
15 Department for the Aging, and one of the many steps
16 that NYCHA has take towards eliminating its
17 structural deficit. However, NYCHA continues to
18 operate 14 senior centers across the city with
19 funding for these operations set to run out in June
20 of 2018. I hope to hear about NYCHA's plan to
21 transition the remaining centers to DFTA so that
22 senior residents at these facilities can properly
23 benefit from programming. Finally, I must address
24 what I know is a concern for most of us: The risk of
25 our public housing posed by the Trump Administration.

1
2 NYCHA relies heavily on federal assistance, which
3 comprises about 58% of its operating budget and a
4 significant portion of its Capital Program. However,
5 NYCHA is projected funding is always subject to
6 federal actions and appropriations. President
7 Trump's initial budget plan is would have imposed
8 devastating cuts to the authorities with some
9 estimates ranging as high as \$150 million.
10 Fortunately, the Appropriations Bill passed by
11 Congress at the beginning of this month did not
12 include these cuts. However, there is still
13 significant uncertainty around the level of federal
14 funding that NYCHA will receive in the coming years.
15 I want to be sure that in the event of federal cuts
16 the city is doing all it can to protect the 400,000
17 New Yorkers who live in public housing. I look
18 forward to hearing about these issues and more at
19 today's hearing. Before turning it over to my co-
20 chair, I want to thank the Finance staff that helped
21 prepare for this hearing, Regina Poreda Ryan, Nathan
22 Toth, Chima Obichere, Sarah Gastelum and Eric
23 Bernstein. I will now turn it over to Chair Torres
24 for his opening remarks.

1
2 CHAIRPERSON TORRES: Thank you. Thank
3 you, Madam Chairwoman. In the interest of time I'm
4 going to forego an opening statement, and we'll
5 proceed directly to the New York City Housing
6 Authority.

7 CHAIRPERSON FERRERAS-COPELAND: I feel
8 like a few people clapped.

9 CHAIRPERSON TORRES: Okay.

10 CHAIRPERSON FERRERAS-COPELAND: Alright.

11 CHAIRPERSON TORRES: I think it's the
12 best speech I ever made.

13 CHAIRPERSON FERRERAS-COPELAND: [laughs]
14 Thank you, Chair, and after my—our counsel swears you
15 in, you may begin your testimony.

16 LEGAL COUNSEL: Do you affirm to tell the
17 truth, the whole truth, and nothing but the truth in
18 your testimony before the committee today, and to
19 respond honestly to Council Member questions?

20 SHOLA OLATOYE: I do. [background
21 comments] Thank you. Good morning, Chair Ferreras-
22 Copeland, Chair Ritchie Torres, members of the
23 Committees on Public Housing and Finance, and other
24 distinguished members of the City Council. I'm Shola
25 Olatoye, Chair and Chief Executive Officer of the New

1
2 York City Housing Authority. Joining me here today
3 is Karen Caldwell, Executive Vice President and Chief
4 Financial Officer of and other members of the NYCHA
5 executive team. Thank you for this opportunity to
6 once again share with you the 2017 financial status
7 of the authority. I'd also like to highlight some of
8 our accomplishments since the launch of Next
9 Generation NYCHA in May 2015. We've been working
10 tirelessly to secure NYCHA's future, and to create
11 the safe, clean and connective communities that our
12 residents deserves. We are proud of the progress
13 we've made despite the systemic challenges and
14 political threats confronting public housing in our
15 city and across the nation. I want to thank Speaker
16 Melissa Mark-Viverito for her supporting a variety—a
17 variety of Next Gen initiatives that are moving our
18 agency forward and promoting opportunity for
19 residents. I also want to acknowledge partners like
20 Chair Torres, the New York City Congressional
21 Delegation—Delegation, Assemblyman and Housing Chair
22 Steven Cymbrowitz, and the Teamsters Local 237 for
23 their steadfast advocacy and investment in the
24 Housing Authority. Around the time of our
25 Preliminary Budget hearing in March, we learned

1 details of the President's Skinny Budget, which
2 proposes more than \$6 in cuts to HUD amounting to
3 hundreds of millions of dollars in potential losses
4 to NYCHA's capital and operating funds and Section 8
5 program. Mayor de Blasio and I took this as a
6 rallying cry immediately stepping up to fight this
7 vicious assault on public housing and other
8 affordable housing programs. With a coalition of
9 allies at our side like Senator Schumer—Charles
10 Schumer, Congresswoman Nydia Valazquez, Council
11 Member Torres, residents and advocates in no
12 uncertain terms we called on our representative and
13 the nation at large to consider the importance of
14 public housing, the high stakes and the need for
15 increased investment rather than crippling cuts. My
16 colleagues and I spent hours—countless hours in
17 Washington and Albany to make the case the public
18 housing and the 2.6 million Americans it serves. We
19 brought together a diverse alliance of leaders and
20 experts who labor, construction, business, national
21 trade associations, and the health sector to support
22 and elevate our cause. We are forging new
23 partnerships with other public housing authorities
24 from Oakland, California to Oneida, New York to build
25

1 a national network to lead the conversation on the
2 connection between housing and health. At
3 conferences and in rallies on the street, through
4 letters to governments and op-eds from our allies, we
5 made clear that public housing is vital
6 infrastructure worth preserving and protecting. Our
7 relentless advocacy did not go unnoticed. Earlier
8 this month we learned that for fiscal year 2017
9 Congress increased public housing capital funding by
10 2%. However, it decreased operating funding and
11 Section 8 proration by 2%. But let me be clear, the
12 fight is far from over, and we are not out of the
13 woods. This 2017 HUD funding bill was developed
14 during the Obama Administration. It's a stop gap
15 measure that gets us through September. 2018 is a
16 tremendous concern when Congress—when this Congress
17 will strive to enact the vision outlined in the
18 President's Skinny Budget. We cannot let Washington
19 off the hook. We must fight for every dollar that
20 public housing needs for this and future generations.
21 Support from the state and city and our advocacy in
22 Albany has also had an impact for this year. The
23 State is providing \$200 million in capital funding,
24 the most money that they've committed to NYCHA since
25

1 1998. We are excited about a plan that we developed
2 to use these funds to fix boilers and elevators most
3 in need of repair. Mayor de Blasio continues to lead
4 the way in ensuring that NYCHA is here for the next
5 generation. He recently announced a \$355 million
6 investment in façade improvements. This is on top of
7 the unprecedented-unprecedented \$1.3 billion he
8 committed for the replacement of more than 950 of our
9 worst roofs. While support from the city and the
10 state is address vital issues at our developments,
11 NYCHA relies on the federal government for the
12 majority of its funding. Let me take a moment to
13 update you on what we know about the rest of the
14 fiscal year. Having spent a lot of time in DC
15 recently I can say with certainty that these are
16 uncertain times. We may not receive notice of the
17 final operating fund proration rate for the rest of
18 2017 until late June. If drastic cuts for 2018 come
19 to pass, the impact to residents will be great.
20 There have been threats to public housing before, but
21 this is not normal. Continued and significant
22 underfunding follows years of disinvestment. We have
23 lost nearly \$3 billion in federal funding since 2001,
24 and our buildings suffer from a 2--\$17 billion--\$17

1 billion in capital needs. On May 19, 2015, Mayor de
2 Blasio and I released Next Generation NYCHA. Our
3 long-term plan to address the challenges to stabilize
4 the authority's finances, become a better landlord
5 for residents, and ensure that NYCHA remains one of
6 the institutions that make our city so great and
7 strong. We've made significant strides in changing
8 the way we do business, strengthening our
9 organization and improving residents' quality of
10 life, progress that would dissipate from multi-
11 million reductions to our federal funding. Here are
12 just a few examples of what we've accomplished. We
13 increased rent collection by more than 3% generating
14 \$32 million in additional revenue and activated 19
15 formerly vacant non-residential ground floor spaces
16 bringing more services to the community and revenue to
17 the authority. We're transforming into a modern more
18 customer focused agency saving \$1.2 million in
19 clerical costs, by equipping property management
20 staff with Smart phones and nearly a million in
21 customer contract center labor costs with the My
22 NYCHA app. We're more sustainable. Every single
23 NYCHA development now has access to recycling and our
24 first \$56 million energy performance contract is
25

creating \$3.5 million in annual utility cost savings.

We're rebuilding to benefit the community and the

city at large. We have more than a billion dollars

of capital-of capital work on the street including

\$500 million in Sandy recovery construction underway

at 50 buildings employing over 165 residents. We're

investing more than \$600 million in 3,100 units

through HUD's rentals assistance demonstration.

Nearly 1,500 units of affordable housing are in

development, and as part of our work to create more

affordable housing for New Yorkers and more revenue

for the Authority, we announced the newest site in

our Next Gen Neighborhoods program, La Guardia Houses

and selected a developer for Holmes Towers. We're

creating opportunity, connecting nearly 6,000

residents to jobs and more than 13,000 residents to

partner services. We are at another critical with

our efforts and our vision tested by vagaries of

Washington, but let me repeat our vow: We will not

give up on public housing, nor will we allow

Washington to do so, and we will not go backwards.

We will keep fighting to preserve our accomplishments

and to continue our progress. Turnaround efforts

take time. We are in year 2 of a ten-year plan. In a

1 recent piece I the Gotham Gazette, our three resident
2 board members wrote that "Residents are starting to
3 feel these changes, and feel their voices are being
4 heard. That doesn't mean there isn't work left to be
5 done. There is, but we know that NYCHA is moving in
6 the right direction and lives are improving as a
7 result." For the 600,000 New Yorkers who depend on
8 us, we must continue to deliver on our promise of
9 safe, clean and connected communities. We must
10 continue rallying support for public housing at the
11 state and national level stressing its crucial role
12 in fostering healthy strong neighborhoods in cities,
13 spurring investment and creating jobs. Thank for
14 standing with us as we march onward. We are happy to
15 answer any question you may have.

17 CHAIRPERSON FERRERAS-COPELAND: Thank you
18 very much for your testimony. We have a—I have a few
19 questions and the Chair will ask his questions, and
20 then we will open it up to members. I wanted to talk
21 about the Operating Budget Deficit and the closure of
22 your deficit. NYCHA was able to close its 2016
23 Adopted Operating Budget deficit of \$60 million at
24 the end of 2016. Can you provide the committee with
25 details on how the authority was able to close the

1 deficit, and while the 2017-2021 Adopted Operating
2 Plan reflects a surplus in the immediate terms
3 [coughs], in 2017 and 2018 the Operating Budget
4 reflects a deficit of about \$20 million in '19 and
5 the deficit grows to \$57 million in '21. Can you
6 also provide additional details on the major drivers
7 contributing to this long-term operating deficit?
8

9 KAREN CALDWELL: Good morning. I'm Karen
10 Caldwell, CFO of NYCHA. First, let's talk about 2016.
11 So, 2016, you are correct, we came in expecting a \$60
12 million deficit and came out with an \$8 million
13 surplus. How did we do that? Well, in 2016, we
14 actually collected more rent than we had projected
15 and so that was a positive outcome for us.
16 Additionally, the proration that we received was
17 actually higher than we had budgeted. We received
18 90.21% proration, and I think we had budgeted 88% and
19 so that was a positive inflow for us. The other
20 thing is that we had lower utility expenses, and that
21 really is just due to the reduction in natural gas
22 prices, which will also give us lower electric-
23 electricity prices. So, those are really the primary
24 drivers that, you know, to close our gap in 2016. In
25 2017, we come in with a \$21 million surplus as we

1 budgeted. We do a five-year plan, as you know, in
2 December. The Board ratified it and that was the \$21
3 million and the \$60 and then some deficits in the—in
4 the following years. What I will say to you is that
5 it really has been a time of us sort of reigning
6 ourselves in, and—and really trying to be as prudent
7 as possible. We also obviously have received help
8 from the city, which has been, you know, very helpful
9 to us. In our 2017 Budget we have about \$150 million
10 coming into our Operating Budget from the city either
11 for the general wage, senior centers and some of the
12 things that we've talked about, and so that has been
13 helpful to us there. Oh, you—you want to talk about
14 the out years?

16 CHAIRPERSON FERRERAS-COPELAND: Yeah, I
17 want to talk about 19 and the deficit that grow to
18 \$57 million by 2021. What is—what's the factor or
19 the driver contributing to the—that you see the long-
20 term deficit?

21 KAREN CALDWELL: So, some of our Next Gen
22 NYCHA plans that we've put in place have come to
23 fruition not only in '16, but also in '17 and '16 we
24 close a wire (sic) transaction that brought in \$44
25 million that closed the gap. I have a list of all of

1 the things that Next Gen NYCHA had contributed, and
2 so we are forecasting that every year what, you know,
3 what's coming in from those efforts, and though we
4 have some deficits in the last three years of our
5 plan, you know, it's still our hope that we can, you
6 know, do things internally. We have time to make
7 adjustments to try to, you know, make up that
8 deficit. So, you know, the five-year plan is
9 obviously, what I know today, but it is our hope that
10 we can close that gap.

12 CHAIRPERSON FERRERAS-COPELAND: Okay, so
13 if you can just share, you don't have to do it now,
14 but if you can share with the committee what those
15 measures are that you feel that you can close those
16 gaps by the— You said, you had a list?

17 KAREN CALDWELL: Yeah, so, I can talk—I
18 can share with you the list of—of Next Gen NYCHA
19 items that are in the budget what has contributed
20 over the last couple of years, what we expect over
21 the next few years, and again continue work toward
22 that.

23 CHAIRPERSON FERRERAS-COPELAND: Yes.
24 Okay. I wanted to talk and I know that you had
25 mentioned this on the rent collection that you've

1 increased in this last Fiscal 26—I mean calendar year
2 16, a critical source of your revenue, as you
3 mentioned, which totals about \$1.1 billion or 32% of
4 your total revenue, what is the current rent
5 collection rate at, and is the rent collection rate—
6 if the rent collection rate was at 100%, how much
7 additional revenue would this generate for NYCHA
8 annually?
9

10 KAREN CALDWELL: So, each percentage is
11 about \$10 million if it's a billion dollars. Our
12 rent collection is right around 92 or 93%. It's—the
13 percent or amount of rent that we've collected is
14 higher, but our rent collection percentage is lower.
15 So, let me talk about that.

16 CHAIRPERSON FERRERAS-COPELAND: Yeah,
17 that makes no sense.

18 KAREN CALDWELL: Yeah.

19 CHAIRPERSON FERRERAS-COPELAND: Walk me
20 through that one.

21 KAREN CALDWELL: The reason our rent
22 collection is a little higher is because rents went
23 up, and that's because of the flat rents that were
24 imposed by HUD and we stepped those in over a three—
25 over a three-year period, and so our tenants, their

1 rent up, and so that's why there's a higher
2 collection.
3

4 CHAIRPERSON FERRERAS-COPELAND: So the
5 amount is higher, the amount of people paying is not
6 necessarily what's increased?

7 KAREN CALDWELL: No. It's actually gone
8 down. It's actually gone down so what's happened is-
9 -

10 CHAIRPERSON FERRERAS-COPELAND:
11 [interposing] Okay, can you tell me the-the two
12 different percentages? So you say 93% is-what-what
13 is 93%?

14 KAREN CALDWELL: Okay, so, the-so let's
15 start-oh, so the-the amount of rent that we are
16 charging tenants had to go up because of the HUD
17 formula, and so that flat rent raised the rent, but
18 what happened with that I think at that time our rent
19 collection rate was about 95%, but what happened is
20 as the rent has gone up, that it's put a strain
21 especially since it went up three years in a row, it
22 has put a strain on some of our tenants and it's been
23 difficult for them to pay the rent. And so, our
24 actual collection percentage has gone down even
25

1 though the dollar amount that we've received from the
2 tenants who do pay has gone up.

3
4 SHOLA OLATOYE: And I might add that
5 [coughs] you know, the best practice in property
6 management is something like 97 to 98% in what
7 housing managers expect to collect for rent. So, HUD
8 Net doesn't per its formula doesn't expect the
9 Housing Authority to collect the 100% in rent. So, we
10 are at the 93% in terms of what they say we collect,
11 and that's what they include in their formula, and
12 that's what they charge, and that's what they expect
13 we've collected irrespective of our ability to
14 actually collect that. And so, just to provide
15 context, and I think some folks know this [coughs],
16 Congress enacted a bill in I believe 2015 that works
17 that really forced housing authorities to ensure that
18 those families who were not paying 30% of their
19 income actually get to 30% of-30% of their household
20 income. For some families and NYCHA and many others
21 petitioned that we have a longer lead in time, and we
22 did receive that. Congress wanted us to do it I
23 believe in a year. We actually got I think a three-
24 year opportunity to do that because we argued the
25 increase would be significantly burdensome for our

1 families. So, while it is still perhaps a--it is only
2 30% of a household income, if someone was paying \$400
3 a month for rent, and now they're paying \$600 in
4 rent, that is a lot for our families. And so, if
5 they weren't paying their rent before then, they're
6 definitely not paying that. So, that has been one of
7 the challenges for us in--

9 CHAIRPERSON FERRERAS-COPELAND:

10 [interposing] So, are these--are--are tenants paying a
11 portion of the rents or are they just not paying?
12 What do you---?

13 SHOLA OLATOYE: All circumstances we see
14 it.

15 CHAIRPERSON FERRERAS-COPELAND: Okay. So,
16 what percentage of NYCHA tenants are paying rents
17 that you know consist in a need to pay rent? What
18 percentage of that?

19 KAREN CALDWELL: Well, I think that would
20 represent the 93%--

21 CHAIRPERSON FERRERAS-COPELAND: Okay.

22 KAREN CALDWELL: ---those consisting
23 they're paying right, yeah.

24 CHAIRPERSON FERRERAS-COPELAND: That's
25 your--I just want see with clarity. So, 93% are

1 paying—and then what is your total collect—what was
2 your total collection in 2016 numbers?
3

4 KAREN CALDWELL: [background comments] \$1
5 billion, 23--\$230,000.

6 CHAIRPERSON FERRERAS-COPELAND: Okay.
7 So, strategically if you were—if—if you're trying to
8 get more families that are in the situation that
9 aren't necessarily—that you have identified can't
10 afford to pay the rent, how do you engage with
11 families? So, what's the process of engaging?
12 What's your strategy to either get them to a point
13 where they can pay, or identify, you know what, this
14 is somewhat, this is a family that's not going to be
15 able to pay, but we can get this portion of it?

16 SHOLA OLATOYE: So, we've done a number
17 of things, some with our city partners. So, one of
18 the—the first things we did when we came in 2014 is
19 to make sure that those families who—which is a small
20 percentage, 12% of our families are on public
21 assistance. Let's make sure that if they are on
22 public assistance that we are receiving funds from
23 HRA in a reasonably timely manner. It was done by
24 checks before. That's now done electronically. So
25 that just in terms of the inflows to the authority

1 those families that's one sort of-sort of a low-it
2 was a very sort of low-hanging fruit that we could-
3 could identify. The second thing is to (a) have a-
4 just a better reminder of process of when rent is
5 due. So, whether is inserts in mailers, robo calls,
6 which have never been done before, also frankly
7 starting at the property level making rent
8 collection, and again for industry best practices,
9 the property manager is responsible for-for
10 collecting rent. So, making that something that is
11 really front and center for that property manager
12 that he or she understands, you know, which families
13 are-are having problems and having sort of clear
14 visibility into that family. So, really starting at
15 that level. So, a lot of reminders also changing so
16 that renters can now pay their rent multiple times a
17 month. You may get paid, you know, whatever the
18 schedule might be, you-we now have made it easier for
19 people to do that, made it easier for people to pay
20 online, removing some of the fees associated with
21 some of the sort of more electronic or tech-
22 technologically advanced ways in which to-to pay for
23 rent. The other thing is, you know, we've worked
24 with those families particularly in-in some of our
25

1
2 higher rent delinquency developments by-by partnering
3 with some of our REES partners, resident engagement
4 and sustainability program where there are our
5 partners who provide financial assistance—financial
6 counseling, financial information around budgeting,
7 around how to improve or asset building. So, it-it
8 has been a—a really multi-pronged effort. I think
9 it's paid off in the fact that the numbers are going
10 up, but this is very—this is an area that is of great
11 concern. I think broadly, you know, for our families
12 who are struggling to pay for rent, there's—there's
13 an income issue just in terms of their ability to
14 have enough to do so.

15 CHAIRPERSON FERRERAS-COPELAND: Have you
16 been able to correlate at all rent collection with
17 maybe conditions of certain buildings or conditions
18 of certain apartments that--?

19 SHOLA OLATOYE: So, this is a very good
20 question, and—and—and we have not done that level of
21 analysis. There is no—there's a small percentage of
22 our chronically rent delinquent, and that's for folks
23 who are I believe it's 90 days or more delayed who we
24 are in a kind of legal process. It does not equal to
25 the amount of money that it—that we are not

1 collecting, and—and we've actually in—in consultation
2 with advocates and—and our legal team kind of
3 developed a—sort of took a fresh look at how court
4 ordered repairs get done so that ultimately work can
5 get done, and people can get back on track to paying
6 their rent, and—and—and having an improved set of
7 conditions. The percentage of those families is very
8 small compared to the overall amount of rent that
9 folks weren't paying.
10

11 CHAIRPERSON FERRERAS-COPELAND: Okay, I
12 just wanted to talk about payment that you're making
13 to the city, and then I'm going to give it over to
14 the co-chair so he can ask his questions, and I'll
15 come back for a second round. In recent years the
16 Administration has waived certain payments NYCHA made
17 to other city agencies, most notably \$70 million to
18 the NYPD for patrols in development and \$30 million
19 to the city as a payment in lieu of taxes. However,
20 NYCHA still pays the city for certain services. In
21 2016, NYCHA paid the city \$187 million for third-
22 party services required in NYCHA development
23 including environmental services, energy contracts
24 and other services. How much money will NYCHA pay
25 the city in 2017, and how much money will NYCHA

1 receive from the city in 2017 operating and capital
2 funds?

3
4 KAREN CALDWELL: Okay so in terms of what
5 we're going to spend in 2017 it's \$187 million. I
6 think it's important to note that \$185 million of
7 that is DEP. That's our water bill. So, there are
8 small amounts that we are paying to the city for
9 other services, but they are very small.

10 CHAIRPERSON FERRERAS-COPELAND: Okay.

11 KAREN CALDWELL: In terms of what we
12 receive from the city, we expect \$164 million, \$157
13 of that is from capital.

14 CHAIRPERSON FERRERAS-COPELAND: Okay,
15 very good. Thank you. We'll hear from Chair Torres
16 followed by Council Member Gibson followed by Council
17 Member Richards, and we've been joined by Council
18 Members Richards, Van Bramer, Johnson, Menchaca,
19 Salamanca and Barron. Chair.

20 CHAIRPERSON TORRES: Thank you, Madam
21 Chairwoman. It's so hot in here, a few question
22 appearing from the summer event. [background
23 comments] I have a—I have questions about a range of
24 topics. One of the legislative items under
25 consideration in the City Council is a right to

1
2 counsel, and there's a controversy over whether the
3 right to counsel should apply to NYCHA residents.

4 So, my understanding that non-payment cases go to
5 Housing Court, but there are several categories of
6 proceedings that go through NYCHA's own

7 administrative processes, chronic rent delinquency,
8 permanent exclusions and I believe that if you're a

9 tenant and you are at risk of losing your home,

10 whether you live in public housing or private

11 housing, you should have due process, you should have

12 legal representation. Does the Housing Authority

13 have a position on whether residents should enjoy

14 legal representation in NYCHA proceedings?

15 KAREN CALDWELL: We agree with you.

16 CHAIRPERSON TORRES: You agree?

17 KAREN CALDWELL: We do.

18 CHAIRPERSON TORRES: Okay, great. Holmes
19 Houses you announced the developer was selected.

20 KAREN CALDWELL: [interposing] Holmes

21 Houses, yes. [coughing]

22 CHAIRPERSON TORRES: Is it Holmes or
23 Isaacson?

24 SHOLA OLATOYE: Holmes Towers yes.

CHAIRPERSON TORRES: Holmes Towers,
right.

SHOLA OLATOYE: Uh-huh.

CHAIRPERSON TORRES: There was an article
in the Daily News claiming that there might be some
segregation of market rate units from affordable
units. Is that true? I mean can you comment on the-
-

SHOLA OLATOYE: So, that is not true and,
in fact, it's illegal and against city policy. You
know, this program, this project will be financed
with-with city financing and perhaps the other-other
public sources of funds, and so I can't speak to the
sources of that-of that-that article, but it is not
true we-what we have-in-in-in line with city policy.
The units will be spread throughout the building.
There will be no separate entrances. There will be
no distinguishing and identifying characteristics in
terms of those units that are at the 60% AMI and
those that are market rate. So, you know, that is
completely inaccurate.

CHAIRPERSON TORRES: The article claims
that the law only requires up to 65% of the units or

1 the building to be integrated. So, is that your
2 understanding of the law or--?

3
4 SHOLA OLATOYE: Again, you know, it is
5 not reflective of the proposal that has been
6 recommended for eventual designation. It is not
7 aligned with city policy. This is something that,
8 you know, this Mayor and--and the Deputy Mayor have
9 spoken, you know, very out a lot about, which is
10 these units need to be indistinguishable and they
11 will do so.

12 CHAIRPERSON TORRES: I just want to be
13 clear. So, you can assure us that there will be no
14 segregation of the units--

15 SHOLA OLATOYE: [interposing] I can--

16 CHAIRPERSON TORRES: --throughout the
17 whole building?

18 SHOLA OLATOYE: This building will be in
19 line with city policy, and there will not be
20 segregation of units by income.

21 CHAIRPERSON TORRES: So, I have a
22 question about federal funding for public housing.
23 My understanding is that federal funding for public
24 housing is based on three interconnected variables.
25 So congressional appropriations, eligibility and

1 proration. [coughing] Is that—would that be an
2 accurate description?
3

4 SHOLA OLATOYE: Yes,

5 CHAIRPERSON TORRES: And obviously the
6 congressional appropriations is largely driven by
7 the, the agenda of the Administration. We have an
8 administration that's intent on dismantling the
9 social safety net of which NYCHA is a critical part,
10 but what about determinations about eligibility and
11 proration? What's the basis for those
12 determinations?

13 KAREN CALDWELL: So, just to step back,
14 there was a Harvard study done years ago that HUD
15 really uses to determine the—uses that formula as
16 determined as part of that study to determine what it
17 really costs to run a public housing unit. And it
18 has many variables, but the three most important
19 variables are project expense level, which basically
20 says this is the amount of money it should cost you
21 to operate one of these apartments. There's an add-
22 on for utilizes and then there is subtraction for the
23 rent that you are charging the tenants, and I think
24 that the chair alluded to this—to this earlier. So,
25 on the project expense level, there is an inflator or

1 a deflator that's—that's put to that formula, and if
2 it's an inflator, it increase the amount of money
3 that comes to the public housing. Then, on the
4 utilities, again, it's an inflator or a deflator. If
5 it's an inflator, it increases the amount.

6 Defleeter—deflator decreases the amount that comes to
7 us, and then the rent that's charged. In the

8 eligibility that we—the formula that we're using for
9 2017, the project expense level went up by about

10 2.4%. That's a positive. That's saying if—if we—we—
11 it recognizing it costs you more to run these. But

12 on the utilities we actually had a deflator of about
13 7%, and that deflator was in excess of how much our

14 utility bill went down. So, it's—it's a punitive

15 because it means they're not giving us as money to

16 pay our utilities. They subtract from that the rent

17 that we charge our tenants. So, as the rent charge

18 has gone up because of the flat rents, that's a

19 bigger subtraction. However, as we stated, we're

20 collecting less. So, they're assuming we're

21 collecting 100% of what we're charging our tenants

22 and we're not. You know, it's not even industry

23 standard to collect 100%. So that is the formula

24 that they use to—to determine our eligibility, and
25

1 then we have formula, all housing authorities across
2 the country have that formula. That determines our
3 eligibility. They add it all up. They look at the
4 money they have, and then they prorate it
5 accordingly. So there are a lot of moving parts to
6 determine the amount of money that comes to NYCHA
7 from HUD.

9 CHAIRPERSON TORRES: So, you have those
10 three variables, congressional appropriations,
11 eligibility and proration, and within eligibility
12 there are three more variables.

13 KAREN CALDWELL: Yes.

14 CHAIRPERSON TORRES: It's operating
15 expenses, rental revenues, and by rental revenues HUD
16 is referring to what you charge, not what you
17 actually collect--

18 KAREN CALDWELL: Correct.

19 CHAIRPERSON TORRES: --and utilities.

20 KAREN CALDWELL: Correct.

21 CHAIRPERSON TORRES: So, we know that--and
22 of those three--of the three categories that I
23 mentioned earlier, which one has been the main driver
24 so far of funding losses for the Housing Authority?

25 KAREN CALDWELL: Utilities and rent.

1
2 CHAIRPERSON TORRES: So, it's the
3 eligibility—it's the eligibility?

4 KAREN CALDWELL: It's the eligibility at
5 this point, and—and that's only because we don't
6 really know what the proration is going to be--

7 CHAIRPERSON TORRES: [interposing] Right.

8 KAREN CALDWELL: --at this point. We
9 only know eligibility.

10 CHAIRPERSON TORRES: And we know that
11 congressional appropriation is driven by ideology of
12 the Administration right? Is that true of
13 eligibility? Is that driven more by objective
14 conditions than it is by the agenda of the particular
15 Administration or--?

16 KAREN CALDWELL: Some of it is objective,
17 and I'll—this is what I'll—how I'll say that. For
18 instance, the utility inflation or deflator--

19 CHAIRPERSON TORRES: [interposing] Yeah.

20 KAREN CALDWELL: --is based off of the
21 Consumer Price Index for utilities and then they do a
22 multiplier for it, and when they put the formula
23 together, they never envisioned we'd be in an
24 environment where natural gas prices will be coming
25

1 down, and electric prices will be coming down, and
2
3 so--

4 CHAIRPERSON TORRES: [interposing] Right.

5 KAREN CALDWELL: --the formula may not
6 work as it was truly envisioned when it was put
7 together, but because of the dramatic changes we've
8 seen in energy prices, it has a big effect on--on us
9 the way it's working right now. Again, whether or
10 not it was intended, I don't know, but I don't know
11 that that was intentional. On the rent that is
12 charged, again, the formula was in place before--but
13 there was a time when rent really wasn't moving
14 around a lot. Now, with the flat rents all of a
15 sudden the magnitude of--of the effect of this
16 increase in rent is much bigger in--in the formula
17 because of the big changes we've seen in rent over
18 the last few years. So, I would not say that again,
19 they have some discretion around whether the
20 inflators or deflators, but it's somewhat in line
21 with the formula. So, I have a more difficult time
22 being able to say that that is moving around with,
23 you now, political winds, but certainly, at the end
24 of the day, the amount of money that comes to us
25 certainly is.

1
2 CHAIRPERSON TORRES: So, even though
3 Donald Trump poses an existential threat to NYCHA,
4 the public poses a greater threat from themselves
5 into the Housing Authority, but there are larger
6 forces that are driving these funding losses like a
7 natural gas revolution, the federally mandate Flat B-
8 Flat B policies.

9 KAREN CALDWELL: Flat rents, yes.

10 CHAIRPERSON TORRES: And those are able
11 to probably be true regardless of the Administration
12 rate?

13 KAREN CALDWELL: Correct.

14 CHAIRPERSON TORRES: And so, those-if
15 those trends persist, there could be more funding
16 losses on top of whatever losses you suffer from
17 congressional appropriations, right?

18 KAREN CALDWELL: Yes.

19 CHAIRPERSON TORRES: I want to speak
20 about the President's Budget--

21 KAREN CALDWELL: Uh-huh.

22 CHAIRPERSON TORRES: --recommends
23 redistributing \$54 million from domestic spending to
24 military buildup, and that's part of the
25 redistribution. I believe he proposes a \$6 billion

1 cut in HUD's budget. Have we estimated the precise
2 impact that that would have on the Housing Authority
3 if his budget were to come to fruition?
4

5 KAREN CALDWELL: We estimated it to be
6 between \$100 and \$150 million. One of the reasons we
7 can't be more precise--

8 CHAIRPERSON TORRES: [interposing] Is
9 that operating or--or capital?

10 KAREN CALDWELL: Operating.

11 CHAIRPERSON TORRES: Well, what would be
12 capital effect?

13 KAREN CALDWELL: They're two-thirds,
14 yeah.

15 CHAIRPERSON TORRES: [interposing] Two-
16 thirds?

17 KAREN CALDWELL: It could be as much as
18 \$200 million on the capital side.

19 CHAIRPERSON TORRES: So, you would lose
20 two-thirds of your capital funding--

21 KAREN CALDWELL: Uh-huh.

22 CHAIRPERSON TORRES: --and \$100 to \$150
23 million?

24 KAREN CALDWELL: And Section 8 as well.
25

1
2 CHAIRPERSON TORRES: And—and Section 8 as
3 well.

4 KAREN CALDWELL: Well, 4,700 vouchers.

5 CHAIRPERSON TORRES: So, that's the
6 total?

7 KAREN CALDWELL: Right.

8 CHAIRPERSON TORRES: Now, the latest
9 budget largely keeps affordable housing funding
10 intact [coughing] but it didn't like cut in the
11 public housing subsidy.

12 KAREN CALDWELL: Uh-huh.

13 CHAIRPERSON TORRES: The operating
14 subsidy. What—what—what does that translate? What
15 kind of impact will that have on NYCHA?

16 KAREN CALDWELL: You know, it's very
17 difficult to say. As you know, we get proration that
18 is through HUD that cover X amount of months. So,
19 we've received letters that take us through May, but
20 we don't know what's going to happen in June. So,
21 what I will say to you is that 2% cut that we've read
22 about is really to all programs at HUD both Section 8
23 and public housing, but it also includes all HUD
24 programs Community Block Development Grant, Home,
25 everything. So, you know, not knowing how they're

1
2 going to apply the 2% across the programs, and then
3 especially given the changes in the formula, it's
4 very difficult for me to say at this point what
5 that's going to look like.

6 CHAIRPERSON TORRES: I have a question
7 about the State Budget—Budget just passed. My
8 understanding is that it allocates \$200 million to
9 public housing, to the New York City Housing
10 Authority, but for me what matters even more than the
11 dollar amount is whether those dollars are put to
12 productive uses, and how quickly those dollars are
13 spent. Are we going to experience a repeat of the
14 last two years or are you confident that you will
15 have the flexibility to spend those dollars on
16 critical infrastructure needs, and spend it quickly?

17 SHOLA OLATOYE: Well, so you're—you're
18 right. It is more funding. We are grateful and—and
19 thankful that. It is the language in the—in the bill
20 or in the budget essentially says that based on the
21 mutual agreeable—a mutually agreeable plan between
22 the Housing Authority and DASNY. So, it does—it
23 removes HCR, which had been in the mix last year,
24 which we see as a positive step in terms of
25 streamlining the conversation. We meet and speak

1
2 weekly with our colleagues that DASNY has reached out
3 to my colleagues yesterday to-to let them know to-we
4 have a draft plan that is focused specifically on
5 similar to our roof initiative, focused on our worst
6 boilers and older elevator infrastructure. And so,
7 it is our hope that because of the robust nature of
8 that plan we can all agree, and then it will go to
9 the Governor's Office eventually or the Budget Office
10 for approval, which will allow us to work with DASNY
11 to-to move as expeditiously as possible.

12 CHAIRPERSON TORRES: And who's deciding
13 the manner in which these dollars are put to use? Is
14 it the elected officials, is it DASNY, is it NYCHA?
15 Who are the decision makers?

16 SHOLA OLATOYE: It's unclear at this
17 time. We-we again I think DASNY and NYCHA have
18 worked well together-we will-we will have a mutual
19 agreeable plan that gets sent-presented to the-the
20 Budget Office, the State Budget Office, i.e., the
21 Governor and someone will make a decision if that is
22 okay, and-and it is our hope that in a streamlined
23 process, you know, DASNY we have the-we have the
24 scopes of work and DASNY can quickly organize itself
25 to-to get the work done.

CHAIRPERSON TORRES: Great, and if you were to—if you were able to use those dollars, according to your own vision of how those dollars should be put to use, do we know the number of boilers and elevators that would actually be--

SHOLA OLATOYE: [interposing] Sure.

CHAIRPERSON TORRES: [interposing] - replaced?

SHOLA OLATOYE: There's about—there's about—I'm sorry, there's about 49—49 boilers that are representative at about ten developments, and then there are about 102 elevators cars at approximately nine developments for which these—these resources would be—would be used.

CHAIRPERSON TORRES: Okay. I have a question about the NYCHA IG. On April 13th, the DOI Commissioner Mark Peters sent you a letter faulting you for your refusal to fund the NYCHA Inspector General at the requested level, which amounted to a \$200,000 increase above the existing budget for the NYCHA IG. Did you respond to the DOI's—Commissioner letter in writing?

SHOLA OLATOYE: I have responded to the letter yes.

1
2 CHAIRPERSON TORRES: Okay, and can we
3 have a copy of that letter?

4 SHOLA OLATOYE: Absolutely.

5 CHAIRPERSON TORRES: Great, and what was-
6 to your knowledge, what was the basis for the funding
7 request?

8 SHOLA OLATOYE: Well, what was shared was
9 the desire for mayoral increases for staff, and for
10 additional capacity.

11 CHAIRPERSON TORRES: Okay. Is that the
12 only basis that you're aware of or--?

13 SHOLA OLATOYE: That's what was
14 communicated to me?

15 CHAIRPERSON TORRES: Okay, because my
16 understanding is that the point of the request was to
17 achieve parity between the NYCHA IG and the rest of
18 the IGs in New York City, and so here's the data that
19 was provided to me by DOI. Outside of New York City
20 Housing Authority the average salary for an entry
21 level DOI investigator is somewhere between \$55,000
22 to \$57,000. Within NYCHA, the average salary for an
23 entry level DOI investigator was \$42,000. So NYCHA's
24 entry level DOI investigators earn \$15,000 less than
25 the DOI average. Outside NYCHA, the average salary

1 for an experienced DOI investigator, 10 to 20 years
2 of service is \$85,000. Within NYCHA the average
3 salary for an experienced DOI investigator is \$72,000
4 a difference of \$13,000. This was not brought to
5 your attention in your discussions with DOI?
6

7 SHOLA OLATOYE: The specific numbers were
8 not shared with me, but again, we—we speak regularly.
9 I—I have a monthly meeting with the—SMI agency and
10 there is a fair amount of conversation back and forth
11 with members of my Executive Team. So, I'm sure
12 that, you know, that—those specific levels of the
13 numbers were—were shared with—with my team.

14 CHAIRPERSON TORRES: Because the letter
15 makes no mention of merit increases. It's about
16 parity between—it's about uniformity and salary.
17 Because obviously as an employer, you know, the
18 ability to attract and retain talent. It depends
19 heavily on compensation, and if you have employees
20 who can earn substantially more for the same kind of
21 work elsewhere in the same fields then you as an
22 employer face a higher risk of hemorrhaging those
23 employees, and I think that's the—the crisis within
24 the Office of the NYCHA IG. Does that—does that
25 change your opinion of this funding request?

1
2 SHOLA OLATOYE: Well, so, I-I think it's
3 important to note that, you know, we-we have a
4 standing an MOU with our colleagues at the Department
5 of Investigation, and that really governs the
6 relationship that the agency has--

7 CHAIRPERSON TORRES: [interposing] Yes.

8 SHOLA OLATOYE: --with the DOI where
9 there's a 1992 agreement, there's a 2003 agreement,
10 and there's the--there's the clause in there that
11 talks about a mutually agreeable budget. A big part
12 of the work that we have done over the course of the
13 last three years is to have a level of transparency
14 around how we budget internally. So, you know,
15 through the CFO we are shifting directions. Every
16 department head, you know, understands, gives-gets
17 their budget in a timely manner. There's a-as you
18 can imagine, a lot of back and forth about needs,
19 about work plans for the--for the coming year. That's
20 a process that is underway. It's closed out, and
21 eventually an approved budget is approved by the--the
22 NYCHA Board, right so this--so--so that--the budget that
23 our DOI colleague have was something that was
24 negotiated like we did with a number of--with all of
25 our business heads, and approved by the NYCHA Board

1
2 in December. The latest request comes in mid-year,
3 and I think, you know, is--is something that really
4 doesn't reflect our realities as an agency in terms
5 of our financial realities. And so, what my letter
6 suggested is that I would be welcomed to, you know,
7 sit with the Commissioner with our colleagues at City
8 Hall to sort of update a relationship that reflects
9 the financial realities of both agencies. The other
10 important thing that I'll--I'll note that when there
11 has been significant new inflows of dollars to the
12 Authority, the Board has both, you know, assess those
13 resources and approved that there be greater
14 monitoring because we both understand, appreciate,
15 respect and expect that there will be an important
16 stewardship of those resources. So, whether it was
17 our Bond B allocation or our FEMA allocation of which
18 DOI receives \$10 million and two additional heads as
19 part of it, that is a commitment to making sure that
20 that function, the city directed function has
21 additional resources. So, you know, the--

22 CHAIRPERSON TORRES: [interposing] Isn't
23 that a--a run of the mill budget, right? The
24 difference here is that DOI is an independent
25 overseer of the Housing Authority, and I think you

1 would agree that independent oversight is—is a
2 pillar of good government. I'm sure you would agree
3 with that.
4

5 SHOLA OLATOYE: I do agree with that.

6 CHAIRPERSON TORRES: Right, and that DOI
7 performs an independent oversight function in
8 relation to the Housing Authority, and—and it would
9 seem to me—do you think you as the chairperson of the
10 Housing Authority have an obligation to cooperate
11 with the DOI as an independent overseer?

12 SHOLA OLATOYE: I absolutely do, and that
13 is—I—I---not only do I have an obligation, I have a
14 legal obligation to do that--

15 CHAIRPERSON TORRES: [interposing] Right.

16 SHOLA OLATOYE: --and that is—that's
17 part of the what's going through.

18 CHAIRPERSON TORRES: [interposing] And-
19 and we could argue that part of what it means to
20 cooperate with DOI is to comply with the DOI funding
21 request.

22 SHOLA OLATOYE: I think per our 2003 MOU,
23 which spells out very clearly what the terms of the
24 relationship says, which is that there is a mutually
25 agreeable budget, mutual—mutually agreeable means

1
2 mutually agreeable not a one-sided request. Now, I
3 just think it's—I think it's important to note it's
4 ongoing conversation, and there were attempts to
5 address the resource request whether it was
6 additional heads, additional resources that were
7 provided to our colleagues at DOI. Look, this is a—
8 this a—as you can imagine perhaps as an executive,
9 the types of requests that we get across the
10 authority for more resources and save for operations—
11 -

12 CHAIRPERSON TORRES: [interposing] But
13 it's not like--

14 SHOLA OLATOYE: --the most important
15 part--

16 CHAIRPERSON TORRES: [interposing] This
17 is qualitatively different from every other request
18 that you receive.

19 SHOLA OLATOYE: [interposing] But the
20 resources are—they--

21 CHAIRPERSON TORRES: [interposing] And I
22 do want to call it the--

23 SHOLA OLATOYE: --they all come from the
24 federal government.

25

1
2 CHAIRPERSON TORRES: [interposing] -I do
3 want to call it the MOU, which would—which appeared,
4 the quote appeared with the Commissioner's letter.
5 He said that the MOU requires the Housing Authority
6 to fund the IG's office at a level "adequate to
7 ensure the effective performance of the duties and
8 responsibilities of the Inspector General." Right?
9 That's what the quote says. And so, I'm wondering
10 who's in a better position to determine which funding
11 levels are adequate to ensure the effective
12 performance of the Inspector General. Is it the
13 Inspector General or is it you?

14 SHOLA OLATOYE: You know, I would love
15 to sit here and tell that the Housing Authority has
16 been funded adequately, and it hasn't been for 20
17 years.

18 CHAIRPERSON TORRES: [interposing] But
19 that is true, and the whole city government is under
20 siege from the Trump Administration. Like the Health
21 and Hospitals Corporation is teetering of the verge
22 of extinction. It might not exist in five years, and
23 even though Health and Hospitals is facing even a
24 deeper financial crisis than the Housing Authority,
25 Health and Hospitals unlike NYCHA is fully complying

1 with DOI's funding request and actually pay more than
2 what the Commissioner is requesting--

3
4 SHOLA OLATOYE: [interposing] That' leads
5 to another point of--

6 CHAIRPERSON TORRES: So--so why should
7 there be a double standard?

8 SHOLA OLATOYE: Well, just if I--just
9 because I think that that's an important example. The
10 city is actually paying of HHD's DOI budget.

11 CHAIRPERSON TORRES: Yep. That's not
12 what--that's not what DOI claims. DOI claims that SCA
13 pays for its own Inspector General.

14 SHOLA OLATOYE: Is it the SCA or HHD?

15 CHAIRPERSON TORRES: Health and
16 Hospitals, S--SCA and DOE all pay the bill on
17 inspector generals. There are 700 employees--there--
18 there are 700 people who report to the DOI
19 Commissioner. Only half of those employees are on
20 the payroll of DOI. So, there are a number of
21 agencies that that are either contributing partly or
22 fully to the inspector generals. So, it's not a
23 unique arrangement to NYCHA.

24 SHOLA OLATOYE: Well, I guess I would say
25 taking a step back just to say we agree with the

1 mission, and I shared this with the--with the
2 Commissioner when we've--when we've spoken about this,
3 and we agree with the--with the mission of this
4 department. We have worked tirelessly to address his
5 constant revenue requests and--

7 CHAIRPERSON TORRES: [interposing] But
8 you were not even aware of the basis for his
9 requests.

10 SHOLA OLATOYE: --and we have--when and
11 when he was un--when he was not satisfied with--with my
12 directives, I suggested that he have a conversation
13 with our deputy mayors, and he did and they both
14 confirmed my--my decision. So, you know, if you don't
15 believe it's my decision to--to make as the Chair and
16 Chief Executive Officer of--of this agency, I defer to
17 the--the Mayor and the Deputy Mayors to do that, and
18 they confirmed that. But I think again what my
19 recent letter to the commissioner suggested is if he
20 felt that--

21 CHAIRPERSON TORRES: [interposing] And
22 for the record, we have requested a copy of that
23 letter. We have not received it, and I requested it
24 a week ago.

1
2 SHOLA OLATOYE: Okay. So, we'll—we'll get
3 you the letter.

4 CHAIRPERSON TORRES: Okay.

5 SHOLA OLATOYE: We will sit with the
6 Commissioner, and our colleagues at City Hall to
7 perhaps identify other resources to support his
8 ongoing requests for—for support, and—and we remain
9 committed to that. That is the—that—that is what I
10 said in my letter. That is what I say to you here
11 today.

12 CHAIRPERSON TORRES: I think we are—we
13 all understand that as resources become scarce, you
14 know, priorities change, but the DOI exists to boot
15 out corruption and mismanagement. That's the purpose
16 of the institution should—do you think booting out
17 corruption and mismanagement should become less of a
18 priority in—in moments of financial distress?

19 SHOLA OLATOYE: No, absolutely not.

20 CHAIRPERSON TORRES: Okay, do you think—
21 it seems—it seems to me you think of DOI purely as a
22 cost to the Housing Authority. Do you think it adds
23 any value to the Housing Authority?

24 SHOLA OLATOYE: I think I—both in my role
25 as the Chair and--

1
2 CHAIRPERSON TORRES: [interposing] Yeah.

3 SHOLA OLATOYE: --and Chief Executive
4 Officer of this agency not only understands the value
5 of it, welcomes the value of it, understands the--the
6 regular and consistent work that--that the members of--
7 I think of them as my team because they sit on a half
8 a floor of my office building. So, this is not about
9 my view of whether or not the mission of the agency
10 is important, and I've shared this with the
11 Commissioner. It is about I have one pot of money,
12 and when we have to make difficult decisions--

13 CHAIRPERSON TORRES: [interposing] Yes

14 SHOLA OLATOYE: --and we've made aside
15 from operations and the Department, this is the only
16 department that saw an increase in head count, and
17 that has been an important commitment and frankly a
18 difficult decision that I had to have with other
19 parts of the agency. If our Commissioner feels like
20 he needs additional resources, I welcome the
21 conversation with he and my colleagues at City Hall
22 to support that.

23 CHAIRPERSON TORRES: [interposing] And I
24 think it's important, what's the budget for--what does
25 NYCHA contribute toward the budget for the IG?

2 SHOLA OLATOYE: Contribute or pay for?

3 CHAIRPERSON TORRES: Pay for.

4 SHOLA OLATOYE: Well, there is the \$5.4
5 million annually that we support in addition to the
6 \$10 million in federal funding that he's budgeted to
7 receive as part of our Sandy Recovery Program.

8 CHAIRPERSON TORRES: I'm sorry, the Sandy
9 Recovery Program?

10 SHOLA OLATOYE: Correct.

11 CHAIRPERSON TORRES: Independently of the
12 Sandy Recovery program, which is an outlier, just
13 normally what's--what's the operation look like?

14 SHOLA OLATOYE: [interposing] But I think
15 it's--I mean it's part of--

16 CHAIRPERSON TORRES: Obviously.

17 SHOLA OLATOYE: Right, \$10 million.

18 CHAIRPERSON TORRES: And \$10 million,
19 right?

20 SHOLA OLATOYE: Yeah.

21 CHAIRPERSON TORRES: But--but separate
22 from the \$10 million what's the ongoing operating?

23 SHOLA OLATOYE: \$5.3 million.

24 CHAIRPERSON TORRES: It's \$5 million.

25 Now, DOI obviously claims that it generates cost

1 savings for the Housing Authority, right. Are you
2 aware of the dollar amount that's identified with
3 their fraud?
4

5 SHOLA OLATOYE: [interposing] I am—I am.
6 There was something like in 2016 or something like
7 that, I think about \$500,000 actually came back to
8 the Authority, understanding that they do other very
9 important work around wage protection, et cetera.
10 So, if they do recover those resources, that money
11 goes back to the intended parties, which is exactly
12 where it should go.

13 CHAIRPERSON TORRES: So, let me—let me—
14 DOI said it has identified \$7.3 million worth of
15 fraud, \$2.3 million of fraud in Section 8, \$1.3
16 million of fraud in public housing, \$3.8 million
17 worth of contractor fraud, which includes callbacks,
18 and withholdings, and so according to DOI, there is,
19 in fact, a pending case where—of contractor fraud
20 where DOI has directed NYCHA to withhold over \$2.2
21 million not to pay their contractor who's defrauding.
22 That seems to be a real savings. That seems to add
23 real value. It's protecting the Housing Authority
24 from contractor fraud.
25

1
2 SHOLA OLATOYE: You and I agree on the
3 value of a-it's important that DOI function. I don't
4 disagree with anything.

5 CHAIRPERSON TORRES: But you're not
6 willing to fund it at the required level?

7 SHOLA OLATOYE: Again, I wish the
8 authority and the 400,000 residents were also funded
9 at a required level. Again, if the Commissioner were
10 to come-

11 CHAIRPERSON TORRES: [interposing] And
12 that's true of every agency.

13 SHOLA OLATOYE: Well, you know, we--

14 CHAIRPERSON TORRES: [interposing] So, I--
15 I think, but you think there should be one set of
16 rules for rest of city government and another set of
17 rules for NYCHA?

18 SHOLA OLATOYE: [interposing] I don't
19 think that's true. I do think that--

20 CHAIRPERSON TORRES: [interposing] That
21 seems to be your argument.

22 SHOLA OLATOYE: No, I think you're
23 mischaracterizing my statement. I think that I have
24 said and I said to you, I said this to the
25 Commissioner that we support the value and mission of

1 this agency, of that department. We have made
2 significant effort to, aside from our frontline
3 staff, and our-our real estate department, they've
4 been the only department to see an increase in heads
5 as opposed to what direction is for the rest of the
6 agency. They were able to add new lines. They were
7 able to increase to bring on people at significant
8 salaries. Look, this is something that, you know, I
9 am not the expert for the Commissioner and his
10 industry. If he would like to sit down with our
11 colleagues at City Hall, the deputy mayors and-and-
12 and think about other ways in which to get to a
13 solution, I'd be happy to do that.

14
15 CHAIRPERSON TORRES: Well, I just find it
16 telling that you were not even aware of the basis for
17 the funding request. You have not even-you have not
18 provided the letter to this committee so I have no
19 evidence that it actually exists, and it's worth
20 noting that and then I'll end here that you-according
21 to the Commissioner during his four year tenure, you
22 were the only agency head to refuse a funding request
23 from DOI. I think that's striking so--

24 CHAIRPERSON FERRERAS-COPELAND: Thank
25 you, Chair. We will now-we've been joined by Council

Members Miller and Rosenthal. We will now hear from
Council Member Gibson followed by Council Member
Richards followed by Council Member Menchaca.

COUNCIL MEMBER GIBSON: Thank you very
much. Good morning everyone. Good morning. Thank
you Chair, thank you Madam Chairwoman to you and the
NYCHA Team. I love to give compliments before I
criticize. So, first, I want to thank you for your
support for right to counsel. Intro 214 has an
incredible amount of support from this Council. Many
tenant advocates, civil and legal service providers.
So, we are going to move forward within implementing
that and making sure that all NYCHA cases are
included so we can prevent homelessness and obviously
reduce the eviction. So, I thank you for your
support on that, and I also want to just thank you
for standing firm with the Mayor and many others in
fighting against these hard federal cuts. It's
shameful but not surprising that we are in an
environment when public housing is not valued, and I
know you share our concern that public housing is a
part of our fabric of this city, and we must always
do everything possible to maintain its
infrastructure, but really get the funding that we

1 desperately need. We're not asking for anything that
2 we don't need. We're not asking for luxury. All
3 we're asking for are necessities and necessary
4 funding. So, I thank you for that, and ask you to
5 continue to stand firm. I wanted to just quickly ask
6 about the status of the \$100 million from 2016, and
7 that was in State Law.
8

9 SHOLA OLATOYE: DASNY.

10 COUNCIL MEMBER GIBSON: DASNY.

11 SHOLA OLATOYE: Uh-huh.

12 COUNCIL MEMBER GIBSON: And that, you
13 know, kind of triple partnership there. Do you know
14 where we are in terms of disbursement of funds and
15 who is doing the work?

16 SHOLA OLATOYE: Sure. So, thank you for
17 your comments. The 2015 \$100 million that was in
18 the--the Governor's budget there are about seven
19 projects out of approximately 80 that have been
20 completed. DASNY is the agency that has the money
21 that is doing the work--letting the contracts. They
22 obviously have contracts--

23 COUNCIL MEMBER GIBSON: [interposing]

24 That's right.
25

1
2 SHOLA OLATOYE: --but it is a DASNY
3 driven process. We obviously, we have spent a lot of
4 time with our colleagues from DASNY, you know, both
5 to help them understand NYCHA, they've -their first
6 time ever working in the-in the Housing Authority,
7 helping them, you know, make sure that their scopes
8 are reflective of our unique building types, et
9 cetera. So, our teams meet weekly, but it is a DASNY
10 funded, DASNY drive work.

11 COUNCIL MEMBER GIBSON: Okay, and the
12 \$101 million that was given from the Manhattan
13 District Attorney that provided security
14 enhancements--

15 SHOLA OLATOYE: Uh-huh.

16 COUNCIL MEMBER GIBSON: --that's a
17 separate pool of money, not the money from Albany?

18 SHOLA OLATOYE: That's correct.

19 COUNCIL MEMBER GIBSON: And that was for
20 cameras and-and other security measures. Is there a
21 status on that?

22 SHOLA OLATOYE: Sure, that work is-we
23 can provide you an updated list--

24 COUNCIL MEMBER GIBSON: [interposing]
25 Okay.

1
2 SHOLA OLATOYE: --of kind of where we
3 are. Those funds from the Manhattan DA supported
4 additional public safety measures at some of the map
5 districts in addition to others around the city,
6 lighting doors--

7 COUNCIL MEMBER GIBSON: [interposing]
8 Okay.

9 SHOLA OLATOYE: --and other functions.
10 So we can provide you a complete list with an updated
11 status report.

12 COUNCIL MEMBER GIBSON: Okay, and--and you
13 can also provide a list of the developments as well?

14 SHOLA OLATOYE: Sure.

15 COUNCIL MEMBER GIBSON: Okay, great. So,
16 I do a lot with the Housing Authority. I don't just
17 talk from this, you know, podium, but I also invest a
18 lot of my own local money into many of my
19 developments and, you know, all of the developments
20 that I represent I've got Butler, Claremont
21 Consolidated, Highbridge Gardens, Sedgewick, Webster,
22 McKinley Forest, Morris and Franklin Consolidated. I
23 have a lot of developments, and I try to work with
24 you every year to ensure that some of the large pools
25 of money like the roof money actually can translate

1 into services in our district. So, I want to ask
2 very quickly about the 14 remaining senior centers
3 that are under NYCHA's authority. I represent two of
4 them, Highbridge Gardens and Sedgewick, very small
5 but important senior centers that don't have a full
6 food program, very limited services. I support
7 additional programs, and I'd like to find out if
8 you're talking to DFTA. We talked to the
9 Commissioner last week about any efforts or any plans
10 to look at these 14 senior centers to identify a long
11 term plan for their existence.
12

13 SHOLA OLATOYE: What of staff?

14 COUNCIL MEMBER GIBSON: She is willing to
15 work with us, and have conversations--

16 SHOLA OLATOYE: [interposing] Yes.

17 COUNCIL MEMBER GIBSON: --so I just
18 wanted to see if you had a position.

19 SHOLA OLATOYE: Yes, look we-we-we-I
20 think it's clear to say that at the beginning of
21 actually last year we operated 15 of senior centers.

22 COUNCIL MEMBER GIBSON: Right, and then
23 there was one that--yes.

24 SHOLA OLATOYE: Well, and we were able
25 to because of the work that the team has been focused

1 on, we—we—were able to transition the Manhattan
2 Center to the Presbyterian Senior Services. So, this
3 has been a very active conversation with our
4 colleagues at DFTA. We have every intention to
5 continue to operate these centers after continued—
6 throughout the year. There will be no interruption
7 in service. The reality is that the remaining 14
8 centers [bell] do not meet the existing DFTA dictated
9 rules about what a senior center should look like.
10 That is why we still operate them. That is why we
11 still staff them. We have been working and talking
12 with DFTA in a variety of ways to think about ways in
13 which, you know, we could either, you know, relocate
14 centers, which obviously presents challenges. They
15 people don't want their centers closed. So, right
16 now we continue to—we will continue to operate these
17 centers. It is something that the Mayor is—is
18 committed to doing with no interruption in service,
19 and we would hope that we can continue to work with
20 our DFTA colleagues to find some resolution that both
21 meets their criteria, which I am respectful of as
22 well as the needs of our residents.

24 COUNCIL MEMBER GIBSON: Okay, and I agree
25 and I appreciate that. You know, a lot of times it's

1
2 all about numbers. We play a numbers game in this
3 city, and so if we're talking about increasing
4 enrollment at these senior centers, we have to offer
5 them something, and I want to keep these centers open
6 because I don't want Highbridge seniors to have to
7 travel to another development. They should never
8 have to do that anyway. You know, I just want to go
9 on record and make sure you and your team understand
10 that I am willing to help you, and when I say help,
11 it means I am willing to commit money out of my own
12 budget to help keep these two centers open, and to
13 bring more services because they're important to me,
14 and even when I visit myself, I never, you know, come
15 empty handed. I bring food to make sure that my
16 seniors are always taken care of. So, you have my
17 commitment. I just ask to be included in any of the
18 conversations you have.

19 SHOLA OLATOYE: Sure, absolutely.

20 COUNCIL MEMBER GIBSON: Okay, thank you
21 very much and thank you Madam Chair, and thank you
22 Mr. Chair.

23 CHAIRPERSON FERRERAS-COPELAND: Thank
24 you. Now, we will hear from Council Menchaca

25

1 followed by Council Member Salamanca followed by
2 Council Member Rosenthal.

3
4 COUNCIL MEMBER MENCHACA: Thank you,
5 Chairs, and I—I just want to echo the senior center
6 work and how I think we're all committed to making
7 that happen. So many new dollars have come in from
8 the City Council to really enhance the work that's
9 happening. Unfortunately, in Red Hook we have a
10 situation where post Sandy we're reaching the five-
11 year mark. We are still in the middle of
12 construction of our senior center. I think we've all
13 been incredibly disappointed. One, by the facts that
14 are real. A lot of that construction that's been in
15 the making wasn't anticipated, and so it served as a
16 real model for us to think about how this half a
17 billion dollars is coming for the rest of the
18 development. And so, my—my real—my real point and
19 question here is are we prepared for the larger
20 development dollars that are coming? There's a big
21 community meeting tonight in Red Hook where we're
22 going to kind of review the process. The design is
23 in—in—underway. Red Hook, the second largest public
24 housing development in the city, the largest in
25 Brooklyn kind of requires its own focus. It's just

1
2 going to be different, and massive of a project to-to
3 coordinate, and I want to make sure that we—we feel
4 your confidence in making sure that we're going to
5 not have the same issues in the senior center.
6 Second, because I only—I only have a few minute, and
7 I want you to talk about Sandy and how—how we're
8 prepared, how is NYCHA prepared to handle the
9 project. With gentrification being such a raging
10 issue in our neighborhood, and District 38 has a lot
11 of project based Section 8 housing. We've spoke
12 about this before in previous hearing. The—the real
13 kind of question is about really connecting low-
14 income families to a core source of NYCHA services
15 that—that are provided right now to NYCHA residents.
16 Are they also provided to the privately owned project
17 based Section 8 developments where the landlord has
18 not yet opted out? This a conversation we've had
19 before. Some of those programs are REES (sic)
20 Homebuyer Program, the Family Self-Sufficiency
21 Program. These are all programs that exist within
22 NYCHA, and we keep coming back to this question: How
23 are we connecting all families, all low-income
24 families, all families that are project based Section
25 8 Housing to those programs, and it continues to be

1 unclear since we've spoken. We go back to the
2 community and ask them. They have no idea. They get
3 no communication from—from the agencies, and so I'm
4 really hoping that we can talk a little bit more
5 about where you're putting resources to make sure
6 that those—that those families are being communicated
7 to so that they can connect to those services that
8 you provide for all families.

10 SHOLA OLATOYE: We'll start with that
11 because I think that's—in some ways it's a very
12 simple or perhaps not a popular response, which is
13 they were not funded to provide services for families
14 in a Section 8 program. They're simply not funded.
15 There are two sources that we get from a Section 8
16 program. The administration fee, which I believe is
17 currently at about 76% in terms of proration and—and
18 falling, and—and then the actual half program, which
19 is the actual director subsidy to—to residents.
20 That's it. There are no programmatic dollars for
21 those folks who are in the private housing market
22 full stop. On the public housing side, residents can
23 receive—residents receive \$25 a door, which is
24 prorated. It's important to note that's also
25 prorated, to support civic engagement activities, et

1
2 cetera. They have our efforts around—that's an
3 engagement to support the creation resident
4 associations is—is funded by the federal government
5 through the public—through the Public Housing
6 Program. So, we're in a situation where we have
7 400,000 people in the public housing side that
8 actually there is a—and as insufficient as it may be,
9 there is a form—there is a—there is a base from which
10 to operate on the public housing side. That doesn't
11 exist on the Section 8 side. I think the
12 conversation around it--

13 COUNCIL MEMBER MENCHACA: [interposing]
14 So, just to clarify, that doesn't exist because it's
15 not funded?

16 SHOLA OLATOYE: Because it's not
17 federally funded to—to exist.

18 COUNCIL MEMBER MENCHACA: And so I guess
19 the—what—so in this budget hearing we're trying to
20 figure out what's—what's the gap here and how--

21 SHOLA OLATOYE: Well, there—there are
22 200,000 people. We—we—so our who have Section 8 who
23 are Section 8 families within who provided in the
24 Section 8—NYCHA's Section 8 program, those families
25 are throughout the city. They are in the private

1 housing market. I dare say that they probably should
2 and if—should be connected to existing city services,
3 and we should absolutely I think with my agency
4 partners figure out how those families are connected.
5 They're probably already connected. The reality is I
6 don't—I don't have—I don't have that kind of insight
7 into that population as I do on the public housing
8 side. [bell] I'd be happy to work with my city
9 partners to figure out how we might do that. As an
10 example, something that has been near and dear to my
11 heart for the last three years is to just simply
12 create a box on every city issue—city funded source
13 that says are you a NYCHA Public Housing tenant? Are
14 you a NYCHA—do you have a Section 8 voucher? So that
15 we at least have a basis of data to answer your
16 question in terms of the gap. Right, now I don't
17 have a real—I don't have quite visibility into that
18 population who's accessing city services, who's not.
19 The last thing I'll say is our REES Programs are—are
20 available to people. We never turn someone away who
21 walks in and who decides that they're going to come
22 to a—a workshop or someone, you know, brings a friend
23 off the street. We do not turn people away, but
24 again, the basis by which we can do that work is
25

1 simply not funded and supported. And then let's talk
2 about Sandy, and at Red Hook. So, [coughs] So, you
3 know, Red Hook is—represents I think one of the
4 largest Sandy project, approximately \$400 million
5 and change. It's been rightfully—I think we're
6 coming up on the fourth anniversary and, you know,
7 recovery is a long and tedious process. You've been
8 an important partner in that. One of the reasons why
9 I think we are able to be where we are is we have a
10 dedicated team of folks who this is all they do.
11 They're not managing the daily vagueries of the NYCHA
12 portfolio in terms of operating and maintenance or
13 the—federally funded NYCHA Capital Program. So, we
14 have a team of people who are focused on our NYCHA
15 Sandy Recovery program. There's a specific Red Hook
16 team many of whom you know, and, you know, the
17 infrastructure to ensure that that program is—is
18 executed to the best of our capacity is there. I
19 cannot tell you that there will not be construction
20 issues, that there will not be construction delays.
21 I would not be being honest with you if I said that
22 to you at the moment. It's some complicated work.
23 It's one of our oldest developments. Sandy only
24 added to the complexity of—of work that has to be
25

1 done. The construction of those buildings were what
2 was—dare I say not what we would construct today.
3 So, it is a complicated project. So, so there—I'm
4 sure there will be challenges, but I am confident
5 that we have a team and an infrastructure in place,
6 and if we learn something isn't working, we have
7 become nimble enough with that team to adjust as
8 necessary.
9

10 COUNCIL MEMBER MENCHACA: All I'm saying
11 is the senior center was such a disappointment, and
12 it's been a kind of start/stop over and over again.
13 I know you have a hard dedicated team, but that's a
14 tell-tale sign of what's on its way with this massive
15 \$400 plus million dollars. I think there's a lot of
16 concern, and so we feel the pressure. This is real.
17 This is on the ground, and it's impacting a lot of
18 different families. We to get it right, and so I'm
19 hoping that this budget really kind of shows the king
20 of support services that are going to be needed for
21 these teams to have what they need to make sure that
22 they can be nimble enough as you say. So, we're
23 going to follow up. I know my time is up. Thank
24 you.
25

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. Council Member Rosenthal
followed by Council Member Kallos.

COUNCIL MEMBER ROSENTHAL: Good to see
you, Chair Olatoye. It's been awhile, and I'm going
to start by saying that your team particularly Brian
Honan has been so responsive during the last six
weeks, which has been an all-a total crisis situation
at De Hostos, and so I want to commend him publicly.

SHOLA OLATOYE: Thank you.

COUNCIL MEMBER ROSENTHAL: He's on speed
dial, and he responds just as quickly as I text him.
So, I thank you for that.

SHOLA OLATOYE: Thank you.

COUNCIL MEMBER ROSENTHAL: But, I-I just
want to make sure you're aware of-of sort of the
larger picture. You know, there was a tremendous
flood situation at the roof of De Hostos where the
water rushed down the elevator shaft shutting down
the elevators for 12 hours. I later learned that if
elevators are out for four hours, after four hours
there is supposed to be stair climber that could be
used for, you know, the-the-elderly and for-for
mother's with strollers, you know, to-to get up and

1 down the stairs. There was no stair climber brought
2 De Hostos, a 22-story building. You know, I was
3 calling and calling asking for an elevator repair
4 person to come out. Ultimately I was in the lobby
5 and I was being told that Brian was being told that
6 an elevator repair person was there. I said I'm—I'm
7 in the lobby. I'm telling you there's no one. So,
8 and that was probably six hours into the—both
9 elevators being out. They were out from about 8:00
10 a.m. to 8:00 p.m. So, people were either stuck
11 outside or stuck inside their homes, the point of it—
12 but let me continue. So, the source of the problem
13 was that no one was checking out for the water pumps
14 that are in the basement that really require regular
15 maintenance. One of them was broken, and the other
16 one that day broke, and so water rushed out to the
17 water tower, which then cascaded onto the roof and
18 into the elevator shaft as well as into a crack on
19 the roof flooding the K and L lines. So—so, for the
20 next six weeks—and that information we didn't know
21 that that last piece about the crack in the roof. We
22 didn't know that. So, for the next probably four
23 weeks every couple of days, the elevators would go
24 out again, right, and what the repair guys did since
25

1 it was all wet was replace an electrical board. I
2 don't know how much money those electrical boards
3 are, but they had to have replaced three or four,
4 right, because all they did was if there was
5 shortage, it was because the electrical board was
6 wet, and so they replaced it with another electrical
7 board. It wasn't until last Friday, when Brian
8 brought together not just the elevator people, but
9 also the roof people and also the piping people that
10 we actually got to the root of the problem, and had
11 not the TA leader and I demanded repeatedly to come
12 back, we would still be replacing electrical board in
13 the elevator room, and I find that deeply
14 frustrating. I mean it goes to the crux of NYCHA
15 being a highly bureaucratic entity and, you know, my
16 second-and-and so now we're on the road, and as I
17 say, Brian Honan we actually got the property manager
18 replaced because so much was in disrepair. You know,
19 again, hats off to Brian Honan. So, now we're
20 looking around at other buildings, similar elevator
21 problems, not for the same reason, but people are
22 living in really squalor-many-many of the apartments
23 are fine. I went in quite a few over the last six
24 weeks, but many are-people are living in squalid
25

1 conditions. And the last point I'll make is I was at
2 a tenant meeting last night where a woman came up to
3 me and said—surrounded by her three children, I'm in
4 a one-bedroom, I was—I—I got moved here because of
5 Sandy. So, I'm glad to be here, but in putting for a
6 transfer for a larger apartment, I have to go to
7 another borough, and yet there are empty one and two-
8 bedrooms here in this building. The truth is if she
9 vacated her—I understand the list. I get the
10 priority for homeless but, of course, she would be
11 leaving her apartment to go to [bell] another
12 apartment. Thus net-net, there being a free
13 apartment, and I think I give those two examples as
14 ones where I think the bureaucracy gets in the way of
15 holistically seeing what's going on in people's lives
16 and it's—it's what I see having—having now been in
17 this job for 3-1/2 years, that's exactly the piece
18 that I think is missing. So, with my time being up,
19 what is my question? You must see this as well. I
20 mean, what's your—what's your reaction to hearing
21 these two stories?

22
23 SHOLA OLATOYE: Well, first, I am deeply
24 apologetic to the residents of De Hostos who had to
25 experience the outage and the subsequent seemingly

1 bungling and miscommunication that has—but—but I am
2 pleased to know that there is a pathway forward.
3 This is one of our biggest challenges as an agency.
4 We are vast in both our scope because of our highly
5 fractured workforce people are literally designed not
6 to talk to one another, and so there is a structural
7 challenge, and then there is a cultural challenge as
8 well, and as my staff has heard me say, culture is
9 the hardest thing to change. These aren't excuses,
10 it's just context. I think that we've done a lot to
11 improve that. We have now 70,000 units that are now
12 part of our Next Gen operations, management approach,
13 everyone from the caretaker to the property manager
14 has been retrained in this is how 21st property
15 management needs to work. It doesn't solve for the
16 aging infrastructure and the, you know, the challenge
17 of upscaling a workforce that it needs to be
18 invested, should be invested in. But this is a
19 challenge for us, and—and the reality is it has real
20 time consequences for our residents. So, so one, you
21 know, I'm deeply apologetic to—to our residents. I'm
22 grateful for your partnership, and—and also say that
23 this is—the—the challenge of being in silos or how
24 siloed our work is, is one that we wrestle with. I
25

1
2 fundamentally believe moving to an approach that
3 better empowers the property manager, I don't know
4 why the property manager wasn't the first on the
5 scene, when--when that happened, and he or she didn't
6 flag. Maybe they did. I have Brian Clark who is
7 going to talk more, but--but let's--let's sort of put
8 that personalities aside and sort of think about the
9 structure. That's how I--I have to operate. You
10 know, what was preventing that person from doing
11 that? You know, was it a communication, you know,
12 gap? Was it a lack of urgency? Was it an actual
13 frankly not knowing. So--so really trying to make
14 sure that those property managers have the data every
15 day about the state of their--their development that
16 they feel empowered to make decisions, that they have
17 within reason some level of resources to address it
18 is--is where we are moving towards as a portfolio.
19 Now, specifically, let's talk about where we are with
20 De Hostos and for that, something that we can--

21 COUNCIL MEMBER ROSENTHAL: No, I mean I
22 give you guys full credit. You're all over De
23 Hostos, I'll--I'll come to you in the second round.

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CHAIRPERSON FERRERAS-COPELAND:

[interposing] Council Member with all due respect, we
have a queue--

COUNCIL MEMBER ROSENTHAL: [interposing]

Second round.

CHAIRPERSON FERRERAS-COPELAND: --and I

can put you on the second round.

COUNCIL MEMBER ROSENTHAL: Thank you very

much.

CHAIRPERSON FERRERAS-COPELAND: Thank

you. Council Member Salamanca followed by Council
Member Richards, and we've been joined by Council
Members Cohen and Garodnick.

COUNCIL MEMBER SALAMANCA: Thank you,

Madam Chair. Good morning Chair Olatoye.

SHOLA OLATOYE: Good morning.

COUNCIL MEMBER SALAMANCA: My first

question is layered access. I have—I have—my
understanding that they're the largest NYCHA
portfolio in the city of New York, and none of my
NYCHA developments have layered access except for
Bronxchester, which was just part of I believe the
RAD program.

SHOLA OLATOYE: It's a Section 8 Recap
deal yes.

COUNCIL MEMBER SALAMANCA: What—when—when
is the—I would like to know, I—I—I wanted to put the
layered access as part of my capital request, but
speaking to the Chair of the Finance Committee, she
says well this should be a responsibility of NYCHA in
terms of their capital request. You know, security
is a concern of ours in our—in my section of the
South Bronx, and layered access will address that
problem. Can I get a commitment from NYCHA that you
will put that in your Capital Plan, but not in your
Five-Year Plan, something that can happen within the
next and a half or two?

SHOLA OLATOYE: Yeah, so a couple things
just for—for context, we're not funded to do layered
access, cameras, things that are pretty standard
practice in any other housing sort of environment,
luxury affordable housing, supportive housing. And
so really thankfully to this body that has been how
we have been able to bring these enhancements to
these developments. So, that's the first thing. The
second thing is when we do major modernization
layered access and cameras are part of the scopes of

1 work. So, we should sit down with you to give you a
2 sense of those developments in your district that are
3 in our Five-Year Capital Plan so that you have a
4 sense of what's to come, but I—I just—I cannot make a
5 commitment to you today that I have resources for
6 layered access buildings for, as you said, some of
7 the largest portfolio buildings in—in our portfolio.
8 I'd be happy to work with you and this body to give
9 you information about the need of—of the developments
10 in your district.
11

12 COUNCIL MEMBER SALAMANCA: Okay, tenant
13 participation of the Tenant Protection Activities,
14 the TPA funds. I have—I have NYCHA leaders up in
15 arms in the Bronx, Madam Chair, about this agreement
16 that NYCHA is requiring them to sign, and they do not
17 have an understanding, a clear understanding of what
18 exactly disagreement will do, how this will affect
19 them, and I'm getting daily emails, which I'm pretty
20 sure you're getting as well.

21 SHOLA OLATOYE: Yes, I am.

22 COUNCIL MEMBER SALAMANCA: And so are all
23 my other colleagues in the City Council. What is—
24 what is NYCHA, what is your agency doing to actually
25 sit down with these Bronx tenant leaders in room and

1 explain to them step-by-step how this is going to
2 affect them, because it's my understanding that there
3 has been a training, but questions, their questions
4 have not been answered.
5

6 SHOLA OLATOYE: Sure, thank you for
7 question and—and just again to provide some context.
8 The fourth pillar of Next Gen NYCHA was to engage
9 with residents in a new and different way, and to
10 connect them to opportunity. Specifically, there
11 were two things as it related to tenant engagement
12 and civic engagement. When we started there were a
13 little left—there were about 170 active resident
14 associations meaning that almost half of the
15 portfolio was not represented. So, one was to
16 increase the number of active resident associations
17 and to ensure that those existing resident
18 associations were in compliance with their own bylaws
19 and were officially in a position to be recognized by
20 the authority, which means our ability to actually
21 give them tenant protection funds. Per the 964
22 Regulation, which is the regulation that governs—the
23 HUD regulation that governs our relationship with
24 tenant associations, there is a requirement that
25

1
2 there be an agreement, a written agreement between a
3 housing authority--

4 COUNCIL MEMBER SALAMANCA: [interposing]
5 I'm sorry, Madam Chair, I-I have a little bit of
6 time--

7 SHOLA OLATOYE: Okay.

8 COUNCIL MEMBER SALAMANCA: --and I want
9 to capitalize on it.

10 SHOLA OLATOYE: So, since 2015 it's been--

11 COUNCIL MEMBER SALAMANCA: [interposing]
12 All I'm asking for is for NYCHA to sit down with the
13 tenant leaders in the Bronx--

14 SHOLA OLATOYE: [interposing] We are
15 doing that.

16 COUNCIL MEMBER SALAMANCA: --and explain
17 this to them, please.

18 SHOLA OLATOYE: [interposing] We are
19 doing that, though.

20 COUNCIL MEMBER SALAMANCA: I will help
21 you coordinate this.

22 SHOLA OLATOYE: We are doing that, sir.
23 We'd be happy to do it at--at your invitation as well
24 in addition to what we're already doing.

1
2 COUNCIL MEMBER SALAMANCA: Alright, my-
3 my-my final question Jackson Houses. There's
4 scaffolding all around the Jackson Houses and the
5 scaffolding, tenants that live on the second floor
6 their scaffolding is at their window, and we have an
7 issue at Jackson Houses where tenants on the top
8 floors are throwing their garbage. Instead of
9 walking their garbage down-down to the incinerator,
10 they're throwing their garbage down out the window.
11 So, I have tenants who cannot open up their windows
12 because the scaffolding is at level with their
13 windows, there's garbage there, and so the concern is
14 what is NYCHA-how long are these scaffolds going to
15 be up? What is NYCHA doing to clean these scaffolds,
16 which have garbage, and the third concern is
17 security. This-these tenants have concerns that
18 recently there were individuals at-at night time
19 walking on the scaffold, which is at eye level with
20 their-with their windows

21 SHOLA OLATOYE: So your question is?

22 COUNCIL MEMBER SALAMANCA: My question is
23 how long are these scaffolds going to be up?

24 SHOLA OLATOYE: Yeah.

1
2 COUNCIL MEMBER SALAMANCA: While they're
3 up, what is NYCHA's plan? So, constantly check these
4 scaffolds for garbage and what security measures have
5 been put in place to ensure that individuals are not
6 walking on these scaffolds?

7 SHOLA OLATOYE: Right. So, just in the
8 interest of time, I'd be happy to—we'd be happy to
9 sit with you and talk specifically about Jackson. I
10 don't have—have it on the top of my head, the capital
11 plan for Jackson meaning is that façade work that's
12 been just funded by the Mayor's \$333 million
13 investment that he announced on Monday. So that
14 we'll follow up with you on that. Two, it is
15 actually the responsibility of the scaffold—the
16 scaffolding company to clean. So we will double down
17 with them, and make sure that happens on a regular
18 basis. And then third in terms of security again not
19 sure if the building in question has cameras. If
20 they do or—if they do, we need to make sure that they
21 are adjusted to accommodate for the scaffolding. If
22 not, then regardless we obviously need to work with
23 our—our colleagues. I believe that's PSA5-6.

24 COUNCIL MEMBER SALAMANCA: PSA-7, yes.
25

1
2 SHOLA OLATOYE: 7. I'm, sorry, to make
3 sure that patrols et cetera are—are happening on a
4 regular basis.

5 COUNCIL MEMBER SALAMANCA: Thank you.
6 Thank you.

7 CHAIRPERSON FERRERAS-COPELAND: Thank
8 you, Council Member. Council Member Richards
9 followed by Council Member Kallos followed by Council
10 Member Mendez.

11 COUNCIL MEMBER RICHARDS: Thank you,
12 Charis. I'm sorry I had to step out to go—he did or
13 I'm not sure. I think Carlos Menchaca spoke on some
14 of the Sandy related issues. Where are we at with
15 just about all of the developments in the city? Are
16 seeing movement on the federal level in terms of
17 ensuring that these development are moving forward.

18 SHOLA OLATOYE: Yeah. So we have about I
19 believe 50 developments, 35—I'm sorry. There are 37
20 Sandy affected developments. We are in actual
21 construction at a little more than half of those, it
22 not even more, almost 20 I believe. So, actual
23 construction shovels in the ground. The plan is to
24 be in full construction by the end of 2017 in all of
25 the three-

1
2 COUNCIL MEMBER RICHARDS: [interposing]
3 Full construction in all?

4 SHOLA OLATOYE: Full construction--

5 COUNCIL MEMBER RICHARDS: [interposing]
6 Okay, awesome.

7 SHOLA OLATOYE: --in all of the Sandy
8 affected developments. You know, as you know,
9 because you've been such an important partner, a ton
10 of outreach, 165 NYCHA residents I believe have
11 already been hired as part of the permanent
12 construct-permanent work. There's always more we can
13 do, and we look forward to working with you on that.

14 COUNCIL MEMBER RICHARDS: Thank you, and
15 I appreciate that. I was actually out at one of the
16 developments yesterday and a few gentlemen I knew
17 from the developments were actually on site. So,
18 that was very welcoming and encouraging to see, and
19 I'll just--I'll point out it is an issue that I did
20 bring up on the Redfern Houses. So, I know that they
21 have--

22 SHOLA OLATOYE: [interposing] Yes.

23 COUNCIL MEMBER RICHARDS: --an ongoing
24 issue, and we have a meeting going, but I just want
25

1
2 to highlight and make sure that we are putting a lot
3 more TLC there until we get the permanence there.

4 SHOLA OLATOYE: [interposing] Before
5 they're permanent with us?

6 COUNCIL MEMBER RICHARDS: Yeah, because
7 they are, you know, we get the calls. I mean this
8 week has been sort of a slow week, but I'm hoping
9 that, you know, we won't run into those issues. I
10 wanted to speak on RAD. So, where are we at with
11 Ocean Bay now? Do you anticipate more RAD
12 conversions as we move along? Have there been
13 somewhat any conversations with the Trump
14 Administration on more conversions on RAD or do you
15 see it sort of dying out as we move forward?

16 SHOLA OLATOYE: Right, so I actually was
17 with the the-development team last-yesterday evening,
18 and they're very pleased with the progress of the
19 work that's going on at the site.

20 COUNCIL MEMBER RICHARDS: [interposing]
21 And I want to also just point out the local hiring
22 has been awesome on that project.

23 SHOLA OLATOYE: That's great to hear.

24 COUNCIL MEMBER RICHARDS: Yes.
25

1
2 SHOLA OLATOYE: So-so, I, you know, I-I
3 think that project is moving forward and-and will
4 really be an example of what we hope to do in what
5 HUD gave us approval to move forward on an additional
6 1,700 units of which we began engagement in those
7 communities. So, that's actively happening and-

8 COUNCIL MEMBER RICHARDS: [interposing]
9 And there was a funding gap I think that is being
10 filled at Ocean Bay through FEMA funding correct?

11 SHOLA OLATOYE: That's correct.

12 COUNCIL MEMBER RICHARDS: So, will there
13 be any funding gaps with the additional 1,700 units
14 or--?

15 SHOLA OLATOYE: Yeah, every project will
16 be different and-and financed differently. I mean we
17 are working very closely with, you know, our-our city
18 colleagues, our state colleagues to ensure that there
19 isn't, you know, funding gaps.

20 COUNCIL MEMBER RICHARDS: Okay.

21 SHOLA OLATOYE: But I think we were
22 frank-you know, frankly encouraged that we had the
23 resources at FEMA. I'm told the first in the country
24 that did it. So, once again, New York is doing
25

1 things, you know for the first time. But, you know,
2 this is--this is the only tool--

3
4 COUNCIL MEMBER RICHARDS: Uh-huh.

5 SHOLA OLATOYE: --that is coming out of
6 HUD for housing authorities to reinvest in their
7 portfolios. So, yes, we will be doing more of this
8 type of work.

9 COUNCIL MEMBER RICHARDS: Uh-huh. The
10 last two questions one is a zoning question and it's
11 something that the Council certainly is talking and
12 discussing and certain with the admin on, but have
13 you considered doing any commercial development on
14 grounds or is that something that NYCHA is going to
15 be entertaining in a community facility on NYCHA
16 grounds?

17 SHOLA OLATOYE: I was speaking
18 specifically about for today--

19 COUNCIL MEMBER RICHARDS: [interposing]
20 yeah, like zoning changes to actually allow funds for
21 them--

22 SHOLA OLATOYE: [interposing] So not at
23 Ocean Bay. We don't anticipate any--

24 COUNCIL MEMBER RICHARDS: [interposing]
25 Right.

1
2 SHOLA OLATOYE: -zoning changes there
3 currently.

4 COUNCIL MEMBER RICHARDS: [interposing]
5 And not just—and I'm not speaking locally.

6 SHOLA OLATOYE: [interposing] Okay.

7 COUNCIL MEMBER RICHARDS: I'm just saying
8 in general around the city are there any thoughts
9 that you have on that?

10 SHOLA OLATOYE: So, absolutely when-when
11 they-what we have committed to is when there is an
12 active rezoning happening, NYCHA will also be part of
13 the rezoning of ULURP process as well. We, in fact,
14 that's something the commercial space and commercial
15 uses is something that residents have been clamoring-
16 clamoring for. It's been a part of the development
17 specifications in terms of the actual RFPs in the
18 developers that we've already announced whether it's
19 up in the Bronx or in Brooklyn everything from
20 community-new community facilities to senior
21 facilities things that residents said that they want
22 to have in there.

23 COUNCIL MEMBER RICHARDS: Right.

24 SHOLA OLATOYE: So, absolutely, and we
25 think that there's an opportunity--

2 COUNCIL MEMBER RICHARDS: [interposing]

3 And I'm talking about like supermarkets and--

4 SHOLA OLATOYE: [interposing] I-I think
5 there's an opportunity to do even more of that--

6 COUNCIL MEMBER RICHARDS: Okay.

7 SHOLA OLATOYE: --as we expand our
8 development work.

9 COUNCIL MEMBER RICHARDS: Okay and then
10 lastly smoking ban, where? Have there been any talks
11 with the Administration on--or where that conversation
12 was at with the smoking ban in public housing now?

13 SHOLA OLATOYE: So, there's really been no
14 guidance from this new administration--

15 COUNCIL MEMBER RICHARDS: [interposing]
16 Okay.

17 SHOLA OLATOYE: --around smoking, but we
18 had, you know, been--we've been working very closely
19 with our colleagues at DOHMH who are really, you
20 know, at the [bell] at the table with us to engage in
21 resident engagement around what that--what a
22 successful smoking cessation pilot looks like,
23 material the whole kind of public relate--public and
24 marketing campaign that I think is going to be
25 important. So, we continue to do that and--and--and

1 we'll, you know, be in accordance with what the HUD
2 rule tells we have to do.

3
4 COUNCIL MEMBER RICHARDS: And you don't
5 see any reverse of that rule happening or there is
6 just no guidance there?

7 SHOLA OLATOYE: [interposing] For that
8 especially. (sic)

9 CHAIRPERSON FERRERAS-COPELAND: Thank
10 you.

11 COUNCIL MEMBER RICHARDS: Okay. It
12 sounds normal in that administration. Alright, thank
13 you so much.

14 CHAIRPERSON FERRERAS-COPELAND: Thank
15 you, Council Member. Council Member Mendez followed
16 by Council Member Rodriguez, followed by Council
17 Member Kallos.

18 COUNCIL MEMBER MENDEZ: Thank you very
19 much. I have a couple of questions. In your
20 testimony, you talk about how NYCHA is getting up to
21 date, and you have this app that corrects. So the
22 app does all kinds of things. Does it do like
23 repairs? I know I've been getting a lot of
24 complaints from residents who are tech savvy. So, I
25 don't know if it goes through this app, who can't

1 reapply and do their certification, income
2 certification online. So, can you tell me a little
3 bit more about what this app does for NYCHA, your
4 NYCHA app?
5

6 SHOLA OLATOYE: Sure. The app is one
7 part of our digital NYCHA approach. There have been
8 a number of things that we have—are doing to frankly
9 bring us into the 21st Century. The first is one
10 outfitting our staff with handhelds that allow them
11 to open and close work tickets with resident
12 signature. I think, you know, UPS that app—the
13 development that's been a huge effort to both train
14 staff to do it, but also to allow us to have a
15 greater level of accountability. Secondly, we have
16 in all of our 140 sort of apps or developments, there
17 are now kiosks, which allow essentially a customer
18 service kiosk that all residents to apply and—and do
19 their online recertification, which is what you're
20 referencing, which is the federally process residents
21 have to do around income certification. You—one can
22 do that at the kiosk in the management office. One
23 can do it online, and—and there we recognize with any
24 introduction of new technology there have been some
25 challenges, and we've owned that. There's been a

1 fair amount of training and engagement with community
2 partners on the Lower East Side. We've worked with
3 Rivera and many others to bring the command bus out,
4 help residents understand how to—how to do this.
5 Because it is a—it is both an efficiency measure, but
6 it also for the residents will actually make this
7 process easier. Instead of 40 pieces of paper every
8 year, if nothing has changed for the resident in that
9 year, there's simply a no change button and a—and a
10 signature. So, we're in the midst of this process,
11 and it has been an important step forward.

12
13 COUNCIL MEMBER MENDEZ: Okay.

14 SHOLA OLATOYE: The app just to be clear
15 is another component of this digital transformation,
16 which allows residents to open to request repairs, to
17 follow any outages at their developments and in any
18 other pertinent information.

19 COUNCIL MEMBER MENDEZ: Thank you. Just
20 about the income recertification, you know, I've
21 expressed to NYCHA my concern about seniors who are
22 tech savvy, but my concern now is that tech savvy
23 people are having a problem doing the online
24 certification. So, there seems to be some issues
25 with your program.

1
2 SHOLA OLATOYE: So, we'd love to talk to
3 you about what those issues are so we can correct
4 them immediately.

5 COUNCIL MEMBER MENDEZ: Thank you. About
6 the app and the repairs. I just want to state on the
7 record that we are now having a backlog again on
8 repairs. My constituents are—it's taking longer for
9 them to get repairs, and it's taking longer for my
10 office to get answers on their repairs. So this is
11 going back to when it was many years ago that we had
12 to institute [coughs] funding to do our repair
13 backlog, and I'm not quite sure where the problem is
14 coming in now.

15 SHOLA OLATOYE: Well, [coughs] just--just
16 to be clear I mean we—we have about 100 and—this
17 morning a number of 144,000 open work orders. The
18 average time for residents—for basic maintenance so
19 something as you know well, things that are not skill
20 trades or technical has actually gone down. It was
21 15 days when we started. It's now a little under
22 five days average. On our skill trades this remains
23 a very challenging area for us. While the number has
24 gone down from three years ago, essentially for the
25 last several months it's been flat. We're doing a

1 couple of things to-to try and address this. One,
2 there are some trades where we are well staffed.
3 There are others that are not, not because—because
4 plastering is dying—is a dying age [bell]—a dying
5 industry. So, we are actually now putting some skill
6 trades. I'll be done in just one second. Some skill
7 trades at the development so that we can get to work
8 faster. So, this remains an area of serious concern
9 for us. We are very focused on it, and—but overall,
10 as a portfolio we are—the—the numbers are trending
11 downward, and—and if there's something specific at a
12 development that you'd like to talk with us, please
13 talk off line.

14
15 COUNCIL MEMBER MENDEZ: Okay, because
16 real time repairs is not getting done timely in my
17 development. Mr. Chair and Madam Chair, I would like
18 to go on for a second round of questions. Thank you.

19 CHAIRPERSON TORRES: Absolutely.
20 Councilman Rodriguez. Do you have any questions?

21 COUNCIL MEMBER RODRIGUEZ: [off mic] Yes,
22 I do.

23 CHAIRPERSON TORRES: Okay.

24 COUNCIL MEMBER RODRIGUEZ: [pause] [off
25 mic] So, I—I think I will focus [on mic] on one—one a

1 critical case that we face in our district. Someone—
2 a family that they had like four years, three years,
3 waiting for the application in NYCHA, and if you can
4 see can see the images, that daughter—that child they
5 have to be—the parents they have to walk that
6 teenager at 50 years old everyday to the stairs to
7 the fifth floor, and—and that's not in a NYCHA, that
8 situation is that in a NYCHA building, and I know
9 that also you have a limitation when it comes to arte
10 we looking at severe health issues as a priority when
11 someone applies or have an application in the system,
12 and I know that that's not something that NYCHA is
13 using right now because is the state limiting for
14 looking at severe health conditions as a reason that—
15 I will appealing to your heart, and see if this
16 condition where this father and the mother for years
17 they have to walk their teenagers everyday to a fifth
18 floor apartment because they don't have any
19 elevators. In this application with NYCHA the case
20 has been made. I've been speaking to your team, and
21 I hope, you know, as we are looking at some section
22 in those particular cases that we go through our
23 hearts and try to see how we can help those cases of
24 those family. It's not a matter of favoritism now
25

1 and luxury. You're thinking about we as a parent,
2 being in a condition where for years we have to be
3 walking our teenagers in our back because there is
4 not an elevator in that building. So, I know that
5 I've been approaching general situation for a year in
6 the Council, I mean with NYCHA before you can, you
7 know, inherit the use that you are responsible right
8 now, but what is the policy on NYCHA when you have a
9 letter from a hospital a letter from a social worker,
10 cases where someone is in a that situation or someone
11 cannot walk. In this case, a teenager had to be
12 carried on the shoulder of the father. Are you
13 having some consideration in those cases?

15 SHOLA OLATOYE: So, I, you know, first of
16 all, it sounds like a very serious case and—and, but
17 it is not a NYCHA development, as I understand it,
18 and—and—and as you well know, we have 250,000
19 families on our waiting list. If this family, God
20 forbid, but if they are a homeless family, given the
21 significant focus and attention that this
22 administration has brought to that issue, there
23 probably is a pathway forward to a NYCHA apartment.
24 As part of our priorities, serious health concerns
25 does not rank as a—as a—as a priority. What I would

1 suggest, and if you have not done this, we'd be happy
2 to facilitate this is, you know, with our colleagues
3 at HPD or-and/or some of the supportive housing
4 organizations who may be able to-may be a better fit
5 for this family in particular, but I'm not going to
6 lie to you. The waiting list is something-an average
7 of 20 to 25 years. So, the reality is we have a
8 finite resource of apartments. There are-there's a
9 tremendous amount of pressure on who should get and-
10 an get those units, and at this time as-as-as
11 desperate as the situation sounds health conditions
12 is not one of the federally recognized priorities.
13 We'd be happy to talk with you with offline as to how
14 we can connect you to some other resources within the
15 city for this family.

17 COUNCIL MEMBER RODRIGUEZ: So, right now
18 the top priority-I know-I know-I know on the waiting
19 list, the top priority is people who are coming
20 victims of domestic violence--

21 SHOLA OLATOYE: [interposing] And
22 homeless families.

23 COUNCIL MEMBER RODRIGUEZ: --and should-
24 and people coming from the shelters.

25 SHOLA OLATOYE: Correct.

1
2 COUNCIL MEMBER RODRIGUEZ: So, in
3 particular cases someone is putting an application
4 through NYCHA, someone is living in a situation where
5 they have to walk their daughter for three years.
6 Their application is sitting in NYCHA. NYCHA
7 doesn't have anything that looks at those particular
8 cases?

9 SHOLA OLATOYE: They are on a list like
10 the other 249,000 families. The priorities as
11 communicated are families out of shelter, victims of
12 domestic violence, working families and whenever--and
13 when--

14 COUNCIL MEMBER RODRIGUEZ: [interposing]
15 And who--who--who established--who established those
16 priorities?

17 SHOLA OLATOYE: They are established in
18 consort with the city administration, which then is
19 approved by--by the board [bell] which is submitted
20 for approval to HUD.

21 COUNCIL MEMBER RODRIGUEZ: [interposing]
22 so, but the Board has the upper--the Board has the
23 power to revise--

24 SHOLA OLATOYE: [interposing] Yes.
25

1
2 COUNCIL MEMBER RODRIGUEZ: --which are
3 the priorities.

4 SHOLA OLATOYE: Yes. Well, they have the
5 power to recommend. Ultimately HUD has to approve
6 it, but the reality is we have something like 4,600
7 units that come open every single year. Half of
8 those units are going to--actually, more than half are
9 going to homeless families and victims of domestic
10 violence. The others go to the rest of the people on
11 the list.

12 COUNCIL MEMBER RODRIGUEZ: So, I-I just
13 would like to close, you know, and if Chair and for
14 this to bring this issue here is because I've been
15 working with your team for most of these issues, and
16 I think that I would not bring and highlighting this
17 issue in a hearing unless I see the level of
18 frustration where we've been working with you guys,
19 your team. And for--for me like to say you as an
20 entity you have a jurisdiction and you can look at
21 it, and this is a severe case, and for us to say that
22 look for another venue even though there is like
23 three or four years that you're waiting on this
24 application. For me this is something that I hope
25 that we can revise.

1
2 CHAIRPERSON TORRES: And next is Council
3 Member Kallos. Since the—since Infill development
4 was announced yesterday, I do want to give Council
5 Member Kallos an opportunity to question more
6 extensively. So, let's shut off the time. Council
7 Member Kallos.

8 COUNCIL MEMBER KALLOS: Thank you, Chair
9 Torres and thank you for being of the people, and
10 bringing City Hall to Holmes Towers for an amazing
11 hearing on infill and for your constant support. So,
12 I—I do want to talk about infill. So, as you're
13 aware, I only support infill if it meets three
14 conditions: Tenant support—

15 CHAIRPERSON TORRES: [interposing] Can we
16 shut off the timer?

17 COUNCIL MEMBER KALLOS: Alright, so as
18 you rally and you support infill that meets three
19 conditions: Tenant support, 100% affordability and
20 maximum preference for NYCHA tenants. As you know,
21 this project is not supported by all tenants. It's
22 not 100% affordable, and all NYCHA tenants cannot
23 qualify for the housing. So, I opposed this with
24 Congress Member Carolyn Maloney and Manhattan Borough
25 President Gale Brewer. So, let's learn about the

1 project, and if you can please the question asked so
2 we can move quickly to the next question. So, there
3 was some conflict in-in the daily news and so what is
4 the "even distribution percentage" of middle-income
5 versus luxury units? It's it 50% distribution or
6 65%, it's 100%?
7

8 SHOLA OLATOYE: The proposal that was
9 selected will have units at 60% AMI and market rate
10 evenly distributed throughout the building.

11 COUNCIL MEMBER KALLOS: Okay. So, there
12 will be an equal number of middle income and luxury
13 units on each floor?

14 SHOLA OLATOYE: They will be evenly
15 distributed. I can't speak to if they will have an
16 exact number, but they will be evenly distributed.
17 There will be no identifying characteristics that
18 distinguish the affordable units from the market rate
19 units. They will be in line with city policy and
20 city law.

21 COUNCIL MEMBER KALLOS: So if there' four
22 units per floor, there will be two middle-income and
23 two luxury.

24 SHOLA OLATOYE: They will be evenly
25 distributed throughout the building.

1
2 COUNCIL MEMBER KALLOS: So, I—I think
3 we're disagreeing about it because I want to know
4 what you mean by evenly distributed, and I think that
5 the Daily News would like to know. So, I guess—the
6 question if the NYCHA Chair wishes to jump in on
7 this. So, what does evenly distributed mean? To me,
8 that means that there's four units—four units per
9 floor that there's two and two? Is that your
10 understanding of evenly distributed?

11 SHOLA OLATOYE: That is my understanding.
12 We are--

13 COUNCIL MEMBER KALLOS: [interposing]
14 Okay.

15 SHOLA OLATOYE: --obviously in—but again,
16 I want to be clear this project will be in line with
17 city policy and city law.

18 COUNCIL MEMBER KALLOS: The city policy
19 and law is a lower threshold. So, we're—we're
20 holding you to a higher standard, and so of the units
21 that are proposed how many three, how many two, how
22 many one? How many is there?

23 SHOLA OLATOYE: [interposing] I don't
24 have that specific information for you this—at this
25 moment, and we can talk offline if you'd like, and--

1 and in fact the—the building and the building design
2 is something that, you know, spoke specifically to
3 city law, but also something that residents wanted to
4 ensure was—was a factor of design that the building
5 was—that units were evenly distributed. So, if you
6 want to a floor by floor breakdown, we'll have to do
7 that offline. I don't have it in front of me.

9 COUNCIL MEMBER KALLOS: You—you know I
10 was going to come and ask you about that, right?

11 SHOLA OLATOYE: We're here.

12 COUNCIL MEMBER KALLOS: So, I guess it's
13 just—I-I would feel that you should be prepared for
14 me and also for the—the press to ask these questions.
15 So, of the 3-bedrooms, 2-bedrooms, 1-bedroom, zero
16 bedrooms are there an equal number for the middle-
17 income and luxury units?

18 SHOLA OLATOYE: Yes, this is a 50/50
19 program.

20 COUNCIL MEMBER KALLOS: And—and 3-bedroom
21 is going to be 1,000 square feet for on person and if
22 they're in the middle-income units, the exact same
23 square footage?

24 SHOLA OLATOYE: That is correct, sir.
25

1
2 COUNCIL MEMBER KALLOS: And—and it's
3 going to have same views?

4 SHOLA OLATOYE: They will—it depends on
5 what floor they're on, but there will not be to you
6 point—your influence, there will not be units that
7 are 60% AMI reserved to lower floors and the market
8 rates to the upper floors. No, that will not be the
9 case.

10 COUNCIL MEMBER KALLOS: And—and then for
11 the folks who have to stare at other NYCHA tenants,
12 are—are those going to be reserve only for the
13 middle-income units, or are we going to have an equal
14 distribution of the number of folks who have to stare
15 at—stare in the windows of other people?

16 NICOLE FERREIRA: [background comments,
17 pause] First of all, we announced—Nicole Ferreira,
18 Executive Vice President for Real Estate. I just—I
19 just want to clarify for a minute. We announced—

20 CHAIRPERSON FERRERAS-COPELAND:
21 [interposing] I'm sorry, can you just bring your mic
22 close because we--

23 NICOLE FERREIRA: Sure.

24 CHAIRPERSON FERRERAS-COPELAND: --we
25 can't hear you. Thank you.

1
2 COUNCIL MEMBER KALLOS: And swear her in.

3 CHAIRPERSON TORRES: Okay, can you raise—
4 can you raise your right hand?

5 NICOLE FERREIRA: Sure

6 CHAIRPERSON TORRES: Do you swear to tell
7 the truth, the whole truth, and nothing but the truth
8 before your testimony?

9 NICOLE FERREIRA: Okay. So, we announced
10 the developer yesterday. The building is not
11 completely designed yet. So, the notion of
12 affordable apartments on the back of the building or
13 the front of the building, we don't have the floor
14 plans yet. So, the schematics will come through the
15 pre-development process as the process moves forward.
16 So, to answer your question about where residents
17 will be throughout the building, they will be
18 distributed evenly throughout the building, and as we
19 work through the process, the city approves the
20 design.

21 COUNCIL MEMBER KALLOS: An—and so there
22 will be—as far as you're directing them in their
23 design, there will be an equal number of units
24 staring into the windows of other NYCHA residents as
25 having great open city views?

1
2 NICOLE FERREIRA: Staring into the window
3 of NYCHA residents. The building will be designed
4 with equal distribution throughout the building, on
5 the front side, the back side and the sides of the
6 building.

7 COUNCIL MEMBER KALLOS: And now--

8 NICOLE FERREIRA: [interposing] And this
9 design that we chose, this developer hearing that the
10 community was concerned about light and air, they
11 designed a building in which the base is moved in a
12 way that it's further away from the NYCHA buildings
13 because they wanted to be take into consideration the
14 concerns from the NYCHA residents. So this is
15 something that, and one of the reasons why this
16 proposal won because they were taking all of these
17 residents' concerns into consideration.

18 COUNCIL MEMBER KALLOS: How many bidders
19 did we have to choose from?

20 NICOLE FERREIRA: There were four total.

21 COUNCIL MEMBER KALLOS: And who were
22 there four bidders?

23 NICOLE FERREIRA: We cannot release that
24 information. It's still an active procurement.

1
2 COUNCIL MEMBER KALLOS: Why can't you
3 release the information—the names of the four
4 bidders?

5 NICOLE FERREIRA: We have now—we've—
6 there's the valuation committee, which is comprise of
7 NYCHA, HPD and HDC have identified the winning
8 developer proposal. There is still, and it is still
9 an active procurement. Financing is going to be—be
10 assembled. When we close on this transaction, which
11 is estimated to be 12 to 15 months out, then the
12 information, the—the other packages will be made
13 available. If something were to happen, if we were—
14 if we needed to disqualify this person or any sort,
15 we would need to be able to move to the next—the next
16 person qualified, responsible and responsive bidder
17 on the list. So, we need to ensure that that
18 information remains protected and competitive until
19 we complete the entire procurement process.

20 COUNCIL MEMBER KALLOS: So, you're—you're
21 saying procurement puts restrictions on you. Are
22 there similar restrictions on other people around the
23 process or along the people who are bidding?

24 NICOLE FERREIRA: Meaning can the other
25 developers reveal themselves?

1
2 COUNCIL MEMBER KALLOS: Or some way can
3 be the—the person who is at this stage, when in
4 procurement are they allowed to engage in advocacy
5 activities to further secure their bid?

6 NICOLE FERREIRA: The winning developer
7 is—you know, this is a public/private partnership
8 here. You know, he is assembling financing from a
9 multitude of sources I would expect and the program
10 requires that they go and seek other sources of
11 funding whether it be from the city or the state or
12 other sources?

13 COUNCIL MEMBER KALLOS: Were any of the
14 bidders MWBEs?

15 NICOLE FERREIRA: I actually do not have
16 that information, but we can get you that
17 information.

18 COUNCIL MEMBER KALLOS: But is and is the
19 winner bidder and MWBE?

20 NICOLE FERREIRA: No, he is not.

21 COUNCIL MEMBER KALLOS: Is there a reason
22 you didn't want to give a preference to MWBEs?

23 NICOLE FERREIRA: Well, it's not that we
24 didn't want to give a preference to the MWBEs, it's
25 reduction (sic) against city procurement, policy and

1
2 federal law for us to do that. We do have a very
3 active city MBE-MWBE program that—and—and made a
4 significant effort to ensure that MBE-MWBE firms
5 were—were—were present, recruited, understood that
6 parameters of—of our development program, and—and
7 continue to make that a—a very—an important priority
8 for this agency.

9 COUNCIL MEMBER KALLOS: You mentioned
10 that they're pursuing financing. Obviously when
11 somebody is—is bidding and you're expecting to get
12 \$25 million from them, I—I assume you've seen their
13 financing package and how they intend to—and how
14 they've proven to you that they are financially
15 stable enough to build this and not have it go up on
16 you property and then fall back into your hands. Is
17 that accurate?

18 NICOLE FERREIRA: Yes.

19 COUNCIL MEMBER KALLOS: So, how much
20 funding are we looking—? You got \$25 million from
21 them. How much are they getting from HPD, HDC or the
22 city or State in terms of tax abatements, loans or
23 any other government support?

24 NICOLE FERREIRA: So, this is early stage
25 of the proposals. We don't have the exact numbers

1 right now. That's the point is that they are working
2 with the state--

3 COUNCIL MEMBER KALLOS: [interposing]

4 This is a budget hearing.

5 NICOLE FERREIRA: It's a development
6 project that we just announced a developer to put—who
7 put a proposal forward, but the city--

8 COUNCIL MEMBER KALLOS: [interposing] But
9 the NYCHA Chair just said she's looked at the
10 financing. So can you share that financing term sheet
11 so we can see what's-

12 NICOLE FERREIRA: We can share—we share
13 the proposal. I talked to the city, but—but--

14 COUNCIL MEMBER KALLOS: [interposing]
15 What—what's the ballpark for HPD? How much is HPD
16 putting into the project?

17 NICOLE FERREIRA: It's consistent with-

18 SHOLA OLATOYE: [interposing] With their
19 ELLA term sheets.

20 NICOLE FERREIRA: It's consistent with
21 170 affordable units consistent with their ELLA term
22 sheet subsidy amounts. So, that was the proposal.

23 COUNCIL MEMBER KALLOS: Okay, so please
24 don't make me look up the ELLA term sheet, which you
25

1 know, I can do and would do. What is the per-unit
2 subsidy on ELLA?
3

4 SHOLA OLATOYE: It ranges between--

5 NICOLE FERREIRA: So, it's-it's up to
6 \$75,000 per DU currently, and so I can find you a-
7 sources and uses. This again, though, this is not a
8 finalized. They will be going to the city to work
9 through the exact terms of the transaction.

10 COUNCIL MEMBER KALLOS: So, you're
11 getting \$25 million--

12 NICOLE FERREIRA: [interposing] Uh-huh.

13 COUNCIL MEMBER KALLOS: --but they're
14 getting at least \$13 million from the city and then
15 do they pay real estate taxes?

16 NICOLE FERREIRA: No, this will be it.

17 COUNCIL MEMBER KALLOS: Okay, so they're
18 going to get tax abatement on top of that, which is
19 probably more valuable. So, all in all the city is
20 actually losing money on this deal.

21 NICOLE FERREIRA: Well, can I just--can I
22 just say? The purpose of Next Generation NYCHA's
23 neighborhood, this--this initiative was to do two
24 things: (1) to raise revenue for the Authority, new
25 revenue for the Authority, and (2) to create

1 affordable housing units. As you well know, there
2 have been something like 200 affordable housing units
3 that have been created in your district in the last
4 ten years. This program will generate 100-
5 approximate 175 deeply affordable units on the Upper
6 West-Upper East Side at a 60% AMI level. So, I just-
7 I take issue with the city is losing money. The city
8 has made a commitment to creating affordable housing,
9 and as you know, that creates-that actually requires
10 city subsidy.
11

12 COUNCIL MEMBER KALLOS: Let's do 100%
13 affordable housing since we're losing money on this
14 project anyway.

15 NICOLE FERREIRA: So, again, if you have
16 \$17 billion to help me address parts of my needs then
17 we can talk about that, but-but don't.

18 COUNCIL MEMBER KALLOS: [interposing] We-
19 we have-we've been advocating with--

20 NICOLE FERREIRA: But you don't.

21 COUNCIL MEMBER KALLOS: --the City
22 Council NYCHA Chair--

23 SHOLA OLATOYE: NICOLE FERREIRA:

24 MEMBER KALLOS: --of the Progressive
25 Caucus for funding for NYCHA to get a billion dollars

1 every year. We've increased it. The Mayor only
2 gave--
3

4 NICOLE FERREIRA: [interposing] Council
5 member.

6 COUNCIL MEMBER KALLOS: --the City
7 Council upped it to \$200 million, and we continue to
8 fight. So, it's just you're getting at least \$13
9 million from HPD. Do you have any money coming from
10 HDC as well?

11 NICOLE FERREIRA: So-so--

12 COUNCIL MEMBER KALLOS: [interposing] If--
13 if the premise of Next Gen NYCHA is that you're going
14 to raise money for NYCHA, but the city is actually
15 losing money when you consider the tax abatement and
16 the HPD financing, then your premise is false.

17 NICOLE FERREIRA: No, I think that we
18 should take a step back, and we should recognize that
19 affordable housing, if I may, affordable housing
20 construction in this city happens only because the
21 city of New York makes it happen. They invest
22 whether that be loan, whether that be bonds, whether
23 that be tax abatements. That's the only way--that is
24 the only way that you can actually get affordable
25 housing. So, 100% affordable housing--

1
2 COUNCIL MEMBER KALLOS: [interposing] But
3 it's not affordable. It's 175 units of luxury
4 developments in a 47-story tower in NYCHA.

5 NICOLE FERREIRA: [interposing] But
6 they're at 60% AMI. I don't understand why you think
7 that they're not affordable?

8 COUNCIL MEMBER KALLOS: Let's--let's begin
9 here--

10 NICOLE FERREIRA: And the other thing is
11 to say NYCHA is the most affordable housing in the
12 city and the reason to do this program is to ensure
13 that that remains the case.

14 COUNCIL MEMBER KALLOS: [interposing] But
15 you're losing money.

16 NICOLE FERREIRA: Residents do not pay
17 more than 30% of their income for rent. Our goal is
18 to ensure that that remains the case by investing new
19 resources in their buildings. I--I don't make up the
20 rules of affordable housing financing in the city.
21 It requires investments. You have to pay--

22 CHAIRPERSON TORRES: [interposing]
23 Council Member if you can--

24 NICOLE FERREIRA: --to get affordable
25 housing--

2 CHAIRPERSON TORRES: [interposing] Okay.

3 NICOLE FERREIRA: --and that's what we're
4 trying to do.

5 COUNCIL MEMBER KALLOS: Sure. So, I just
6 want to wrap on one piece, which is

7 NICOLE FERREIRA: Sure.

8 COUNCIL MEMBER KALLOS: --I think you and
9 the City Council have a different definition of
10 deeply affordable housing. 60% does make it so the
11 current site is 50% luxury and 50% middle-income
12 families at 60% of the median income, which is
13 \$40,080 for an individual to \$61,860 for a family of
14 five, but according to the NYCHA fact sheet the
15 average family income in NYCHA is \$24,336 with an
16 average monthly rent of \$509, which equates to an AMI
17 of about 30%, half of what this project is doing with
18 87.5 apartments set aside for NYCHA tenants, how can
19 they qualify and if they do, how do they even afford
20 to stay in the units?

21 NICOLE FERREIRA: Thank you for making
22 that point, which is that NYCHA housing is the most
23 affordable housing and for NYCHA residents who choose
24 to stay NYCHA housing, their rent will be no more
25 than 30% of their household income. If there are

1 things—it is never my desire to tell a NYCHA resident
2 that they should not have the right to move out of
3 public housing and—and—and have the ability to do
4 that. We have built something like 6,000 units of
5 this type of housing throughout our portfolio and
6 previous administrations working with HPD and others
7 to market to those families whose income and
8 circumstances may change. So, I think that this in
9 addition to providing affordable housing, it's
10 providing a pathway for those NYCHA families who
11 choose—who choose to leave the public housing system.
12 If they do not want to leave public housing, that is
13 absolute their right, but there are and is as
14 evidenced by this huge waitlist and the huge number
15 of residents who are interested and understand the
16 income requirements, there are huge number of
17 families who are interested in that. If, but again,
18 no NYCHA resident is going to be displaced because of
19 this program and, in fact, we are actually ensure--

20
21 COUNCIL MEMBER KALLOS: [interposing] But
22 they can't afford to get afford to get into—

23 CHAIRPERSON FERRERAS-COPELAND:
24 [interposing] Council Member, I need you to wrap up
25 your questions.

1
2 COUNCIL MEMBER KALLOS: Sure, I guess
3 it's just--

4 NICOLE FERREIRA: But it's not built for
5 them, Council Member Kallos.

6 COUNCIL MEMBER KALLOS: Exactly. You just
7 said it. Thank you. So, you're saying there are--

8 NICOLE FERREIRA: [interposing] They're--
9 they're in housing already.

10 COUNCIL MEMBER KALLOS: --an 87-unit set-
11 aside for NYCHA residents, but then you're just
12 saying that it's not built for them, and that's not
13 why you can take some of those out. (sic)

14 NICOLE FERREIRA: [interposing] But we
15 should provide an opportunity.

16 CHAIRPERSON TORRES: [interposing] Okay,
17 this--this exchange is over. Thank you very much.
18 We're going to move on. Your--your point is taken.

19 COUNCIL MEMBER KALLOS: Thank you.

20 CHAIRPERSON TORRES: I think I would
21 agree with you that 60% of AMI, which is about
22 \$40,000, \$50,000 is probably double the median income
23 and NYCHA for the--the average NYCHA household. So,
24 your point is taken. I don't know of anyone who
25 regards 60% of AMI as deeply affordable. It's low-

1 income by the federal definition, but it's not deeply
2 affordable. Ruben Wills.

3
4 COUNCIL MEMBER WILLS: Ruben Wills is
5 next up for questions and not part of that exchange.

6 CHAIRPERSON TORRES: Right.

7 COUNCIL MEMBER WILLS: Okay, not a
8 problem. Chairwoman, I'm not--my questions are of a
9 different nature--

10 CHAIRPERSON FERRERAS-COPELAND: Okay.

11 COUNCIL MEMBER WILLS: --and I just
12 wanted to ask you about the houses, the NYCHA homes
13 that were given to Habitat for Humanity and some
14 organizations prior to that, and I want to make sure
15 that it's on the record that I believe Habitat for
16 Humanity is a great organization. President Carter
17 has done a great job with it, and we've met with
18 Habit, and I signed off and said that we were happy
19 for this to happen. But it does bring up a couple of
20 things we need to speak about. One, even in the non-
21 profit sector, and I'm not saying this just for you,
22 I'm just asking you because you have the power to
23 help this. This seems to even ben in the not-for-
24 profit sector, a displacement of minority not-for-
25 profits also, and what I wanted to know was we came

1 prior to you to the previous chair when these houses
2 were being discussed, and we put forth a plan with
3 people who had—they were viable, people had money.
4 Everything is no conflicts, everything is great. For
5 them to actually do the same work for these NYCHA
6 homes. Their plan was discarded, but some of the
7 reference points of their plan were included in this
8 plan. So, what I want to know is, is there a—is
9 there a plan to now with the new—with the rest of the
10 houses that you have that are coming on is three
11 something we're going to do to make sure that
12 minorities are participating in this or is just going
13 to be because there's a large not-for-profit and
14 we're just going to give it to them?

16 SHOLA OLATOYE: Thank you for your
17 question and—and I'm sorry I have to have the last
18 word with Council Member Kallos even though he's not
19 here, similar to your questions these home I think
20 provide another avenue for people to move out of
21 public housing should they choose to do it. We have
22 worked very closely with Habitat for Humanity. We've
23 worked closely with the restored homes, which is a
24 non-profit arm of the city to not only take these
25 homes, take over them, rehab them and put them back

1 into ownership of people who live in the
2 neighborhood.

3
4 COUNCIL MEMBER WILLIS: Right.

5 SHOLA OLATOYE: That's been a really
6 important part and thank you for your help in making
7 that happen. I am not familiar with the plan that
8 you reference. I'd love to see that.

9 COUNCIL MEMBER WILLIS: No, it was before
10 you.

11 SHOLA OLATOYE: Okay, but I'd-I'd love to
12 see it, one. Two, we have done--this administration
13 and my administration has done, you know, by creating
14 an office an MBE office of Minority Women and
15 Business Enterprise Office, which didn't exist
16 before. We have--we just had a huge supplier
17 diversity fair several weeks ago, over 300 business
18 were there including Section 3 business concerns,
19 which as you know are often time--

20 COUNCIL MEMBER WILLIS: Right, right.

21 SHOLA OLATOYE: --MBE-WBE business, this
22 is the first time that we had over 30 of those
23 present. So, we're doing a lot to both recruit,
24 identify and match where possible those types--those
25 types of business, and I, you know, we should talk

1
2 offline about the specifics and the specific folks
3 that you're referencing. We are excited to say we're
4 getting to a place where we're—those homes will be a
5 smaller and smaller part of our portfolio because we
6 should not be managing them. They should be in-back
7 in productive use. So, please do share the
8 information that you talk about, but know that we a
9 commitment for MWBE developers, contractors, et
10 cetera to be in line also with the Mayor's pledge of
11 One NYC, and that's what we're committed to.

12 COUNCIL MEMBER WILLS: And just to make
13 sure because both chairs are very specific on making
14 sure that these things tie into finance. What I
15 wanted to ask—what I wanted to make sure was on the
16 record is I believe that not just the proposals or
17 the projections to give the houses over should have
18 minority consideration into it, but we've met with
19 Habitat and they've actually, they're actually doing
20 this now, but there should be a community preference
21 or a minority preference for the construction and the
22 vendors. So, those who are providing the boilers and
23 hot water heaters and plumbing, those who are
24 providing the drywall and the roofing and different
25 things like that, we want to make sure that there's a

1
2 community preference, because that brings economic
3 development to the community. One bidder that could
4 roofing from 20 of their homes can hire five people.
5 So, we want to make sure that those jobs stay in the
6 areas that are being affected by those homes.
7 Because many of the homes were blights for a long
8 time. So, if that's the case and the community had
9 to suffer with it, we think that the community should
10 have that mitigated by the benefits of that. So,
11 I'll just ask you guys be mindful. I mean I know
12 that you're staff is great. Honan has been
13 responsive, but we just want to make sure that that's
14 it.

15 SHOLA OLATOYE: Understood.

16 COUNCIL MEMBER WILLS: And thank you for
17 your time. Thank you, Mr. Chair.

18 CHAIRPERSON FERRERAS-COPELAND: Thank you
19 very much Council Member. We're going to start a
20 second round, which is a three-minute round. Both
21 chairs we're going to forego our questions, and we'll
22 just forward our questions to your committee to you. We
23 will now hear from Council Member Rosenthal followed
24 by Council Member Mendez.

25

1
2 COUNCIL MEMBER ROSENTHAL: Thank you so
3 much, Chairs. I actually wanted to follow up on-on
4 the layered access in CCTV, Chair. I wondered what
5 you see as the value of layered access and CCTV in a-
6 in a second, what do you-do you like it? Is it
7 useful to you? How is it useful to you?

8 SHOLA OLATOYE: I think more importantly,
9 it's something that the residents asked for. It's
10 something that our colleagues at NYPD would like to
11 see in all of our buildings, frankly, and it is-it
12 isn't a best practice in sort of housing development
13 as--

14 COUNCIL MEMBER ROSENTHAL: So, here's
15 what I'm getting at. I remember a couple of years
16 ago chatting with you about this and, you know, the
17 problem is that I think residents and council Members
18 are being sold-that the-the-the wonders-I don't want
19 to overstate this, but that the wonders of CCTV and
20 layered access are not the magical solution that
21 they've been sold to be. So, the one benefit that I
22 get out of it is that I can see because I asked for
23 the report, how many times a clip has been sent. You
24 know, a clip from the video from the CCTV, how many
25 times that's been asked for and sent over to the PD's

1 to resolve a crime, and it happens not infrequently
2 So, for me that's the value. I haven't seen the
3 value of a property manager, you know, reviewing a
4 tape correctly, and then being able to identify the
5 guy who's urinating in the elevator for example
6 addressing a quality of life issue. What I would
7 like to see because I think residents have no idea
8 what the value is of the cameras is that resident
9 tenant leaders and council members should get the
10 report that you can run that shows for each
11 development when those clips were used, and for what
12 type of crime. I've been getting this report, and it
13 allows me to tell the resident leaders, you know,
14 yes, NYPD is following up on this and the cameras are
15 working so that we can follow up on these issues.
16 But when I talked to your central staff about this,
17 the hiccup was not having the technology to be able
18 to spit out this report easily, and I just [bell]
19 want to express my frustration and disappointment
20 about that. If there's something I can do with
21 connecting you to DOITT to—to have a technology
22 person come in or—or if I can help find someone who
23 would do it for free. This is—this the answer to the
24 question so what about why we do this in the first
25

1 place, right. I don't—otherwise, the notion that,
2 you know, you're catching a crime and, you know, the
3 second the buzzer goes off someone is looking at a
4 camera that's been applied.
5

6 CHAIRPERSON FERRERAS-COPELAND:

7 [interposing] Council Member, can you please wrap up
8 you questions.

9 COUNCIL MEMBER ROSENTHAL: So, I just want
10 to know what you think about letting us, letting the
11 public see how they're used, and whether or not
12 they're used. So, let's give them the reassurance
13 that they want.

14 CHAIRPERSON FERRERAS-COPELAND:

15 [interposing] Thank you. Council Member, thank you.
16 I don't know if you have a response.

17 SHOLA OLATOYE: We can do it offline I
18 think.

19 COUNCIL MEMBER ROSENTHAL: Well, is that—
20 can you work with us?

21 SHOLA OLATOYE: I generally support
22 providing more information for people to make
23 information—to make informed decisions. So, I—we
24 should talk more about what that looks like.
25

1
2 COUNCIL MEMBER ROSENTHAL: Great. Thank
3 you, Chair.

4 CHAIRPERSON FERRERAS-COPELAND: Thank
5 you, Council Member. Council Member Mendez, followed
6 by Council Member Kallos, followed by Council Member
7 Wills. [background comments, pause]

8 COUNCIL MEMBER MENDEZ: Thank you, Madam
9 Chair. I—I wanted to ask some questions about
10 Compost Plaza, the one that is now owned 50% by NYCHA
11 and 50% by other companies now called Triborough LLP
12 I guess.

13 SHOLA OLATOYE: I'll see.

14 COUNCIL MEMBER MENDEZ: Okay. So, at the
15 time that this went to closing, my office and my
16 other colleagues who represent that area had some
17 meetings with NYCHA and the chosen developer on this,
18 and we were promised a whole bunch of things, which
19 are now not happening. So we were going to get
20 storefronts in there. That's not happening. I don't
21 know where the changes came in, and how they came in.
22 I just want to understand, and I see you, Brian,
23 shaking your head. So, I would like for someone to
24 clarify what happened to the storefronts that we were
25 told we were going to get there? The—the other thing

1 is there's a big issue there, two big issues. One is
2 the tenants there now can't call 311. 311 won't take
3 their repair complaints. They can't call NYCHA's
4 number in Queens because NYCHA won't take their
5 numbers. So, essentially the—the people in those
6 buildings and whatever other buildings were converted
7 can get a repair complaint put into the city of New
8 York. So, and now, and I don't understand. Some
9 residents are coming to my office that their
10 electrical bills are like off the hook. Just really
11 excessive, and I'm not quite sure. I'm assuming they
12 have to pay electrical, but it seems like it's higher
13 than other people in the surrounding area, and I'm
14 not quite sure what that's about, and I don't know if
15 it was in their leases when they changed to be this—
16 now have this new ownership and management company.

17 [background comments]

18
19 BRIAN HONAN: Councilman—Council Member,
20 Brian Honan, New York City Housing Authority. So we—
21 we did brief you and the other elected officials in
22 the area and storefronts were discussed. We did have
23 a conversation with the developer just recently and
24 storefronts are still part of the plan. What they
25 wanted to do, though, is make sure that all

1 renovations to the building itself and to apartments
2 were don first, but they definitely see the
3 storefronts as something that improves the area,
4 improves the safety because we talked about this are—
5 this area actually many years ago, how hit is. It is
6 a place where people who are, you now, doing things
7 that, you now, definitely are unsafe activity goes
8 on. So it's something that still remains part of the
9 plan, and still will be part of the conversation
10 moving forward.

12 COUNCIL MEMBER MENDEZ: So we can expect
13 commercial there because someone told me we were not
14 going to have any commercial after all.

15 BRIAN HONAN: From the latest plans that
16 we have, but we can re-engage with the developer and
17 come back to on that. From—from the latest
18 conversation yes, it is still part of the plan.

19 COUNCIL MEMBER MENDEZ: And the repairs.

20 SHOLA OLATOYE: Yes, I can.

21 COUNCIL MEMBER MENDEZ: Can someone tell
22 me about the repair line.

23 SHOLA OLATOYE: So, so first of all,
24 thank you for bringing this to our attention, and
25 this is I think, you know, one of the issues is—and

1 we're working with HPD and 311 to rectify it. It's a
2 technical solution, and just that 311 and HPD looked
3 at ACRIS, and we're still listed as the owners
4 because we do retain the deed, and so we are working
5 closely with HPD's Director of—I don't what Vinny's
6 title is, but we're working HPD and DOITT to ensure
7 that those residents call 311 like every other
8 resident and that that would not be a problem going
9 forward. That conversation is ongoing.

11 COUNCIL MEMBER MENDEZ: Madam Chair, if I
12 could just—the—the closing happened in 2014.

13 SHOLA OLATOYE: Right.

14 COUNCIL MEMBER MENDEZ: It is now 2017.
15 I've been consistently complaining about this and
16 it's not been resolved. So, I, you know, I don't
17 know how long it's going to take. I don't know if
18 the Mayor needs to pass an executive order or
19 something, but the tenants in those buildings should
20 be allowed to make repair complaints somewhere and
21 have it logged in the city. It's just taking too
22 long to resolve it.

23 SHOLA OLATOYE: Thank you for bringing it
24 to my attention. We will have a response back to you
25 shortly. Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member. We will hear from Council
Member Kallos, followed by Council Member Wills
followed by Council Member Rodriguez. I just to
remind everyone we are significantly behind now, and
I have two committees that are waiting to begin their
hearings. So, I ask you to please stick to your
time. Council Member Kallos.

COUNCIL MEMBER KALLOS: [off mic] You've
represented a capital deficit of \$17-[on mic] You've
represented a capital deficit of \$17 billion over the
next ten years. Assuming \$25 million at Holmes is an
average and not the high water mark, are you planning
to bring infill to all 326 developments listed on you
fact sheet to raise \$8.1 billion?

SHOLA OLATOYE: We have talked about Next
Gen. So, just to take a step back. Yes, we do have
a \$17 billion capital need. We have a current
physical needs assessment that's underway, which I
presume actually will increase that number per HUD.
We are engaged in doing development at other-at other
sites that generate revenue for the Authority as well
as crate affordable housing. This is one component
of our development program, and there ware other

1 parts of our work, which-which-which-that add to the
2 Next Door Neighbor Program.

3
4 COUNCIL MEMBER KALLOS: I have more
5 limited time. I need-I just--

6 SHOLA OLATOYE: Yeah, so it's one
7 component of the program.

8 COUNCIL MEMBER KALLOS: And are you
9 aiming for that \$8.1 billion at all-all the
10 developments or--?

11 SHOLA OLATOYE: I don't know your \$8-1.-
12 your \$8.1 billion.

13 COUNCIL MEMBER KALLOS: \$25 million times
14 326.

15 SHOLA OLATOYE: Yes, but that's-that's
16 your number. That's the number that we've received
17 in what is our first development program. This is
18 the first of what will be many, and we hope that it
19 will be higher. We hope that, you know, as a
20 reflection of-of the market, but it is one component
21 of our development program.

22 COUNCIL MEMBER KALLOS: In-in Chair
23 Torres' NYCHA hearing at Holmes Towers I recall there
24 being testimony that were approximately 80
25 developments that were being considered that have

1
2 been narrowed down to 40. We asked for that number
3 at the—we-we asked you to identify those locations at
4 the hearing. We have since sent Freedom of
5 Information Law request, which you've declined and at
6 the same time the Bloomberg Administration actually
7 released their full list of proposed infill
8 locations. So, I'm asking if you will be more
9 transparent than the Bloomberg Administration gave us
10 the names of the 40 developments right here and now.

11 SHOLA OLATOYE: Well, in fact, we've
12 been—I don't have—I don't have a list and, in fact,
13 we've talked about the characteristic of that
14 building, of—of those potential sites. The market
15 will change over what is a ten-year plan. I believe
16 we are much more transparent in that we have made the
17 commitment to start with resident engagement first.
18 That's what we've done at every single one of our
19 sites, and that's what we'll do continuing going
20 forward.

21 COUNCIL MEMBER KALLOS: I-I just as a
22 formal request and perhaps a term and condition
23 asking for that list, and then NYCHA is only taking a
24 one-shot payment of \$25 million here versus what you
25 had represented as part of NYCHA Next Gen as an

1 ongoing stream of income. Will Holmes be in a state
2 of good repair in perpetuity following this
3 investment, and what is the annual revenue stream for
4 this development's luxury units, and the middle-
5 income units?
6

7 SHOLA OLATOYE: There is a—our plan is to
8 receive the resources that we've identified, \$25
9 million. It will address a significant portion of
10 Holmes capital repair, capital plan. It is the
11 intention to get it to a good state of working
12 repair. [bell] That's our—that is what our hope is,
13 but buildings do age and this is a—this is the
14 commitment to deal with the issues as we currently
15 state—as are currently stated.

16 COUNCIL MEMBER KALLOS: Revenue streams?

17 SHOLA OLATOYE: And what are the ongoing
18 revenue streams to them. We'll have to—I'll have to
19 follow up with you and give you that specific
20 information.

21 COUNCIL MEMBER KALLOS: By the end of
22 today?

23 SHOLA OLATOYE: We'll see.

24 COUNCIL MEMBER KALLOS: Tomorrow?
25

CHAIRPERSON FERRERAS-COPELAND: Thank
you—thank you Council Member. We will hear from
Council Member Wills followed by Council Member
Rodriguez.

COUNCIL MEMBER WILLS: Good afternoon
once again. We started a—with the Queens EDC, we had
a program fro entrepreneurs, and we did that
ourselves to make houses. It was recently in the
newsletter about the success. I think there was like
12 entrepreneurs we took out of there, and we did
business proposals and things like that. Do you have
any plans on taking that citywide for NYCHA, and I'm
asking because the potential for us to create
business owners, and then the retention of those
small businesses and leading them to self-sufficiency
would not only allow those people to come out of
NYCHA houses but bet there during the two or three
years where it's the hardest for a small business to
actually sustain itself, but also allow them to
create jobs within the city. So, is there anything—
is there any plan that you have to actually take that
program and do a path on the model. Well, we are the
path on the model, but do a model itself.

1
2 SHOLA OLATOYE: Sure. Because that was I
3 think at South Jamaica Houses.

4 COUNCIL MEMBER WILLS: Yes, South Jamaica
5 Houses and EDC.

6 SHOLA OLATOYE: And a great initiative.
7 So, we would absolutely love to work more with-with-
8 the Queens EDC--

9 COUNCIL MEMBER WILLS: [interposing] EDC.

10 SHOLA OLATOYE: --or around that.

11 COUNCIL MEMBER WILLS: Right.

12 SHOLA OLATOYE: What we have done broadly
13 around Food Pathways, Childcare Pathways, there may
14 be other Pathways is work closely with our colleagues
15 at SBS, and-and

16 COUNCIL MEMBER WILLS: [interposing]
17 Right the Commissioner.

18 SHOLA OLATOYE: --private, right and-and
19 private partners to actually fund more of this kind
20 of work. So, we absolutely know that it works, and
21 we want to do more of it, and it is something that we
22 want to-and I know this is something that the chair
23 mentioned that she's quite interested in as well is
24 seeing-seeing more of these kinds of initiatives
25 going forward.

1
2 COUNCIL MEMBER WILLIS: So, would you be
3 opposed to or would you support—I don't like oppose
4 but would you rather—would support—not a taskforce,
5 but a working group interagency with NYCHA and SBS,
6 the commissioner. I know it's important to Robert
7 Cornegy the Small Business Chair to do something to
8 make sure that we can push these initiatives forward?

9 SHOLA OLATOYE: Right, I would say that
10 already exists given the work that we're doing, and
11 if we—and if we are not inclusive of you and others
12 in those conversations, we need to do so.

13 COUNCIL MEMBER WILLIS: Alright, thank and
14 you have the rest of my time.

15 CHAIRPERSON FERRERAS-COPELAND: Thank you
16 Council Member. Council Member Rodriguez.

17 COUNCIL MEMBER RODRIGUEZ: Thank you,
18 Chair. Citi Bike we are working right now on
19 expanding Citi Bike, and we heard yesterday and we
20 support what it looked that finally we will see Citi
21 Bike throughout the whole city, and one of the areas
22 that Motivate has shared with is how NYCHA has been a
23 partner where they provide these major discounts for
24 the residents of NYCHA who for their membership of
25 Citi Bike. Are you—is anyone entertaining

1 conversation or if Motivate the company that is
2 working to expand Citi Bike can see a resident of
3 NYCHA taking more advantage of the discounts that
4 they are offering to their residents of NYCHA?
5

6 SHOLA OLATOYE: So, just let me make sure
7 I understand the question. Are we working to make
8 sure that more people know about Citi Bike and--

9 COUNCIL MEMBER RODRIGUEZ: Well, like how
10 many--how many NYCHA residents benefit from that
11 discount?

12 SHOLA OLATOYE: Yeah, I don't have that
13 number. I don't--the one program I don't run. So, we
14 work very closely with my colleague Polly Trottenberg
15 at the Department of Transportation on--I've done
16 events with her in developments across the city to
17 increase the awareness of the program to make sure
18 that residents know that there is a discount. It's \$5
19 a month for the program. I'm--if there's more that we
20 can do with you, we'd be happy to do so.

21 COUNCIL MEMBER RODRIGUEZ: Okay. Look,
22 I--I just hope that we can take advantage of, you
23 know, the private companies since they are right now
24 in conversation with the DOT, but it isn't what the
25 Commissioner said yesterday, and we have been in--in

1 places where residents of NYCHA they have expressed
2 how this initiative where they are getting a discount
3 for the membership has a positive impact. It's
4 something that we continue taking advantage. I think
5 it's important to know how many residents of NYCHA
6 are enrolling in the membership of CitiBike and--and
7 what are the expectations, and how that number can
8 increase as we will see an expansion of CitiBike
9 through the five boroughs.
10

11 SHOLA OLATOYE: [pause] Sorry, we
12 support--the CitiBike is--is an important citywide
13 initiative. It's part of the Mayor's effort to, you
14 know, better connect city neighborhoods, health
15 outcomes, all of those things. I'd be happy to sit
16 with you or--

17 COUNCIL MEMBER RODRIGUEZ: Okay.

18 SHOLA OLATOYE: --to find out--

19 COUNCIL MEMBER RODRIGUEZ: I--I just think
20 it's important to be able to collect those data for
21 NYCHA as the private company has already been saying
22 that that NYCHA is a partner or it is like two or
23 three sectors of the city that they get major
24 discounts from the membership. Because, you know, I
25 was with the governor this morning. One thing that

1 the governor was, you know, [bell] we as a nation
2 created some ghetto when we built NYCHA quoting the
3 governor. Like what we have done it was just
4 supporting like all poor people in a particular area,
5 and we know that most of those residents they don't
6 have the services that the rest of the New Yorkers
7 have. And I know that you come with the leadership
8 that you are committed to close the gap. But if you
9 look at our obesity and asthma, you know, if we look
10 at New Yorkers that are dealing with those--

12 CHAIRPERSON TORRES: [interposing] Okay,
13 if we can wrap up Council Member.

14 COUNCIL MEMBER RODRIGUEZ: --there is-so
15 for me my suggestion is to recall the data to get the
16 information on how members from NYCHA are the ones
17 that get the subsidy from Citi Bike.

18 SHOLA OLATOYE: And I hear you, and I
19 guess what I'm saying is we will absolutely make sure
20 that that is something that the private operators do.
21 They would be the best people to do that as they
22 monitor the ridership of that system, and we'd be
23 happy to work with you to get that information so
24 that we could advance the things that you're talking
25 about.

1
2 COUNCIL MEMBER RODRIGUEZ: Great. Thank
3 you.

4 SHOLA OLATOYE: You're welcome.

5 CHAIRPERSON TORRES: Before we conclude,
6 I just want to review some of the facts around this
7 letter because I spoke to the DOI Commissioner, and
8 he has not received this letter that your agency
9 supposedly sent. I spoke to the NYCHA IG and he has
10 not received this letter that your agency sent. I
11 spoke to three of your staffers none of who could
12 confirm the existence of this letter, and then when I
13 requested a letter a week ago, it has not been
14 received. I hope I'm wrong but I feel like I'm being
15 mislead, and if I'm not, please send me the letter,
16 I'd be happy to set the record straight. [background
17 comments, pause] I-I just hope your future letters
18 can make it to the DOI Commissioner and to the NYCHA
19 Inspector General and, you know, so thank you for
20 your time.

21 SHOLA OLATOYE: Thank you.

22 CHAIRPERSON TORRES: Have a wonderful
23 day.

24 CHAIRPERSON FERRERAS-COPELAND: That
25 concludes the first part of today's budget hearings.

1 I want to thank the Chari for testifying. I also
2 want to thank Chair Torres and the members of the
3 Public Housing Committee. As a reminder, the public
4 will be invited to testify on Thursday, May 25th, the
5 last day of budget hearings. We will now take a 10-
6 minute break before we hear from the Department of
7 Information Technology and Telecommunications.
8

9 [background comments, pause]

10 CHAIRPERSON TORRES: I'm sorry. Let-let
11 the record reflect that this letter was sent two days
12 ago. So, just-[pause]

13 CHAIRPERSON FERRERAS-COPELAND: Good
14 afternoon, and again, thank you for your patience. I
15 know that we were a little delayed. Our prior
16 committee took a little longer than expected. My
17 name is Chair Ferreras-Copeland. I'm the Chair of
18 the Finance Committee. I will now continue the tenth
19 day of budget hearings with testimony from
20 Commissioner Anne Roest and the Department of
21 Information Technology and Telecommunications. The
22 Finance Committee is joined this afternoon by Co-
23 Chairs Council Members Jimmy Vacca and David
24 Greenfield, and the members of the Technology and
25 Land Use Committees. In the interest of time, I will

1 forego an opening statement, and turn it over to my
2 co-chairs, Chair Vacca followed by Chair Greenfield.

3 CHAIRPERSON VACCA: Thank you, Chair
4 Ferreras and I'm James Vacca. I'm Chair of the
5 Committee on Technology. I want to thank the Finance
6 Chair and Council Member Greenfield for co-chairing
7 the hearing with me today, and I also want to thank
8 the Finance Division and John Russell for all the
9 work that they did for today's hearing. Today, we're
10 holding the budget hearing for the Department of
11 Information Technology and Telecommunications.

12 [background comments] Excuse me. [gavel] As
13 government operations continue moving online and
14 digital technologies become more and more important
15 for the everyday activities of our city, DOITT plays
16 an increasingly important role in the functioning of
17 the City of New York. The department's proposed
18 Fiscal 2018 Budget totals \$622 million including \$135
19 million in intercity payments for other-from other
20 agencies for telecommunication services, and support
21 for which DOITT coordinates payment. The
22 department's personnel services funding for Fiscal
23 2018 totals \$150.7 million to support 1,768 full-time
24 positions. DOITT's Fiscal 2018 Executive Budget is
25

1 \$23.6 million less than its Fiscal 2017 Adopted
2 Budget of \$226 million--\$226.7 million. The decrease
3 results primarily from the department's citywide
4 savings program and other re-estimates that will
5 serve to eliminate budget surpluses. In the
6 Executive Budget, DOITT has identified \$10.7 million
7 in new needs for Fiscal 2018 including \$6.2 million
8 in additional funding for citywide procurement
9 technology and \$3 million to extend positions working
10 on IT capital projects. DOITT has also identified a
11 savings program that would generate-generated budget
12 savings of \$8 million Fiscal 2017 and \$6 million--
13 \$6.7 million in Fiscal 2018. We're going to hear
14 testimony today about the 2018 Fiscal Budget, and
15 we'll examine closely new proposals in your Contract
16 Budget and your Capital Commitment Plan. We'll be
17 talking about the public safety answering centers,
18 the funding rollover of about \$7 million and also the
19 \$6.2 million designated for citywide procurement
20 technology. I'm sure we'll be talking about New York
21 City Wireless Network known as NYCWIN, and the
22 associated cost in savings, and without further ado,
23 I think my co-chair Council Member Greenfield has
24 some remarks, and then I look forward to hearing from
25

Commissioner Roest and her staff who are here today.

I want to thank my staff, my Chief of Staff Frank Frioli and my Legislative Director, Zach Hecht (sic) who's here who did so much of the work and, of course, my Council staff as always do a great job here at the Council.

CHAIRPERSON GREENFIELD: Thank you, Mr. Chair. Thank you Madam Chair. My name is David Greenfield. I am the Chair of the Council's Committee on Land Use and looking forward to the Fiscal 2018 Executive Budget for the Department of Information Technology and Telecommunications. I want to thank the Chair. I want to thank the staff, especially Paul Sloan and John Russell. I want to thank my staff Danny Paulstein and Malana Chacheva (sp?) for focus on daily which provides for the sustained, efficient and effective delivery of IT services, infrastructures and telecoms to enhance the service delivery for the city's residents, business employees and, of course, visitors. With the current Administration we have seen a significant a significant increase in resources including hundreds of additional full-time positions. The increases are largely driven by new investments in IT security

1
2 efforts to insource contracted services, and the
3 second fully operational 911 call taking center
4 lovingly known as PSAC II. Who comes up with these
5 names? I'm going to find out for you in a few
6 minutes. During today's hearing the Council would
7 like to review the performance of these new
8 initiatives to discuss the challenges of implementing
9 such a large scale effort. We hope to hear these
10 investments are paying off and that we're seeing
11 significant improvements to government operations.
12 With such large investments at stake, it's important
13 for us to know that they're properly scaled and
14 structured in order to ensure efficiency. I want to
15 thank the DOITT Commissioner Anne Roest and her staff
16 for joining us today. I look forward to continue to
17 work With DOITT in finding more ways to leverage
18 technology to make our government more accessible and
19 efficient. Thank you very much.

20 CHAIRPERSON FERRERAS-COPELAND: Thank
21 you, Chair Greenfield.

22 CHAIRPERSON VACCA: [interposing] If I
23 could interject one thing as Chair of the committee,
24 I do want to say that I recently toured PSAC II with
25

1
2 your staff, and it's in my district, and I was
3 overwhelmed.

4 CHAIRPERSON GREENFIELD: Do you know why
5 it's called PSAC II?

6 CHAIRPERSON VACCA: I do know why.

7 CHAIRPERSON GREENFIELD: Why is it called
8 PSAC II?

9 CHAIRPERSON VACCA: It's a backup to PSAC
10 I.

11 CHAIRPERSON GREENFIELD: It's after PSAC
12 I. It's very good.

13 CHAIRPERSON FERRERAS-COPELAND: I feel
14 like I'm in a weird comedy show right now.

15 CHAIRPERSON VACCA: Well, he's trying-
16 yeah, he's trying stoke me. I know what's going on.
17 [laughter] But it-it was fantastic to see.

18 CHAIRPERSON FERRERAS-COPELAND: Great.
19 Excellent. I don't-we've been joined by Council
20 Members Wills, Richards, Cohen, Palma, Grodenchik,
21 and Koo. After you're sworn in my our counsel,
22 Commissioner, you may begin your testimony.

23 LEGAL COUNSEL: Do you affirm to tell the
24 truth, the whole truth, and nothing but the truth in
25

1 your testimony before the committee today, and to
2 respond honestly to Council Member questions?

3
4 LEGAL COUNSEL: Do you affirm to tell the
5 truth, the whole truth, and nothing but the truth in
6 your testimony before the committee today, and to
7 respond honestly to Council Member questions?

8 CHAIRPERSON FERRERAS-COPELAND: [off mic]
9 You may begin.

10 COMMISSIONER ROEST: [off mic] Okay,
11 great. Thank you and good afternoon Chair Ferreras-
12 Copeland, Chair Greenfield, Chair Vacca and Members
13 of the Council Committee on Finance, Land Use and
14 Technology. My name is Anne Roest, and I'm the
15 Commissioner of the Department of Information
16 Technology and Telecommunications or DOITT and I'm
17 the New York City's Chief Information Officer. Thank
18 for you for the opportunity to testify today about
19 DOITT's Fiscal 2018 Executive Budget. With me are
20 Annette Heintz, Deputy Commission for Financial
21 Management and Administration; John Winker, our
22 Associate Commissioner of Financial Services and
23 Michael Pastor, our General Counsel. DOITT's Fiscal
24 2018 Executive Budget provides for operating expenses
25 of approximately \$621.7 million allocating \$150.7

1 million in personnel services to support 1,768 full-
2 time positions and \$471 million for other than
3 personnel services. This includes \$135 million in
4 intercity funds transferred from other agencies for
5 services provided representing approximately 22% of
6 our total budget allocation. Telecommunication costs
7 represent the largest portion of this intercity
8 expense, which is project at \$109 million for Fiscal
9 2017. I'm proud to share that we have identified
10 efficiencies for Fiscal 2018. DOITT found \$6.7
11 million in savings and reductions, through measures
12 such as license cancellations across various hardware
13 platforms. DOITT also received additional funding in
14 both Fiscal Year 2017 and '18 that is designated
15 specifically for citywide IT projects, which fall
16 under our administrative or technical oversight
17 responsibilities. For Fiscal 2017, the budget
18 appropriation increased by \$4.8 million from the
19 Fiscal 2018 Preliminary Budget for the Community
20 Parks Initiative or CPI project, and for future grant
21 funding for the Cyber Security Program. DOITT's
22 Fiscal 2018 Budget appropriation has increased by
23 \$18.6 million from the Preliminary Budget. The net
24 increase represents additional grant funding received
25

1 for Housing Recovery Office and tax levy funding for
2 CPI to fund IT related procurements that DOITT
3 manages. Additionally, these funds are the result of
4 the rollover of one-time funding from Fiscal 17 for
5 programs including broadband deployment and CESIS
6 project management. The funding reflects DOITT's
7 mission to help our partner agencies secure the right
8 technological solutions for the critical programs
9 they enact, programs that make this the greatest city
10 in the world in which to live, work and play. While
11 we've identified a significant amount of savings for
12 Fiscal Year 18, DOITT always has an eye toward future
13 savings in the out years. As we detailed in our
14 Preliminary Budget testimony, we've developed a 30-
15 head in-source pool, a roving team of DOITT tech
16 experts who serve in roles traditionally filled by
17 outside consultants. To date 21 team members have
18 been hired and have already worked on multiple
19 projects saving \$2 million that otherwise would have
20 been spent on third-parties. Three more people are
21 in the process of joining the Insource Team, and we
22 will continue to look for more ways to make
23 consultant conversions. In future fiscal years there
24 will be tens of millions of dollars in annual savings
25

1 through the decommissioning of the New York City
2 Wireless Network or NYCWIN. NYCWIN is our government
3 dedicated broadband wireless infrastructure, which
4 was created to support central city operations. As
5 you know, since I became commissioner, we've been
6 trying to find savings for NYCWIN, which costs that
7 city more than \$40 million a year in operation and
8 maintenance. To that end, DOITT released an RFI to
9 gather ideas on ways to more efficiently use the
10 network, none of which offered a cost-effective
11 solution. At this point, NYCWIN will only get more
12 expensive requiring hundreds of millions of in
13 upgrades in the near future simply to maintain the
14 existing network. Therefore, as a matter of
15 financial prudence we have decided to transition
16 agencies from NYCWIN to commercial carriers. This
17 should reduce the cost to less than \$10 million a
18 year saving the city more than \$30 million annually
19 in fiscal finance-fiscal years. We are actively
20 working with all agencies to ensure a smooth and
21 seamless transition. In addition to a strong savings
22 program, we have a novel and lucrative revenue
23 generating program in place, LinkNYC, a key element
24 in the Mayor's plan to bring affordable, reliable
25

1 high speed broadband to New York City's residents and
2 businesses by 2025. LinkNYC is our franchise to
3 replace the city's outdated pay phone infrastructure
4 with free database spewed WiFi kiosks. The franchise
5 guarantees \$500 million in added revenue to the city
6 over the first twelve years that LinkNYC is in
7 operation with a guaranteed minimum of 50% of gross
8 advertising revenue each year at no cost to the
9 taxpayers. In Fiscal Year 18 we project \$25 million
10 in revenue. With nearly 800 active kiosks across all
11 five boroughs we expect the continued success of this
12 unprecedented project. Before concluding, I'd like
13 highlight two critical citywide initiatives in
14 DOITT's purview to help ensure the safety and
15 security of New Yorkers. First, the Emergency
16 Communications Technology-Transformation Program.
17 ECTP, which is the city's project to modernize and
18 consolidate the city's 911 emergency communication
19 systems. It's the most complex system of its kind.
20 Under DOITT's management, ECTP is on time and on
21 budget. We are particularly proud of the progress
22 that the Public Safety Answering Center or PSAC II
23 located in the Bronx. In 2014, after years of delay,
24 Mayor de Blasio directed DOITT to take the-over
25

1 project management, and wanted to put PSAC II back on
2 track. When NYPD took its first call last June, the
3 City took an enormous step toward implementing a
4 fully resilient 911 system. We'll continue to invest
5 in the city's 911 system in collaboration with NYPD
6 and FDNY to ensure continued efficiency of emergency
7 public safety services throughout the city. Second,
8 I'd like to highlight a particularly topical unit
9 within DOITT, our excellent Cyber Security Team. Our
10 Cyber Team leads the effort to protect the city
11 systems and assets from ever evolving cyber threats.
12 This Administration has made a tremendous commitment
13 to fortify the Cyber Security Team in recent years
14 with a significant increase in investment for
15 enhanced technology to stay ahead of those threats,
16 and the addition of the citywide Chief Information
17 Security Officer to spearhead proactive and
18 progressive risk management strategies. These
19 critical investments have put the city in a better
20 position than we've ever been before. This was
21 exemplified during the recent ransomware attack
22 experienced around the globe with our agile and
23 aggressive team swiftly acting to appropriately
24 harden the city's digital defense. However, no
25

1 matter what's going on in the rest of the world, this
2 team works in defense of the city for our data and
3 infrastructure 24x7. I appreciate the opportunity to
4 discuss DOITT's 2018 Executive Budget. This
5 concludes my prepared testimony and I will gladly
6 take any questions. Thank you.

8 CHAIRPERSON FERRERAS-COPELAND: Thank
9 you, Commissioner. I'm going to actually forego my
10 first round of questions, and I'll come back on the
11 second round to give both our Chairs are an
12 opportunity to ask their questions. We will hear
13 from Chair Vacca followed by Chair Greenfield.

14 CHAIRPERSON VACCA: Thank you for your
15 testimony, Commissioner. I did mention PSAC, too,
16 before, and I was very impressed.

17 COMMISSIONER ROEST: Thank you.

18 CHAIRPERSON VACCA: The technology was
19 just unbelievable and the entire facility is a
20 tribute to our city. I wanted to ask you, though, do
21 you think that there are any times in the future
22 where even the technology in a place like PSAS II
23 would be outdated, and there will be needs to have
24 capital infrastructure expenditures to update that
25 technology as advanced as I know it is now?

COMMISSIONER ROEST: Uh-huh. So, there-
there's a couple initiatives on the front. One, we
do have a Technology Refresh Program in the Capital
Budget that is for PSAC I right now, but eventually
we'll plan for PSAC II. In fact, we did put together
a multi-year plan to maintain currency in all of this
technology. The other initiative, as you know, is
the Next Gen 911 Program, which will, in fact,
upgrade large components of the 911 systems in both
of the PSACs.

CHAIRPERSON VACCA: So, you feel that
it's adapt—the technology will be adaptable or can be
made adaptable to the next generation program?

COMMISSIONER ROEST: Absolutely. In
fact, we'll be happy to sit down and talk to you
about how we've laid out a plan that will take us
through 2022 and then we have actually fiscal plans
year after year for the next ten years to make sure
that we do maintain currency.

CHAIRPERSON VACCA: And you've planned
for that as a Capital Budget expenditure?

COMMISSIONER ROEST: Yes.

CHAIRPERSON VACCA: Okay. I wanted to
talk to you about recent worldwide malware attacks,

1 and whether or not we are prepared. Many
2 institutions nationally or internationally have been
3 affected, and I wanted to know if you know—if you
4 think there's any need to increase vigilance or
5 increase the part of the budget that deals with this.
6 Do—do you think the city is—would be secure against
7 an attack as pervasive as what we've seen around the
8 world?
9

10 COMMISSIONER ROEST: So, cyber you can
11 imagine is—is one of the things that does keep us
12 awake at night. It's one of the biggest challenges we
13 have. I do want to say that this administration has
14 been very supportive of everything we've asked for on
15 the cyber front. They've doubled the staff over the
16 last few years in the Cyber Unit, and have committed
17 additional funding for technologies, and—and I'm
18 confident that whatever we need to protect they city,
19 they will be supportive. We're in direct and
20 frequent communications with the First Deputy Mayor's
21 Office about cyber. They're interested and
22 supportive of whatever we need to do. So, I feel
23 we're in a good place. Again, cyber is an ever-
24 evolving field, you know. The threats are constant,
25 but we have significant support.

1
2 CHAIRPERSON VACCA: I did want to go into
3 something I cited in my original opening, and that
4 was the use of rollover money. Sometimes your agency
5 and also the Office of Film deals with rollover money
6 from one fiscal year to the next. And I'd like to
7 ask you how much money is going to be rolled over
8 from one—from-in your agency and if you can—if you
9 can answer in the Office of Film how much of a
10 rollover are we talking about, and are we able to
11 always access money in that fashion?

12 COMMISSIONER ROEST: Okay. John, will
13 you? Okay, I'm going to ask John Winker to take the
14 rollover question.

15 ASSISTANT COMMISSIONER WINKER: Good
16 afternoon. My name is John Winker. For FY18 we do
17 have rollovers. Primarily the monies that do
18 rollover from year to year are non-city funded types
19 of funds. This year we do have some C-CTL funding
20 rolling over for broadband and CESIS. Those are at
21 \$3.3 million each. As far as normally (sic)
22 concerned there was some surplus monies that were
23 taken out of the Incentive Program this year. That's
24 not rolling over. That's \$7.2 million. Those were
25 accruals that were taken down by OMB. As far as the

1 funding rollover, it's \$2.1 million. So that's
2 related to the CPB program, which is a federally
3 funded grant that they receive yearly. Those are the
4 biggest items that we had rolling over this
5 particular year.

6
7 CHAIRPERSON VACCA: Now, I think the
8 Office of Film had a rollover. Can you explain that?
9 That—that may come up and I just wanted to know

10 ASSISTANT COMMISSIONER WINKER: Well,
11 MOME had—it's—which is the same office they had a
12 \$2.1 million CPB rollover, and those federal monies.
13 That's grant money.

14 CHAIRPERSON VACCA: So that can be for
15 future—

16 ASSISTANT COMMISSIONER WINKER: It will
17 be used.

18 CHAIRPERSON VACCA: There was an
19 incentive program.

20 ASSISTANT COMMISSIONER WINKER: The
21 incentive program for FY18 or FY17 had a \$7.2 million
22 surplus that was taken out. It was not rolled over
23 to FY18.

24 CHAIRPERSON VACCA: What happened with
25 that? It was taken out as a--

1
2 ASSISTANT COMMISSIONER WINKER: It was
3 taken out as an accrual.

4 CHAIRPERSON VACCA: It was taken out as
5 an accrual?

6 ASSISTANT COMMISSIONER WINKER: Surplus.

7 CHAIRPERSON VACCA: So, if it was taken
8 out as an accrual, is--does that mean that it's
9 partially meeting a budget?

10 ASSISTANT COMMISSIONER WINKER: It was
11 not part of a budget--It was not part of a budget cut.
12 It was not part of their target.

13 CHAIRPERSON VACCA: So, then where did
14 that money go if it was not--

15 ASSISTANT COMMISSIONER WINKER:
16 [interposing] It goes back to the General Fund.

17 CHAIRPERSON VACCA: It went back to the
18 General Fund.

19 ASSISTANT COMMISSIONER WINKER: That's
20 correct.

21 CHAIRPERSON VACCA: So, because that
22 money was not spent that agency lost the money.

23 ASSISTANT COMMISSIONER WINKER: That's
24 correct.

CHAIRPERSON VACCA: There lost all \$7
million?

ASSISTANT COMMISSIONER WINKER: That's
correct.

CHAIRPERSON VACCA: Okay. So, that money
is not being rolled over.

ASSISTANT COMMISSIONER WINKER: No.

CHAIRPERSON VACCA: Okay. Is there
anything in this—is there any new need that you
perceive that the city has not funded for DOITT or
MOME for that case? Is there any new need that you
think has not been met that you would like the
Council to consider?

ASSISTANT COMMISSIONER WINKER: There—
there are no new needs that are currently pending.
We have had some capital projects recently approved
that will generate some new needs in the out years
related to the maintenance but that's—that's usually
approved as a matter of course. That's just when the
CP is approved, the expense follows. But that
doesn't necessarily happen in that current plan. It
can happen in subsequent plans, which is what will
happen next year.

CHAIRPERSON VACCA: Well, I am interested
in procurement. I know you received \$6.9 million
more in the procurement area for and I think that
procurement--

ASSISTANT COMMISSIONER WINKER:
[interposing] That's the CPI program.

CHAIRPERSON VACCA: And that's--that's the
initiative? That's the name of the initiative?

ASSISTANT COMMISSIONER WINKER: That's
correct.

CHAIRPERSON VACCA: So are we making
upgrades to the city's procurement technology with
this money, and how will--how will--how will it improve
a procurement.

ASSISTANT COMMISSIONER WINKER: Well,
certainly there are some upgrades that are going on.
As far as the upgrades I guess we could speak a
little bit to that but primarily that's being managed
the Mayor's Office of Contracts, that program.

DEPUTY COMMISSIONER HEINTZ: Yeah, I just
want to add--Annette Heintz, Deputy Commissioner of
Finance, Management and Administration. The program
being run by the Mayor's Office of Contracts is for a
procurement system for the city. The city currently

1 does not have a citywide procurement system. Most-
2 most agencies have small systems that they built
3 themselves. So, it's a new technology, and it's
4 being implemented as part of the CPI program by the
5 Mayor's Office. We are holding the contract.

7 CHAIRPERSON VACCA: So you're telling me
8 city agencies, of course, have their own procurement
9 processes, and they have their own ability to do
10 that, but now with this money there's going to be a
11 citywide procurement overall umbrella type thing
12 where agencies can procure through a central portal?
13 Is that what we're talking about?

14 DEPUTY COMMISSIONER HEINTZ: Using a
15 central technology.

16 CHAIRPERSON VACCA: Central technology.

17 DEPUTY COMMISSIONER HEINTZ: And it's—and
18 it's—and from what I know from my 30 years, it's
19 sorely needed. [laughs]

20 CHAIRPERSON VACCA: But there will be
21 one—one vehicle for procurement in the city that all
22 agencies will use?

23 DEPUTY COMMISSIONER HEINTZ: Yeah, that
24 they have a number of agencies including DOITT are
25 participating on these—on teams so that agencies that

1 have processes that are different, or require
2 something different, the technology project gets
3 incorporated into the design of the system. So,
4 there's—there's a pretty broad group of city agencies
5 all participating in the design.
6

7 CHAIRPERSON VACCA: Is there a training
8 component?

9 DEPUTY COMMISSIONER HEINTZ: There will
10 be a training component yes.

11 CHAIRPERSON VACCA: Okay. When do we
12 envision this to be in place?

13 DEPUTY COMMISSIONER HEINTZ: It's real-
14 really just managing the contract and MOCS is
15 managing the contract. They think there's two more
16 year on it. I do not have an implementation date,
17 though for MOCS.

18 CHAIRPERSON VACCA: Are all agencies able
19 to use it, or will able—will agencies be required to
20 use it, and are we talking about non-mayoral agencies
21 also like NYCHA and HHC? Tell me the dimensions of
22 what we're talking about.

23 COMMISSIONER ROEST: So again, MOCS is
24 managing the program. We'd love to get some
25 information from MOCS either in writing or meeting to

1
2 go over the scope of the program and the schedule
3 with you.

4 CHAIRPERSON VACCA: I'd-I'd appreciate
5 the.

6 COMMISSIONER ROEST: We'll do that.

7 CHAIRPERSON VACCA: Okay, Council Member
8 Greenfield.

9 CHAIRPERSON GREENFIELD: Thank you,
10 Chair. Thank you very much. I-I did want to follow
11 up on a few-a few of the issues that we-the Chair
12 just discussed just for starters. The-the funding
13 for MOME, you said it was a surplus of some \$7.2
14 million. Is that correct.

15 ASSISTANT COMMISSIONER WINKER: Yes,
16 that's correct.

17 CHAIRPERSON GREENFIELD: Was that from
18 MOME's Film Incentive program? Would that be--?

19 ASSISTANT COMMISSIONER WINKER: That's
20 correct.

21 CHAIRPERSON GREENFIELD: Okay, can you-
22 can you tells more about this? The reason I'm asking
23 is because as you know, the Council is very focused
24 on trying to cut the fat from the budget, and this is
25 something that didn't-wasn't spent last year, perhaps

1 there's no need to spend it this year. So, might you
2 be familiar with the good works that MOME is doing,
3 and perhaps explain to us why they didn't spend the
4 \$72 million—.2 million and why they are still seeking
5 a good portion of that funds for this year.
6

7 ASSISTANT COMMISSIONER WINKER: I do not
8 have any details regarding how—why those accruals
9 occurred.

10 CHAIRPERSON GREENFIELD: Okay.

11 ASSISTANT COMMISSIONER WINKER: Just
12 that, you know, what the budget impact is of those
13 accruals.

14 CHAIRPERSON GREENFIELD: So, what is the
15 role of DOITT in relation to MOME so we can clarify
16 that for our viewers at home.

17 COMMISSIONER ROEST: So—

18 CHAIRPERSON GREENFIELD: Or in the
19 office, if you're in the office I hope you're not on
20 government time because you really should be working,
21 but I won't tell anybody. Okay. [laughter]

22 COMMISSIONER ROEST: Make sure we're
23 working. So, DOITT's role--

24 CHAIRPERSON GREENFIELD: I don't even
25 know that people are watching in the office, yes.

2 COMMISSIONER ROEST: DOITT is a provider-

3 -

4 CHAIRPERSON GREENFIELD: [interposing]
5 Can you imagine how bored they must be in an office
6 if they're watching a Council hearing? Okay, I'm
7 sorry. Yes.

8 COMMISSIONER ROEST: [laughs] So, DOITT
9 provides administrative support to organizations.
10 We're--we're a big agency--

11 CHAIRPERSON GREENFIELD: Yeah.

12 COMMISSIONER ROEST: --we're a strong
13 team, Finance Council budgeting. So we provide
14 administrative support to some smaller organizations.
15 We do not manage the programs in those organizations.

16 CHAIRPERSON GREENFIELD: Okay, so they
17 just fall under your purview technically, but you
18 don't supervise them in any way shape or form?

19 COMMISSIONER ROEST: We don't supervise
20 them. We, again, provide administrative support.

21 CHAIRPERSON GREENFIELD: So, so you're
22 not--you're not familiar with their spending. So, you
23 can't actually tell us why it is that they put back
24 \$7.2 million in the budget last year, but this year
25 they're requesting the funds?

COMMISSIONER ROEST: No, I can't but I
would be happy to bring that question back.

CHAIRPERSON GREENFIELD: Okay, got it.
So, you can't tell us for example why in the
breakdown of that spending of the funds they say they
need \$860,000 to promote events like the Grammys
coming back to New York City? You wouldn't know?

COMMISSIONER ROEST: No, I would not--

CHAIRPERSON GREENFIELD: Got it.

COMMISSIONER ROEST: --be able to answer
that question.

CHAIRPERSON GREENFIELD: Or you wouldn't
be able to explain why it is that we have to pay
people to advertise that they Grammys will come back
to New York City considering that every major
newspaper, Twitter, Facebook and even television
program appear to have done that for free?

COMMISSIONER ROEST: I cannot but I do
know that MOME would be more than happy to meet with
you and go over that.

CHAIRPERSON GREENFIELD:

COMMISSIONER ROEST:

CHAIRPERSON GREENFIELD:

COMMISSIONER ROEST:

1
2 CHAIRPERSON GREENFIELD: Okay, got it.
3 Okay, but I mean I guess the point is that if someone
4 could explain to us because once again, we're very
5 focused on trying to trim the fat within the budget
6 and people always say, oh, these Council Members they
7 want to spend. It's not true. We're trying to be
8 efficient, and this is an agency that appears that
9 they didn't even use the money. They didn't use the
10 money. After using it for things like advertising
11 the Grammys, perhaps it's worth-worth for us to take
12 a deeper look and maybe that's money they don't
13 necessarily need next year, and we could all have a
14 budget savings. Okay, next-next question for you,
15 and I'm going to put myself here on the same clock as
16 my colleagues so that we can be efficient. Can you
17 talk to me a little bit about in your testimony you
18 refer to the NYCWIN, and you say that it should
19 reduce the cost for trying to cut back on the use of
20 NYCWIN and it's going to reduce the cost to \$10
21 million a year. It seems like, I mean I'm not
22 obviously as technically-for the record you're always
23 using ways you have arrived at your location. For-
24 I'm not as technically proficient as you are
25 obviously in NYCWIN. I'm jus curious. If we're not

1 really utilizing it, why is it still costing \$10
2 million a year? I mean do we still need it? Can't
3 we just like shut it down, throw it out, pack it up
4 and dump it?

5
6 COMMISSIONER ROEST: Yeah, so we are--

7 CHAIRPERSON GREENFIELD: [interposing]

8 That's a lot of money for a program that doesn't seem
9 like we're actually using.

10 COMMISSIONER ROEST: There's 21,000

11 devices on NYCWIN. So we're--

12 CHAIRPERSON GREENFIELD: [interposing]

13 Can you speak up a little bit? I apologize. It
14 echoes in this room. Yes, thank you.

15 COMMISSIONER ROEST: So there are 21,000

16 devices connected to NYCWIN right now--

17 CHAIRPERSON GREENFIELD: Okay.

18 COMMISSIONER ROEST: --for several
19 agencies. We do plan to shut NYCWIN down.

20 CHAIRPERSON GREENFIELD: Okay.

21 COMMISSIONER ROEST: We agreed that
22 there's a more cost-effective way to support those
23 21,000 devices--

24 CHAIRPERSON GREENFIELD: Yeah.
25

1
2 COMMISSIONER ROEST: --with the
3 commercial carriers, but it is--it does have to be a
4 program that 21,000 devices that we have to migrate
5 to in a network, and that will take us a few years.

6 CHAIRPERSON GREENFIELD: Okay.

7 COMMISSIONER ROEST: We're planning to
8 begin the shutdown in 2019. That involves removing
9 radio antenna from rooftops. That shutdown will take
10 up to two years.

11 CHAIRPERSON GREENFIELD: Okay. So the
12 plan is just to be fair, we agree NYCWIN is sort of
13 obsolete.

14 COMMISSIONER ROEST: Uh-huh.

15 CHAIRPERSON GREENFIELD: Their plan is to
16 get it shut down. It's just that realistically you
17 can't just shut these devices and transfer them over
18 immediately, and that's going to take some sort of
19 turnover?

20 COMMISSIONER ROEST: That's exactly
21 right, and we worked with the agencies. We have
22 plans for each agency, but there was a transition
23 that we have to go through.

24 CHAIRPERSON GREENFIELD: Okay, and when
25 is that going to be complete just for the record.

1 When are we--when are we no longer going to spend
2 money on NYCWIN?

3
4 COMMISSIONER ROEST: In 2019, we'll begin
5 the shutdown. We will be spending--we will continue to
6 spend on NYCWIN until the shutdown is complete. We
7 expect that to be in 2020 or 2021.

8 CHAIRPERSON GREENFIELD: So, by 2021, we
9 will not longer be spending on NYCWIN is that--?

10 COMMISSIONER ROEST: That's correct.

11 CHAIRPERSON GREENFIELD: That's correct.

12 Okay, got it. Alright, let me--let me ask you this.
13 The headcount has increased by around 500 positions
14 over the last few years. A lot of it has to do with
15 PSAC II, insourcing contracts, enhanced IT
16 securities. How, how is that--give us the short
17 version because I guess in putting myself on the
18 clock I only have 2-1/2 minutes left. How is that
19 working out? I mean have you done the assessments,
20 and have you actually had cost savings as a result of
21 insourcing versus the outsourcing, and if so, why
22 aren't we doing all insourcing, right? That's the
23 obvious follow-up question, Commissioner.

24 COMMISSIONER ROEST: So, there--there have
25 been cost savings and I'll let John speak to the

1 details, but why aren't we doing all insourcing, we
2 do continue to look for opportunities to insource.
3 There are situations that just insourcing isn't
4 appropriate, short-term projects, specialized skills
5 that we can't get in the city.

7 CHAIRPERSON GREENFIELD: Is it fair to
8 say, Commissioner, that in your judgment as the
9 Commissioner that whatever opportunity you have to
10 insource, you are insourcing?

11 COMMISSIONER ROEST: Yes.

12 CHAIRPERSON GREENFIELD: Do you agree
13 with that statement?

14 COMMISSIONER ROEST: Yes, I agree with
15 that statement.

16 CHAIRPERSON GREENFIELD: Okay, fair
17 enough. Do you want to talk about the savings-

18 ASSISTANT COMMISSIONER WINKER: Yes.

19 CHAIRPERSON GREENFIELD: Tell me about
20 it.

21 ASSISTANT COMMISSIONER WINKER: We've—we
22 received 70 positions for insourcing last fiscal
23 year. We've hired—or two—two years ago actually.
24 We've hired about 55 of those lines currently, and
25 we're saving about \$9.8 million per year. As the

1
2 Commissioner also mentioned, there was another 30
3 positions for us to create an insourced team to go
4 out and help with technology projects. We've hired
5 roughly 22 of those positions I believe or 21, and
6 that's saving us about roughly another \$2 million a
7 year that we would have otherwise spent for
8 consultant services.

9 CHAIRPERSON GREENFIELD: Okay, got it.
10 You're Cyber Protection Unit, the one that works
11 24/7. Excellent.

12 ASSISTANT COMMISSIONER WINKER: [off mic]
13 Yes.

14 CHAIRPERSON GREENFIELD: Excellent. So,
15 I'm—I'm—I want to follow up on a conversation. We—we
16 created something of a kafuffle last time, and I
17 mentioned and asked you about you about the—the
18 Russians attempting to hack—attempting to hack New
19 York City. I was actually flattered. I thought that
20 the Russians going after New York City means we're on
21 a level that when the people who are coming after us—
22 do you want to clarify that. So you—I think
23 afterwards where folks wanted to talk about that.
24 There have been attempts from Russian IP, but not
25 necessarily—we don't necessarily know if it's the

1 Russian government or Wiki Leaks or anything like
2 that. Is that—is that what you wanted to clarify.
3 I'm happy to give you that opportunity to do this
4 later, Commissioner.

6 ASSISTANT COMMISSIONER WINKER:

7 COMMISSIONER ROEST: Yeah, so we—we—we
8 see attacks coming in from IP addresses all over the
9 world.

10 CHAIRPERSON GREENFIELD: Okay.

11 COMMISSIONER ROEST: But that doesn't
12 mean that's necessarily where the attack is
13 originating just because intentionally the hackers
14 tried to spoof or pretend they're somewhere else.

15 CHAIRPERSON GREENFIELD: Okay. So there
16 have been attacks from Russian IPs, but you're not—
17 you don't know definitively whether or not Russia
18 itself has tried to.

19 COMMISSIONER ROEST: Absolutely we have
20 no indication or proof that Russian itself is trying
21 to hack.

22 CHAIRPERSON GREENFIELD: [interposing]
23 You have no indication either way. You know whether
24 this happened or it hasn't happened?

25 COMMISSIONER ROEST: That's true.

1
2 CHAIRPERSON GREENFIELD: And, since we
3 last chatted has there been any successful hacking or
4 phishing or malware or other attempts that have
5 infiltrated any city agencies?

6 COMMISSIONER ROEST: No, as we discussed
7 last time, malware does get in because it comes in
8 through email, but there has been--

9 CHAIRPERSON GREENFIELD: [interposing]
10 yeah.

11 COMMISSIONER ROEST: --no breaches or
12 exploits that have been successful.

13 CHAIRPERSON GREENFIELD: Okay. What
14 about loss of data?

15 COMMISSIONER ROEST: No.

16 CHAIRPERSON GREENFIELD: Okay, and have
17 you made you any final question? Because I'm--I guess
18 I'm going to keep myself on the clock, and it just
19 rang final question. Any headway in terms of keeping
20 confidential information confidential among agency
21 employees. It's not as pretty as the conversation we
22 had where we've seen for example recently the
23 Conflicts of Interest Board has actually sanctioned
24 individuals who have take information that was
25 unauthorized, right. Whether they bee in a certain

1 agency, there's some sensitivity with that
2 information, and they're using it for their own
3 purposes or commercial purposes or other purposes.
4 Have you developed some sort of process to either
5 prevent that from happening, or to let you know when
6 that is happening? It seems like it is a pretty big
7 loophole over there for the confidential information
8 that is available to tens if not hundreds of
9 thousands of employees.
10

11 COMMISSIONER ROEST: Yeah, so--so we do
12 continue to working on our authorization technology
13 like who gets access to what, and you--

14 CHAIRPERSON GREENFIELD: Yeah.

15 COMMISSIONER ROEST: --continue to
16 improve and tighten that. When you have an employee
17 who is authorized to see data, but misuses that
18 authorization, that is difficult to detect
19 technically.

20 CHAIRPERSON GREENFIELD: So to that--to
21 that point, just to drill down on my final question.
22 So, the--the--do employees have sort of like rankings
23 or ratings or like in the federal government, you
24 know, secret, top secret. Obviously, it's not the
25 same, but meaning in terms of access, are there

1 rankings and ratings and are you very careful about
2 who has access to what information for example? So,
3 like does every police officer have access to every
4 citizen's information or is it only limited to
5 certain police officers if they're doing
6 investigations for example. So, have you taken a
7 system approach of trying to figure out who should
8 have and who shouldn't have access to what levels of
9 information, and are you able to control that through
10 your back end technology?
11

12 COMMISSIONER ROEST: So, each agency or-or
13 data owner has responsibility to determine who should
14 have access to their data and for what purposes, and
15 we provide the technology to enforce that. So,
16 through a role or just by name or a user ID, the
17 agencies—we provide the technology to lock down that
18 data to just those appropriate users.

19 CHAIRPERSON GREENFIELD: So, you're not
20 supervising that?

21 COMMISSIONER ROEST: We're not.

22 CHAIRPERSON GREENFIELD: Hmm, that's not
23 so great. Okay. Commissioner, I'm out of time. I
24 appreciate your testimony. Thank you--

25 COMMISSIONER ROEST: Thank you

CHAIRPERSON GREENFIELD: --for clarifying
that the Russians have not hacked us yet.

CHAIRPERSON VACCA: Thanks. [laughter]

CHAIRPERSON GREENFIELD: And if the
Russians are watching, I want you to know that the
Commissioner is ready for the test. Send him an
email in advance letting her know, and you can test
our systems because we've got the best anti-hacking
folks in the world right here in New York City.

COMMISSIONER ROEST: They are amazing and
they are 24/7.

CHAIRPERSON GREENFIELD: Would you like
to put your email out there just so the Russians know
so they can punt. Okay.

COMMISSIONER ROEST: I'm sure—I'm sure
they know.

CHAIRPERSON GREENFIELD: Okay. Thank
you, sir.

CHAIRPERSON VACCA: Thanks.

COMMISSIONER ROEST: Alright. Thank you.

CHAIRPERSON VACCA: Thank you, Council
Member Greenfield. I just have one more question
because I had read some time ago about the city going
ahead with reorganizing the computerized systems of

1 the Special Ed Department at DOE. Now, the system
2 had been plagued by issues, and I understand that
3 there's been a appropriation in the Financial Plan.
4 I wanted to talk to you about it. There are 800,000
5 queries a day that have failed at one given point to
6 another within system, and that report details
7 improvements that were suggested, but I want to know
8 where we are with that. Are there any plans for
9 using money that's available to fix this system or
10 implement a new one?
11

12 COMMISSIONER ROEST: Yeah, so for the
13 CESIS program, DOITT worked with DOE and OMB and—and
14 several other agencies to come up with a plan for
15 remediation. Some of the, I'm going to say lower
16 hanging fruit technology wise have—some of those
17 things have already been implemented and we've seen
18 improvement. Right now DOE with DOITT's support is
19 implementing an upgrade to the Core CESIS system that
20 is going to resolve many of the technology, I'm going
21 to say bug, and also working on future enhancements
22 that will go in, in the upgrades this summer, the
23 enhancements this fall. So, we've got a very
24 aggressive plan. We're also building a new data
25 center with them and upgrading their networks. So,

1 there is a lot going around—on around the CESIS
2 problem.

3
4 CHAIRPERSON VACCA: Is there a timetable
5 for this? Are you looking at a timetable?

6 COMMISSIONER ROEST: Yes, and—and again,
7 I want to go back to DOE and make sure that—that
8 correctly representing their time table, DOITT is
9 only working on and running a few of the threads in
10 the project. It's really a DOE project. Again, the
11 CESIS upgrade to correct most of the core technology
12 bugs in the system is happening later this summer.

13 CHAIRPERSON VACCA: Okay, thank you. I
14 have no questions from any Council Members. So, I
15 want to thank—Oh, I'm sorry. Oh, Mr. Kallos, do you
16 have a question? Council Member Kallos?

17 COUNCIL MEMBER KALLOS: Thank you. I
18 would get in trouble if a bunch of the city employees
19 who are actually watching on the edge of their seats
20 over at DOITT and Finance and all others if I—if I
21 didn't ask the question I usually ask. So, the
22 Independent Budget Office has a great program. They
23 send out their New York City by the Numbers quite
24 often. You can subscribe at ibo.nyc.ny.us, and you
25 can get these, and they send out every year since

1
2 I've been an elected budget options where they have
3 ways in which we can save and, of course, one of the
4 great ways that we can save and, in fact, have
5 control over our own software so that we can improve
6 our software without having to go through a vendor,
7 but we can actually run it ourselves, know how it
8 operates and can better protect ourselves against
9 hackers be they Russian or even internal would be
10 using Free and Open Source Software, and the IBO
11 believes we can save \$14 million. Where are we in
12 terms of implementing Free and Open Source software
13 licenses? And just for those watching, the only
14 difference between software that's Free and Open
15 Source or proprietary is just a license that says
16 you're not allowed to open the hood and fix it—what's
17 underneath and yeah.

18 COMMISSIONER ROEST: So, we continue, as
19 we've discussed, to consider Open Source Software and
20 use it wherever it's appropriate. There's a lot of
21 options available to us when we need to implement a
22 solution now including—I'm sure you've seen the
23 incredible growth in SAS Solutions. We've bot Open
24 Source Solutions. We've got solutions. You know, we
25 can build in-house. So, we're always looking for

1 what is the most appropriate, what is the most cost-
2 effective solution, and sometimes it is open source.

3
4 COUNCIL MEMBER KALLOS: I would argue
5 that it is often instead of sometimes, but that's
6 fine, and for—for a couple of years I had been
7 pushing for us to get wireless in our subway
8 stations. We finally rolled it out to every single
9 station. If somebody—one of us or a constituent or
10 just anyone goes to a subway station, and they're
11 not—they don't have that free WiFi or the mobile
12 service isn't working, how can we fix that?

13 COMMISSIONER ROEST: So, that is not a
14 program run by DOITT. That would be the MTA.

15 COUNCIL MEMBER KALLOS: Okay, but if was
16 something that we were—you were reporting on in
17 previous years?

18 COMMISSIONER ROEST: On the subway, no.

19 COUNCIL MEMBER KALLOS: Fair enough. So,
20 that's it. Thank you. I yield my time.

21 COMMISSIONER ROEST: Thank you.

22 CHAIRPERSON FERRERAS-COPELAND: Thank
23 you, Council Member. We will now hear from Treyger.
24 We've been joined by Council Members Reynoso,
25 Treyger, Mealy, Barron and Rose.

1
2 COUNCIL MEMBER TREYGER: Thank you.
3 Thank you to the Chairs. Welcome Commissioner. Just
4 reading in the testimony about LinkNYC and that it's
5 being rolled out in the five boroughs. Can you tell
6 us where in Brooklyn is LinkNYC because I—I have not
7 seen them around in my neck of the woods?

8 COMMISSIONER ROEST: You know, I knew I
9 wasn't going to get through a budget testimony
10 without asking Stanley Shore, the Assistant
11 Commissioner of Franchises to come up and join us.

12 COUNCIL MEMBER TREYGER: Sure.

13 COMMISSIONER ROEST: Actually I'm in
14 Brooklyn myself and I have seen it in my
15 neighborhoods, but I know it's not everywhere yet.

16 ASSISTANT COMMISSIONER SHOR: Okay,
17 currently there are 75 installations that are live in
18 Brooklyn and 102 altogether that have been installed.
19 They are—they are running along Fulton Street from—
20 near the Brooklyn Bridge through Downtown Brooklyn
21 along Fulton going off-going I think as far as
22 Eastern Parkway. So, far they don't—they're on
23 Nostrand Avenue going north and—and south of Eastern
24 Parkway. They're on Fifth Avenue and Park Slope, and
25 Fourth Avenue and they're on Flatbush Avenue in

1 Flatbush, and they're proceeding to extend from the--
2 from that central downtown area out into the borough.

3
4 COUNCIL MEMBER TREYGER: So nothing. I
5 heard Coney Island Sheepshead Bay.

6 ASSISTANT COMMISSIONER SHOR: They are
7 not--

8 COUNCIL MEMBER TREYGER: Bensonhurst.

9 ASSISTANT COMMISSIONER SHOR: --there
10 yet.

11 COUNCIL MEMBER TREYGER: Okay, because it
12 seems every rollout of every initiative not just in
13 DOITT seems to always--it seems that the other--the
14 other half gets--gets things first. With regards to
15 the--now DOITT is a part of the Climate Change
16 Adaptation Taskforce, is that correct? Is that
17 correct?

18 COMMISSIONER ROEST: Yes.

19 COUNCIL MEMBER TREYGER: And has the--
20 where is the taskforce at with regards to the
21 resiliency of telecommunications in New York City?
22 Has that been discussed so far?

23 COMMISSIONER ROEST: Yes, absolutely. In
24 fact, DOITT did receive a grant in the past years for
25 a study of resiliency and to help further resiliency

1
2 with telecommunication carriers in the city. There
3 was a report issued. We can get you a copy of that
4 report.

5 COUNCIL MEMBER TREYGER: I'd be very
6 happy to receive that report.

7 COMMISSIONER ROEST: I'll do that.

8 COUNCIL MEMBER TREYGER: So, that's-it-so
9 the task force is still meeting, right? That's
10 correct and when is able to take-concluding and
11 issuing recommendations to the Council? Is that--?

12 COMMISSIONER ROEST: For the overall
13 taskforce I'll have to get back to you with that.

14 COUNCIL MEMBER TREYGER: Okay.

15 COMMISSIONER ROEST: I-I oversee the
16 Telecommunications resiliency efforts.

17 COUNCIL MEMBER TREYGER: Okay, right, and
18 I-I appreciate that report. Thank you very much.
19 Thank you, Chairs.

20 CHAIRPERSON FERRERAS-COPELAND: Thank you
21 very much.

22 CHAIRPERSON GREENFIELD: I just want to
23 follow up with one final question if I may for round
24 two if that's okay. Thank you and I will put myself
25 on my own three-minute clock. So, I-I just wanted to

1
2 go back to the NYCWIN project. Can you tell us a
3 little bit more about that? I know it predates you.
4 Obviously, as the Commissioner you inherited this but
5 it seems like--from our perspective it seems like
6 this wasn't a terribly good or efficient or useful
7 project. So, it seems like we invested a lot more
8 than we got back in returns, and that the timing took
9 quite a bit of time. Can you sort of explain to us
10 what happened and where it went wrong, what we
11 learned and what we can now learn in the future to
12 prevent us from making this multi-hundred million
13 dollar plus mistake?

14 COMMISSIONER ROEST: Uh-huh. So, yeah,
15 I-I did go back and look at what was the original
16 intention and how was the decision made to set up a
17 citywide network. There was a report after 9/11
18 that, in fact, recommended that the city establish
19 such a network for public safety reasons, and given
20 the technology at that point that the carriers had,
21 they didn't have certain features that you would want
22 in a public safety network. Going with the
23 commercial carriers just didn't seem like a good
24 option. So, I think it wasn't a bad decision at the
25 time given the--what people had, the framework that

1 they were working in, the recommendations from the
2 9/11 report. It's a decision that I probably would
3 have made. However, the public safety agencies did
4 not adopt the NYCWIN network. The federal government
5 started talking about rolling out First Net, which
6 will be a federal public safety network, and in
7 looking forward to that, I believe that the public
8 safety agencies will to on First Net, that NYCWIN as
9 a carrier for the non-public safety agencies just
10 again isn't financially prudent going forward. I
11 think the world looked different when that decision
12 was made several years ago.

14 CHAIRPERSON GREENFIELD: Okay, so once
15 again, I'm not blaming anyone. I'm certainly not
16 your team. I'm just trying to sort of use this as a
17 learning tool. You had a good idea. You didn't
18 really have great communications with the agencies
19 that we wanted to use this platform. We built this
20 project, which is what, \$300 million or so?

21 COMMISSIONER ROEST: Yes.

22 CHAIRPERSON GREENFIELD: \$300 million or
23 so, and then after quite a few setbacks in terms of
24 getting the project up and running, when it's finally
25 up and running we go to the agencies and they say no

1 thanks. Yeah, I mean that's a lesson. I'm not—once
2 again, I'm not—I'm not blaming anyone. Just part of
3 our job is the oversight role of the Council, just to
4 look at these kinds of things and say okay, what when
5 wrong and how do we prevent that from happening
6 again? I think by crystalizing that, that's helpful
7 to us. So, we add a new role into the book, which is
8 before we spend a few hundred million bucks, we're
9 going to have to ask the agencies do you actually
10 want this project, and will you, in fact use it? Is
11 that a fair conclusion?
12

13 COMMISSIONER ROEST: That's a fair
14 question, yes, yes.

15 CHAIRPERSON GREENFIELD: A conclusion,
16 not a question. Is that a fair conclusion?

17 COMMISSIONER ROEST: Yes.

18 CHAIRPERSON GREENFIELD: Okay, and you
19 believe just getting back to my prior questioning
20 about—about offline in this program. You believe
21 that you're doing that as quickly as possible without
22 negatively impacting those 21 odd thousand users that
23 are currently in this project. You don't think you
24 can do it any faster than you're doing it right now?
25

COMMISSIONER ROEST: I don't believe we
can do it any faster than we're doing it right now.

CHAIRPERSON GREENFIELD: Okay, and then
we're going to move onto the commercial and, you
think at this point the commercial technology is good
enough or even better than we could do on our own
and, therefore, we're satisfied it achieves the
original goals that we set out to achieve?

COMMISSIONER ROEST: Yes, I believe it is
good or better than what we can provide, and it's
also far more cost effective.

CHAIRPERSON GREENFIELD: Okay. Final
question for you. It seems like with all these big
projects, the city and as well as DOITT every agency
in the city when they do these mega projects, they
struggle with either the execution or the timeline or
the costs. Do you have any internal protocols before
you greenlight a project? As the Commissioner, will
you say hey let's take a look and let's just run
through the following criteria to make sure that we
need this, it's going to get on-done on time, it's
done efficiently, and we're not going to have cost
and time overruns?

1
2 COMMISSIONER ROEST: We do and, in fact,
3 we're looking to enhance those. We—we do something
4 called the Project Charter, which lays out clearly
5 what the scope is going to be and the schedule and
6 make sure that all the stakeholders understand
7 clearly what it is we'll be doing and when. And then
8 we have really good project management practices that
9 we implement of our projects. [siren]

10 CHAIRPERSON GREENFIELD: Okay, would you
11 mind sharing with us?

12 COMMISSIONER ROEST: Not at all.

13 CHAIRPERSON GREENFIELD: If you're
14 working on it, would you mind just sending it to the
15 three chairs just so that we know. I think that
16 you're at the—an important intersection. In my view,
17 you could be sort of a trip wire for a lot of these
18 other folks, certainly the folks that don't really
19 understand the challenges of technology and how
20 rapidly technology changes, and the difficulties with
21 implementation, which we've learned. And because of
22 your work and especially your work that you've done,
23 where you've done the insourcing, which is to your
24 credit. We used to rail about this every single
25 year. When you became Commissioner you took it

1 seriously and you started working on that, and so
2 we're grateful, and so I think it would be helpful
3 for us to know that, and perhaps we can share it with
4 some other folks as well whatever it is you're
5 working on and once you have that articulated, that
6 would be helpful for us.

8 COMMISSIONER ROEST: Thank you, and we'll
9 send that.

10 CHAIRPERSON GREENFIELD: Thanks
11 Commissioner and thank you to your team. We
12 appreciate it.

13 COMMISSIONER ROEST: Thank you.

14 CHAIRPERSON FERRERAS-COPELAND: Thank
15 you, Chairs. That concludes this part of today's
16 budget hearings. I want to thank Commissioner Roest
17 for testifying. As a reminder, the public will be
18 invited to testify on Thursday, May 25th the last day
19 of budget hearings at approximately 1:00 p.m. in this
20 room. If any member of the public would like to
21 submit testimony, you can submit it to
22 council.nyc.gov/budget/testimony, and it will be made
23 part of the official record. We will now take a
24 five-minute break before we conclude today's hearings
25 at the Department of Parks and Recreation. [pause,

1 background comments] [gavel] Good afternoon. My
2 name is Julissa Ferreras-Copeland. I'm the Chair of
3 the Finance Committee. I will now conclude the tenth
4 day of budget hearings with Commissioner Mitchell
5 Silver of the Department of Parks and Recreation.
6 The Finance Committee has been joined by my Co-chair
7 Council Member Mark Levine, and the members of the
8 Parks Committee. In the interest of time, I will
9 forego an opening statement, and give the—give—and
10 turn it over to Chair Levine.
11

12 CHAIRPERSON LEVINE: Thank you, Madam
13 Chair. Good afternoon everyone, and welcome to the
14 Parks and Recreation Committee's hearing on the
15 Fiscal 2018 Executive Budget for Department of Parks
16 and Recreation. My name is Mark Levine. I'm Chair
17 of the Parks and Recreation Committee. In keeping
18 with the budget process mandated by the City Charter
19 that will ultimately lead to the adoption of the
20 Fiscal Year 2018 Budget, today we will hear testimony
21 from the Department of Parks and Recreation on its
22 expense and Capital Budget for Fiscal Year 2018.
23 During our Preliminary Budget hearing in March, we
24 called for a robust and parks budget to meet the
25 needs of the city's growing population at a time when

1 park use is surging. We specifically called for 80
2 PEP officers to address the recent uptick in in parks
3 crime, 50 new Urban Park Rangers, ten new Outreach
4 Coordinators for Partnership for Parks and funding to
5 permanently expand the city's beach and pool season
6 by a week beyond Labor Day. Unfortunately, none of
7 these needs were addressed in the Executive Budget.
8 Most egregiously of all, the Executive Budget fails
9 to baseline \$9.7 million for critical park
10 maintenance workers, which would lead to a loss of 50
11 gardeners, and 100 City Park workers who would be
12 laid off as of June 30th depriving our parks of
13 sorely needed staffing, and depriving 150 hard
14 working New Yorkers of their livelihood. These
15 workers are critical to the success of the City Parks
16 Initiative, a key administration priority. So, the
17 fact that again this year it falls on the Council to
18 save these positions is proof that the budget dance
19 has indeed returned. In total, the Executive Budget
20 proposes a reduction in headcount of 183 positions.
21 There was some confusion on this point in our last
22 hearing. So I want to be clear. The budget as
23 adopted last year included 7,646 full-time equivalent
24 positions for the Parks Department. The budget now
25

1
2 being proposed by the Administration would reduce
3 this to 7,463 positions. We need to understand what
4 impact these cuts will have on our Park system. The
5 news on the capital side of the Executive Budget is
6 better. I applaud the Administration for committing
7 \$100 million to the build a new promenade in the East
8 River between 53rd and 61st Streets. This space would
9 close one of the largest gaps in the 32-mile
10 Manhattan Waterfront Greenway. I also welcome the
11 Administration's recent commitment of \$160 million to
12 acquire the remaining parcel of the future of
13 Bushwick Inlet Park fulfilling the city's pledge to
14 the surrounding community. Together, the East River
15 Promenade and Bushwick Inlet Park represent a welcome
16 return to an era of major \$100 million plus parks
17 expansion efforts. But I hope that this will be
18 beginning, not the end of such investments because
19 compelling projects remain on the drawing board in
20 low and moderate income communities around the city,
21 the kinds of communities, which have rarely, if ever,
22 seen these levels of investments. The project as yet
23 unfunded includes the inspiring proposal to deck over
24 part of the BQE to create a new green space in park
25 starved Bushwick, and a plan to daylight Tibbetts

1 Brook in the Northwest Bronx, undoing the damage done
2 to nature in generations past. And in the Northwest
3 Bronx Orchard Beach requires tens of millions of
4 dollars in additional investment to revitalize it
5 after decades of deterioration. And, of course,
6 let's not forget the green, the Queens Way in miles
7 long Linear Park that would make use of an abandoned
8 rail line to connect many-many underserved
9 neighborhoods in central and Southeast Queens.
10 Making this kind of investment would have a
11 transformation—a transformative impact in
12 neighborhoods where the potential for private
13 contribution is minimal, and where the city itself
14 has underinvested for years. Our thriving park
15 system isn't just a luxury in a big city approaching
16 nine million people. It's essential to livability,
17 especially in low-income communities. We need to
18 create a parks budget worthy of this great city.
19 Thank you, Madam Chair.

20
21 CHAIRPERSON FERRERAS-COPELAND: Thank
22 you, Co-Chair. I just wanted to also acknowledge
23 members, Council Member Borelli, Treyger, Grodenchik,
24 Cabrera and Deutsch. Members are going to be coming
25 in and out. We are actually doing budget hearings

1 while holding this hearing, and my Committee Chair
2 will swear you in, and you may begin your testimony.

3
4 LEGAL COUNSEL: Do you affirm to tell the
5 truth, the whole truth, and nothing but the truth in
6 your testimony before the committee today, and to
7 respond honestly to Council Member questions?

8 COMMISSIONER SILVER: I do. Good
9 afternoon, City Council Finance Committee Chair
10 Ferreras-Copeland, City Council Parks Committee Chair
11 Levine and Members of the City Council Finance and
12 Parks Committee. I am Mitchell Silver, Commissioner
13 of the New York City Department of Parks and
14 Recreation, and I'm joined here today by a number of
15 our senior staff. Thank you for inviting me to
16 discuss Fiscal Year 2018 Executive Budget for New
17 York City Parks. Since we gave a thorough overview
18 of the agency's work in our testimony during a
19 Preliminary Budget hearing, today we'll offer short
20 update that demonstrates New York City's continued
21 commitment to building a more equitable park system
22 under the leadership of Mayor de Blasio, and thanks
23 to a strong partnership with the City Council.
24 Embodied by a framework for equitable future New York
25 City Parks remains focused on executing our key

1 strategic initiatives guided by clear outcome
2 oriented goals. We're investing in making our parks
3 properties cleaner and safer reflecting that our
4 mission is not simply to maintain parks and green
5 spaces, but to truly care for them and keep them in a
6 constant state of good repair. We continue to improve
7 and refine our capital and operation processes using
8 innovation to increase efficiency and deliver
9 services smarter and faster. We're helping New
10 Yorkers live green and healthier lives by creating
11 green-greening our streets, city streets and
12 activating open spaces through targeted place making
13 efforts, and we're undertaking all of our work with a
14 clear goal in mind to increase access to high quality
15 parks for all New Yorkers in a fair and focused
16 manner that reflects our dedication to equity. The
17 Mayor's Executive Budget for Fiscal Year 2018 will
18 allow us to make significant progress on these
19 priorities providing New York City Parks with an
20 operating budget of \$493 million, which is a \$13
21 million increase from Fiscal Year 2017 Executive
22 Budget. The Executive Ten-Year Capital Plan along
23 with the FY17 funds provides a total Park's Capital
24 Budget of \$4.8 billion including \$280 million in
25

1
2 mayoral funding for approved new capital needs. This
3 administration has prioritized investment in our
4 waterfronts and I'm pleased to announce that the FY18
5 Executive Budget includes \$129 million in mayoral
6 funding to repair and restore waterfront assets to a
7 state of good repair, reflecting on our focused
8 investment to make our park properties cleaner and
9 safer. In coordination with the Citywide Inspection
10 Program conducted by the New York City Economic
11 Development Corporation, this funding will enable
12 repairs to vital waterfront infrastructure including
13 bulkheads and sea walls. The work will be
14 administered by NYC Parks and the Department of
15 Citywide Administrative Services depending on the
16 sites to be addressed, which include the Whitey Ford
17 Field in Queens, Riverside Park and Glick Park in
18 Manhattan, Faber Park in Staten Island, Shore Parkway
19 South, and the Sheepshead Bay Piers in Brooklyn and
20 stretches of Harlem River Park often enjoyed by
21 residents from both Manhattan and the Bronx.
22 Moreover, FY18 Executive Budget also includes an
23 additional \$100 million in funds to construct a
24 completely new Esplanade in the East River between
25 East 53rd Street and East 61st Street. New York City

1
2 Parks is thrilled about these major investments to—to
3 close the largest gap in the Manhattan Waterfront
4 Greenway, and about the Administration's efforts to
5 complete the vision of a contiguous 32-mile
6 waterfront pedestrian promenade and bicycling path
7 around Manhattan. The project, which will be
8 overseen by New York City EDC, and begin design—will
9 begin design later this year will be accompanied by
10 another—by other efforts such as NYC Parks Conceptual
11 Design for the East Harlem Greenway Gap from East
12 125th to 132nd Streets. In Brooklyn just last month
13 the city formally closed on the \$160 million
14 acquisition of city storage allowing us for the
15 completion of this 27-acre Bushwick Inlet Park, the
16 Greenpoint and Williamsburg Waterfront. And this May
17 we will proudly unveil the fully reconstructed
18 Rockaway Boardwalk a beautiful stretch of New York
19 City that will make—that will allow millions of New
20 Yorkers that they cherish, and we hope every New
21 Yorker will come out and visit the Rockaways this
22 summer. On the operations front we continue to focus
23 on innovative approaches to park maintenance finding
24 smarter ways for the agencies to deploy its
25 resources. We look forward to the positive impacts

1 of our new weekend cleaning schedules for high-use
2 parks. Our new approaches to addressing serious
3 litter and waste concerns, and our efforts to
4 standardize the agency's approach to parks signage,
5 which in the past has led to clutter and confusion
6 for our visitors. The Mayor's FY18 Executive Budget
7 builds upon this work, and it invests in staff and
8 equipment, which will allow us to work smarter and
9 faster. For example, in previous years our tree
10 removal and pruning teams responsible for highly
11 technical agricultural work involved as well as the
12 efforts to remove debris from the site after the work
13 was completed. We now have received \$642,000 in
14 baselined funding for new crews to focus on debris
15 removing following tree work, which will free up the
16 work of our highly specialized climbers and pruners
17 to focus on their technical work. Further, the
18 budget includes over \$7 million in funding for
19 specialized forestry vehicles, which includes tree
20 trimmers, log loaders and chipper trucks. These
21 investments will directly increase the number of
22 separate forestry crews dispatched daily to do tree
23 work in each borough allowing us to reduce work
24 backlogs and deliver services more quickly. In
25

1 addition to taking care of these trees, we need to
2 increase our urban tree canopy and allow all the
3 benefits it provides, reduce carbon emissions, storm
4 water capture, higher property value and, of course,
5 viable shade as the weather turns warmer. As a
6 central mission NYC Parks is dedicated to making the
7 city greener and healthier and the Mayor's FY18
8 Executive Budget includes \$41 million for tree
9 planting and natural area restoration, which includes
10 several components. \$18 million will be dedicated to
11 street planting above and beyond the \$82 million
12 included in FY18 Preliminary Budget guided by the
13 results of our recent street tree census and trends
14 in annual tree loss. This funding will assist our
15 effort towards the desired goal of planting a street
16 tree in every appropriate plant—every appropriate
17 plantable area and accommodate for trees that will be
18 lost due to the old age and severe storms.

19 Previously unless a park area was undergoing capital
20 improvements, there was no existing budget for
21 replacing trees in our park landscapes. Since much
22 of our existing park canopy dates back to when our
23 parks were originally built some 40 to 80 years ago,
24 many of these canopy trees are reaching the end of
25

1 the natural lifespan, and will need to be replaced.

2 I'm proud to announce that for the first time the

3 Mayor's Executive Budget includes \$16 million in

4 capital funding to plant trees in our active park

5 areas and help replace trees surrounding our

6 playgrounds, ball fields, picnic areas, and

7 recreation centers. The Executive Budget also

8 provides \$7 million for parks to perform large scale

9 restoration of threatened forests throughout the city

10 to increase public access to valuable natural spaces

11 through a comprehensive trail management and plant

12 native trees and shrubs to protect our natural areas

13 from invasive species. Even our agency facilities

14 are considered. To further show our commitment to a

15 bright green future, New York City Parks is proud to

16 announce that we are developing a plan to install and

17 maintain one million square feet of green roofing

18 allowing us to do our part in reducing storm water

19 runoff, energy use and heat island effect. Another

20 important way to encourage city residents to live

21 greener and healthier lives is by encouraging them to

22 get out and enjoy the city parks and open space.

23 Through our dedicated place making efforts more New

24 Yorkers together joined us as we transformed our

1 public spaces. Shape Up NYC classes turn parks in
2 all five boroughs into fitness studios. In our
3 outdoor theaters we screened almost 500 movies for
4 thousands of New Yorkers and through Public Art
5 Program, 81 temporary installations were on view in
6 our parks. And in partnership with Uniqlow, \$200,000
7 in grants will allow local artists to showcase their
8 work in park spaces that had been historically
9 underserved by cultural programming. As we encourage
10 New Yorkers to get outside and enjoy all of our parks
11 around the city, it highlights the importance of
12 distributing our resources in a fair and focused
13 manner that reflects this administration
14 administration's commitment to equity. Our signature
15 effort and centerpiece of this strategic blueprint
16 continues to be the Community Parks Initiative with
17 more than \$318 million dedicated to delivery capital
18 improvements, enhance programming, maintenance and
19 community partnership, building the neighborhood
20 parks that hadn't seen an investment in decades. In
21 a way, this is an inclusive and equitable. We're
22 excited to announce that our phase 1 CPA projects are
23 under construction and nearly complete. In fact,
24 we'll be cutting a ribbon our first CPA projects
25

1 later this summer. Vanalt's playground in Queens,
2 Henry M. Jackson in Manhattan, and in Thomas Boyland
3 Park in Brooklyn are just a few of the sites that
4 nearing completion. We believe the new parks
5 undergoing these transformation and renovations will
6 invigorate their local neighborhoods and be a
7 valuable resource for years to come. Beyond CPI,
8 we're taking a more targeted and data driven approach
9 to our capital investment in order to martial our
10 resources equitably. In 2016, we'll begin an effort
11 to put in place the framework for a comprehensive
12 capital needs assessment for New York City Park
13 assets. This year the Executive Budget includes
14 funding for a dedicated team to begin implementing
15 assessments initially focusing on four important
16 categories: Comfort stations, recreation centers,
17 retaining walls and synthetic turf fields. These
18 inspections will help identify capital needs at each
19 particular site, develop cost estimates and then help
20 the agency prioritize the vital capital improvements
21 that are needed throughout the city. So, we can
22 focus resources on places that need it the most. In
23 addition the Mayor's FY18 Executive Budget invests
24 \$32 million for playground state of good repair
25

1 funding combined with the \$20 million provided in the
2 Preliminary Budget. This funding will allow us to
3 make the vital repairs, address emergency conditions
4 and plan for future improvements in a more structured
5 and strategic manner. This funding supplements the
6 previous state of good repair investments included—
7 including dedicated funds for retaining walls,
8 boilers, HVAC systems and our dedicate—and our parks
9 pedestrian bridges. But our dedication to equity
10 isn't only reflected by shovels in the ground. It is
11 demonstrated in our efforts to make sure that all New
12 Yorkers have access to parks and open space that they
13 could enjoy everyday. This spring, NYC Parks was
14 delighted to announce that our Tennis Season Permit
15 Fee for adults has been sliced in half from \$200 to
16 \$100, and if you're an IDNYC cardholder, that cost is
17 only \$90 along with the existing discounts for
18 seniors only \$20 and children just \$10. This effort
19 to increase access to tennis for all New Yorkers is a
20 great success, and we already are seeing a
21 significant in tennis permit applications for this
22 season. Our Kids In Motion Program offered free
23 activities at 100 sites citywide including games,
24 organized play and water activities. More than half
25

1 of the Kids In Motion sites were funding through the
2 Community Parks Initiative and since 2015, the
3 program has received more than one million visits
4 allowing the youngest New Yorkers to have fun while
5 staying active and healthy. With the weather finally
6 warming up, we hope to see even more New Yorkers
7 getting out into our local parks and taking advantage
8 of all the benefits they have to offer whether it's
9 peace of mind brought by a quiet stroll along the
10 trails of Van Cortlandt Park, or a vibrant sensory
11 overload that is in Coney Island Boardwalk. New
12 Yorkers deserve to make—New Yorkers deserve to make
13 memorable park experiences right in their back yards,
14 and to help make that a reality, NYC Parks is
15 committed to creating a thriving 21st Century park
16 system that serves as a model for cities around the
17 world. Thank you for allowing me to testify before
18 you today, and for your dedication to providing great
19 parks and open spaces for all New Yorkers. We look
20 forward to continuing to work with the Mayor and City
21 Council to create a bright green future with a more
22 equitable and innovative park system, and now I'd be
23 happy to answer your questions that you may have, and
24 joining me will be First Deputy Commissioner Liam
25

1 Kavanagh, and Matt Drury our Director of Government
2 Relations.
3

4 CHAIRPERSON FERRERAS-COPELAND: Thank you
5 very much, Commissioner. We've been joined by Council
6 Members Kallos, Rosenthal, Cohen, Maisel, Rose, and
7 Greenfield. Before I start on my questions I just
8 wanted to thank you once again. I know that you and
9 I spent a Saturday morning painting the Unisphere at
10 Flushing Meadows Corona Park, and my son greatly
11 enjoyed that. He had a lot of blue on him, but, you
12 know, we managed to wash that off.

13 COMMISSIONER SILVER: And for the record,
14 if you noticed, I didn't get one drop of paint on
15 myself.

16 CHAIRPERSON FERRERAS-COPELAND: Yes.

17 COMMISSIONER SILVER: I don't know how I
18 managed to do that, but it was a lot of fun.

19 CHAIRPERSON FERRERAS-COPELAND: Yes, it
20 showed that you've done it often. You know, we less
21 so. [laughter] Want to just go right into your
22 Citywide Saving program. I know that City--that OMB
23 had released a citywide savings program that outlines
24 plans to reduce the city spending by \$330 million
25 Fiscal 2017, \$37--\$370 million in FY18. The

1 Department has proposed additional savings totaling
2 at \$1.5 million for Fiscal 18 and the out years. To
3 achieve this savings, your agency will internally
4 review its seasonal workforce plan to generate
5 efficiencies through better deployment of staff and
6 prioritizations. For the benefit of the committee,
7 please tell us what are those changes are compared to
8 last year's, and are there going to be any cuts to
9 seasonal staff, and will there be a reduction in
10 service?
11

12 COMMISSIONER SILVER: Well, first, as you
13 know, all the agencies were asked to look for
14 efficiencies, and so we looked very hard and one of
15 them was what you mentioned, the seasonal cut at one
16 point of five. First, no existing staff will be laid
17 off. As we look to bring on new staff on board, we
18 will not bring as many as we have in years past. We
19 do have a program called Ops 21 that allows us to
20 optimize our crews as they're deployed. We're
21 working very closely with our Chief Operating
22 Officers as well as the borough commissioners, and we
23 will make sure we continue to optimize those crews,
24 look carefully at the routes so there will be no
25 change in the level of service throughout the year.

1 So, that is what we're committed to doing. We're
2 already sitting down prepared to absorb some of those
3 changes. So, we can redeploy them in a way so that
4 people will not see any change in the level of
5 service.
6

7 CHAIRPERSON FERRERAS-COPELAND: So,
8 there's also a hiring freeze that's been proposed by
9 the Administration. Do you think that that would—with
10 this savings and the hiring freeze, do you see any
11 concerns moving forward in the out years that there
12 might be an impact of service if you're not hiring
13 administrative or managing staff?

14 COMMISSIONER SILVER: Well, we're still
15 waiting to hear back more from OMB, and as we hear
16 about the hiring freeze, we'll be able to respond to
17 make sure that we follow through on the direction of
18 the hiring freeze, but at this point for us it's
19 premature. We're just waiting to hear back more from
20 OMB.

21 CHAIRPERSON FERRERAS-COPELAND: Okay, I
22 wanted to talk about capital projects. This is
23 something that's been for this committee for, for
24 this council. Often times unfortunately when we're
25 talking about delays or issues, it's referencing a

1 lot of capital projects that are within parks. We
2 are—we wanted to start by—I know that when you first
3 became Commissioner this was a—this is—it's been a
4 priority for you also. So, from your perspective,
5 what have you done to mitigate some of the issues?
6 So it's about not only the timeline, but the actual
7 cost. When we hear of \$3 million bathroom, it, you
8 know, it still becomes a very big troubling—

10 COMMISSIONER SILVER: [interposing]

11 Right.

12 CHAIRPERSON FERRERAS-COPELAND: --and
13 frustrating thing, and actually discouraging because
14 I don't know how many council members are actually
15 funding bathrooms now. I would say that not many--

16 COMMISSIONER SILVER: [interposing]

17 Right.

18 CHAIRPERSON FERRERAS-COPELAND: --even
19 though it's probably something that we could use in
20 our districts in our—in our local parks. So, if you
21 can walk me through.

22 COMMISSIONER SILVER: Well, let me go to
23 cost first, because that is one area that is somewhat
24 out of our control, although what we have done is go
25 to more standardized design. We're avoiding

1 customized design so that when we do put out the
2 projects, it is now standardized, which would reduce
3 some of the cost. On the cost side, we are just a
4 victim of market, and just recently this week, there
5 was a report that came out that New York City is the
6 most expensive construction market on the planet, and
7 we're seeing that in our bids not just us. It's
8 across all city agencies. So from our point of view
9 we try to bundle projects to make it—the cost
10 cheaper. We standardize our product types, comfort
11 stations for example, hoping the cost would come
12 down. I would love it if the Council could pass a
13 law that limits the cost of projects, but that's not
14 realistic. We are just responding to the market, and
15 when we put out these bids, fees is what we get back
16 in return. So, it's very difficult for us to
17 determine exactly what response we're going to get in
18 terms of prices, but those are efforts we are putting
19 place. On—in terms of the timeline itself, this is
20 something I am most proud of and my staff. We're
21 working very hard at time savings. We've saved
22 roughly about 54 days on the design side, and roughly
23 99 days on the construction side, and we're now
24 seeing more projects completed on time or ahead of
25

1 schedule. And I testified before at a capital
2 hearing, but in general it's roughly about five
3 months, four to six months but on average five months
4 we've been able to save off the entire process, which
5 includes design, procurement and construction. We're
6 still dealing with projects that were here before my
7 tenure that we're trying to expedite and move
8 forward, but in general we're very pleased on how
9 quickly projects are moving forward. The area that
10 can-warrant from the best reforms, the procurement
11 process and that is something that MOCS is now
12 working on through a program called Passport, and
13 there was a bill passed, which I know that Council
14 Member Cohen was the sponsor of improving Vindex.
15 So, we're doing whatever we can, but we're very proud
16 to say at least the process has been shaved by five
17 months since I became Commissioner.

18
19 CHAIRPERSON FERRERAS-COPELAND: So, do
20 you think as Commissioner that you've done everything
21 within your agency to help expedite projects, and I-
22 and I ask this because we're in the middle of these
23 engagements with the Administration. We're trying to
24 create a taskforce just to get every agency, DDC.
25 Unfortunately or fortunately-you know, the reality is

1 we also do a lot of comparing to the School
2 Construction Authority because it seems that the
3 School Construction Authority can get projects done,
4 and President Grillo testified that it's really
5 because she has a deadline, right. School starts by
6 this date. So you have to have the school built by
7 this date. So, do you find that--would--would it
8 be beneficial to-- I guess, how would you suggest or
9 have you done everything within your agency to help
10 expedite? And I know the five months eliminated that
11 was in your agency, but could we do more?

12
13 COMMISSIONER SILVER: There's more
14 opportunities in the procurement. We've done
15 everything in our agency that we can do to expedite
16 the process. There are certainly some opportunities
17 within the procurement phase--phase, and right now
18 that is being studied by MOCS, and so, we are working
19 with MOCS to see how we can improve the procurement
20 phase even better to benefit from more time. In
21 terms of SCA, it is not just their timeline
22 associated with the school. They follow different
23 rules than we do, and so they don't have to follow
24 the same rules as city agencies. So, that would not
25 be a fair comparison. We follow different

1
2 procurement. We have different city rules that we
3 have to follow, but I believe it's the procurement
4 period where we can offer some more savings, but
5 that's something that's outside of Parks control,
6 which is why the Mayor's Office for Contracts is
7 overseeing that for all agencies.

8 CHAIRPERSON FERRERAS-COPELAND: Okay. So
9 I have something that's very much in the weeds, but I
10 have an amazing, amazing team of finance staff and,
11 you know, they often engage with—engage with your
12 agency, and one of these things is can we please
13 start by eliminating the capital transfer letters and
14 using the email system like other agencies such as
15 the Department of Design and Construction and
16 Cultural Affairs? We believe this will enable us to
17 get these project changes to OMB as fast as possible.
18 So, basically right now you guys are waiting for an
19 actual letter, and that just seems so antiquated, and
20 it really takes a lot of time from my Finance team,
21 you know, our Finance Division to write you guys a
22 letter when we could really just send you an email.

23 COMMISSIONER SILVER: Well, it is an OMB
24 requirement, but we're certainly open to discussing
25

1 it after this meeting to talk to OMB to see if
2 they're open to changing their process.

3
4 CHAIRPERSON FERRERAS-COPELAND: Well, I
5 think someone at OMB watches all these hearing
6 because I get texts from them. [laughs]

7 COMMISSIONER SILVER: [interposing] Well,
8 then OMB we'll be talking to after this meeting to
9 discuss whether we can change to that.

10 CHAIRPERSON FERRERAS-COPELAND:
11 [interposing] Yes. Commissioner, I just thing it's a
12 little ridiculous. I-I'm sure-you know, I know you
13 can't say that, but I'm going to say it for all of
14 us. It's ridiculous that we have to send you actual
15 letters. We should just be able to email and forward
16 an email to OMB and that would really help expedite a
17 lot of this. I just wanted to talk about Passerelle
18 (sic) and do shortfalls and then we'll have our Chair
19 ask his questions. Passerelle I wanted to know the
20 update. I'm very concerned and I've expressed this
21 to both DDC and DOT and the MTA, it's a very complex
22 part of our park, but I've always known it and my
23 constituents know it as the main-one of the main
24 entrances to Flushing Meadows Park. However, very
25 soon, it's going to be the hub for the Air Train. I

1 am concerned that in creating the hub for the Air
2 Train we kind of eliminate the—the entrance of the
3 park like it should be. So, wanted to know what is
4 your—the engagement of your agency with the Port
5 Authority in planning and designing, and what I
6 really would hate to see happen is that we—you've
7 invested or that we have invested \$127 million to
8 redesign or reconstruct the Passerelle, and that then
9 when we do this new hub for the Port Authority, they
10 come and rip it down. So, can you give me an update?

12 COMMISSIONER SILVER: You were very
13 articulate last year and I believe throughout the
14 year. So, Parks is in communication with both MTA as
15 well as the Port Authority on this project as we need
16 to coordinate the 7-Train, the Long Island Railroad,
17 and the Air Train projects in the various stages of
18 design. So the answer is yes we are in communication
19 with them, and I thank you for being a strong
20 advocate to make sure that is done, but we, in fact,
21 are in communication with those two entities.

22 CHAIRPERSON FERRERAS-COPELAND: Great and
23 because they're in design phase now, right?

24 COMMISSIONER SILVER: Correct. Yes. In
25 fact, in terms of the status of the bridge, we are

1 very close. We submitted for contract registration,
2 and the package was submitted to OMB in-in April and
3 is now under review.
4

5 CHAIRPERSON FERRERAS-COPELAND: Okay.

6 COMMISSIONER SILVER: For this--this---the
7 purpose of that. Oh, I'm sorry, my mistake that was
8 purpose entire gain (sic) in terms of Passerelle

9 CHAIRPERSON FERRERAS-COPELAND: Well, I
10 was going to say that happened really quick.

11 COMMISSIONER SILVER: The contract was
12 registered in April.

13 CHAIRPERSON FERRERAS-COPELAND: The
14 contract what?

15 COMMISSIONER SILVER: Yeah, the contract
16 for design was registered in April.

17 CHAIRPERSON FERRERAS-COPELAND: for
18 design?

19 COMMISSIONER SILVER: For design.

20 CHAIRPERSON FERRERAS-COPELAND: Okay.
21 Alright. Zoos we were looking through the Executive
22 Budget lines and there's \$3.3 million in expense
23 funding to close the shortfall gap for operating
24 expenses at our zoos. It seems that this was due to
25 an increase in operating expenses coupled with a

1 decrease in revenues. Is that correct? And the city
2 operates three zoos and from what we understand it
3 isn't the first time that we've had to add funding to
4 end the year for—to fill the gap for the zoo system.
5 What is Parks doing or is this—can—is this what you
6 understand to be the issue that it's a revenue and
7 operating cost issue at our zoos?

9 COMMISSIONER SILVER: Well, first the
10 city—the city is providing funds to help address the
11 operating expense shortfall for the Wildlife
12 Conservation Society. I don't know if we have
13 somebody here from the--

14 CHAIRPERSON FERRERAS-COPELAND: You can
15 state your state your name for the record.

16 DEPUTY COMMISSIONER KAVANAGH: Liam
17 Kavangh, Deputy Commissioner of Parks and Recreation.
18 The zoos are city zoos. They're owned by the Parks
19 Department. They're managed by the Wildlife
20 Conservation Society through a contract. The
21 contract requires the Wildlife Conservation Society
22 to maintain certain industry standards for the care
23 of animals, and that—those costs unfortunately
24 increase from year to year as—as does, you know,
25 throughout the system. The Central Park Zoo is

1 probably self-sustaining. The zoos in Prospect Park
2 and in Flushing Meadow unfortunately don't draw the
3 kinds of attendance that we would hope, and as a
4 result, you know, there are shortfalls in the revenue
5 that they generate, and I-I've got to give the
6 Conservation Society its due, they're very aggressive
7 about using the spaces for events and for other
8 activities that generate revenue, which go towards
9 the bottom line, but because of the attendance
10 patterns at-at the Brooklyn and Queens Zoos
11 unfortunately they don't generate enough revenue to
12 sustain the operation, and as a result we do request
13 funding periodically from OMB to maintain them at the
14 level that they're required to be maintained.

16 CHAIRPERSON FERRERAS-COPELAND: I just
17 think that there's an opportunity maybe to partner
18 with NYC & Co. or to partner with other marketing
19 campaigns to help promote our zoo. The Queens Zoo
20 happens to be in my district. It is a lovely zoo.
21 Everyone should go. It has great petting zoo,
22 commercial, but I do believe we can do better in the
23 different interfaces that we have as a city because
24 some people don't even know that these zoos
25 necessarily exist within our parks. I think the-the

1 larger zoos are known, but Flushing Zoo—Flushing
2 Meadows in particular is not one that, you know, is
3 necessarily always promoted.
4

5 COMMISSIONER SILVER: You make a fair
6 point, and we will follow up with New York & Company.

7 CHAIRPERSON FERRERAS-COPELAND: Okay,
8 thank you. I will not give it over to our Chair.
9 We're going to have a first round of questions. Then
10 followed by a second round if any members have.
11 We've been joined by Council Member Miller, and now
12 we will hear from Chair Levine.

13 CHAIRPERSON LEVINE: Thank you, Madam
14 Chair. Commissioner, very nice to see you. You
15 stated in your remarks that you are—you consider the
16 Community Parks Initiative to be—to be the signature
17 effort and centerpiece of your strategic blueprint.
18 So, it is perplexing that the main source of staff
19 rot that, which is these 150 parks and maintenance
20 workers are set to be cut as of the end of this
21 Fiscal Year. Explain the logic of cutting the staff
22 out of this extremely successful initiative.

23 COMMISSIONER SILVER: Well, Council
24 Member, as you know, we're—the budget conversation is
25 still ongoing, and we look toward furthering the

1
2 conversation with the Mayor and OMB and City Council
3 as the budget process continues, and we'll continue
4 to have this conversation about both those gardeners
5 and those—both the gardeners and the city workers.

6 CHAIRPERSON LEVINE: Okay, can you
7 understand why this feels like the budget dance to
8 us?

9 COMMISSIONER SILVER: I see your point of
10 view.

11 CHAIRPERSON LEVINE: Okay, what—what will
12 the impact be on these parks to lose these workers?

13 COMMISSIONER SILVER: As I stated, we
14 have a team now that looks very carefully at how we
15 deploy our crews, and we've become quite good now
16 over the years as we look at the routes, the optical
17 crews, how often we can go to those sites. The
18 weekend cleaning is actually helping free up staff to
19 do other work. So, we're constantly looking at how
20 to gain efficiency. So, any reductions we already
21 absorb now that we have optimized our Operations 21
22 program, and that's how we'll continue to look at our
23 efficiencies. We'll look at our ratings and now it's
24 really down from the Chief of Operations down to the
25 districts and the supervisors were able to make sure

1 we continue to maintain the same level of service
2 even though it's not--

3
4 CHAIRPERSON LEVINE: [interposing] Right,
5 and--and your department has been expert in doing more
6 with less over the years through creativity and
7 innovation, but until we have robots that can clean
8 parks, or maintain gardens, you are going to need
9 people to that work.

10 COMMISSIONER SILVER: Right and we're
11 also supported. I mean Partnership for Parks and the
12 work they do we had a spring cleanup this year. We
13 have It's My Parks Day. We're seeing more and more
14 New Yorkers coming out. Now, it does not supplement--
15 supplement the day-to-day activity from park workers,
16 but we're seeing greater cooperation, and we're
17 seeing cleaner parks even though we're seeing more
18 visitors and New Yorkers really appreciate their
19 parks, and they're taking better care of them, which
20 makes our job easier. But our main focus is how we
21 deploy our staffs through the Operations 21, and
22 that's where we're gaining most of our efficiencies.

23 CHAIRPERSON LEVINE: Alright, the Capital
24 Budget is a source is great concern as you've heard
25 here from this committee. We talked--Chair Ferreras--

1 Copeland talked about a comparison the School
2 Construction Authority, which is under different
3 constraints, and we understand that. It would be
4 helpful for us to understand what constraints you as
5 a department face that SCA doesn't face because we
6 would like to work with you to remove those
7 obstacles, but we need to understand exactly what
8 they are. So, that we can focus on them.

10 COMMISSIONER SILVER: We can certainly—I
11 don't have that with me here to do a comparison our
12 processes—what we're required to—rules we're supposed
13 to follow as compare to the School Construction
14 Authority. We can certainly get that to you, but
15 they're vastly different in terms of what we're
16 required from the Controller in terms of city rules
17 and state rules, but that's something we can provide
18 to you. But they are not remotely the same. They're
19 quite different. And so there are a lot of time
20 savings that SCA can achieve that all city agencies
21 for the most part cannot, but we can certainly get
22 you that information.

23 CHAIRPERSON LEVINE: It seems to me this
24 would be one of the first things we would determine
25

1 if we're trying to streamline the capital process,
2 right? What are the bureaucratic obstacles?

3
4 COMMISSIONER SILVER: Right.

5 CHAIRPERSON LEVINE: And some are not
6 originating in your agency. I understand that
7 procurement is largely now in your hands, but we need
8 to know where to point the finger or we're not going
9 to change this, and you're going to hear from Council
10 Member Cohen shortly about a plan to cut the Gordian
11 knot, but creating a Parks Construction Authority,
12 and if-if that's not going to be the Administration's
13 favorite option then we need to understand how we can
14 cut through the knot within the current structure.

15 COMMISSIONER SILVER: We understand and
16 I'll wait for Council Member Cohen's question, but
17 you're correct the State Construction-the School
18 Construction Authority is an authority and a state
19 credit entity and again, they follow a different set
20 of rules, but I'll-either I can answer now or wait
21 for Council Member Cohen's question particularly if--

22 CHAIRPERSON LEVINE: [interposing] You
23 can wait for him to go into detail on the proposal,
24 but I just want to stress how important it is that we
25

1 identify what are the bureaucratic steps that have
2 been put in place--

3
4 COMMISSIONER SILVER: [interposing]
5 Right.

6 CHAIRPERSON LEVINE: --either by the Law
7 Department, by OMB, by MOCS or any other agency, and--
8 and we will be allies with you in cutting through
9 that, right now it's-

10 COMMISSIONER SILVER: Yeah, and part of
11 my answer to you would be MOCS and they are looking
12 very closely, right. The procurement process is one
13 that could be a challenge. It can range anywhere
14 from 17-7 months to beyond. It could be 12 months,
15 15 months. You know, that is the area where reform
16 is needed. That's something that MOCS is taking a
17 very close look at, taking a very close look, and has
18 a couple of recommendations, Passport being one them,
19 which will be released sometime this year, as well as
20 other improvements to Vindex.

21 CHAIRPERSON LEVINE: Alright, we will
22 return--we return to this question in the follow-up
23 from my colleagues. I do before passing it on want
24 to ask about stump removal, which has been a source
25 of frustration because of the backlog and the delay

1 and now there's real alarm due to what I believe is a
2 default on the contract of the current provider of
3 stump removal services.
4

5 COMMISSIONER SILVER: I'm going to ask
6 Commissioner Kavanagh to respond to the stump
7 removal.

8 CHAIRPERSON LEVINE: Alright.

9 DEPUTY COMMISSIONER KAVANAGH: [coughs]
10 There--there is no default of our stump removal
11 contractor. We did have a default of a contractor
12 who was working in the Trees and Sidewalks Program,
13 however.

14 CHAIRPERSON LEVINE: Forgive me. Thank
15 you.

16 DEPUTY COMMISSIONER KAVANAGH: So, they
17 are two different projects. Stump removal we're
18 projecting to remove the--between 10 and 11,000 stumps
19 this fiscal year, which is on target with the funding
20 that we received thanks to the--the Council's support
21 of that program. We will have we estimate a backlog
22 of about 18,000 stumps citywide as a result and based
23 on current funding levels we will only slowly begin
24 to eat into that backlog because we generate more
25 stumps every year, but it varies from year to year,

1 of course, based on, you know, the tree population,
2 but our current funding will not allow us to
3 eliminate that backlog completely in the foreseeable
4 future.
5

6 CHAIRPERSON LEVINE: So, if I call today
7 and say I need a stump removed, it's—it's dangerous,
8 it's a destruction, people are tripping over it, how
9 long can I expect before it's actually removed?

10 DEPUTY COMMISSIONER KAVANAGH: It can
11 take 18 months to two years.

12 CHAIRPERSON LEVINE: 18 months to two
13 years?

14 DEPUTY COMMISSIONER KAVANAGH: Yes.

15 CHAIRPERSON LEVINE: Okay, you can
16 understand how—how homeowners would feel with that
17 kid of delay. I'm sure it's--

18 DEPUTY COMMISSIONER KAVANAGH: Yes, I do.

19 CHAIRPERSON LEVINE: It's—it's really not
20 acceptable. What would the cost be to clear that
21 out?

22 DEPUTY COMMISSIONER KAVANAGH: We
23 estimate that it would require a—a one-time cost of
24 about \$5 million to completely eliminate the backlog
25 while maintaining the current funding level of \$3

1 million to cover the stumps that we generate on an
2 annual basis.

3 CHAIRPERSON LEVINE: And so \$3 million a
4 year would keep us smooth going forward, \$5 million
5 would--

6 DEPUTY COMMISSIONER KAVANAGH: Based on
7 our current tree removal, the sort of numbers that we
8 see year-to-year and the current cost of stump
9 removal.
10

11 CHAIRPERSON LEVINE: Got it, but there's
12 no--

13 DEPUTY COMMISSIONER KAVANAGH:
14 [interposing] It's probably about \$3 million a year
15 to maintain--

16 CHAIRPERSON LEVINE: [interposing] Right.

17 DEPUTY COMMISSIONER KAVANAGH: --you
18 know, the space with all the removals.

19 CHAIRPERSON LEVINE: But there's no--what
20 we're missing is \$5 million to clear the backlog,
21 right, and that's not in--

22 DEPUTY COMMISSIONER KAVANAGH:
23 [interposing] Yes.

24 CHAIRPERSON LEVINE: --the Executive
25 Budget.

2 DEPUTY COMMISSIONER KAVANAGH: Yes.

3 CHAIRPERSON LEVINE: Okay. We need to
4 clear the backlog, and particularly for-for meeting
5 demand going forward let's just clear the backlog and
6 then we're in great shape moving forward. And just
7 to clarify again. So we have a default on the tree
8 pruning and sidewalk repair contract.

9 DEPUTY COMMISSIONER KAVANAGH: The tree
10 and sidewalk repair contractor. We had two
11 contractors working and one is-is very successful
12 doing a lot of work. The other one unfortunately
13 just was not-not able to meet our program goals in
14 terms of production and safety.

15 CHAIRPERSON LEVINE: So, there's no tree
16 and sidewalk repair underway in the city right now?

17 DEPUTY COMMISSIONER KAVANAGH: No there
18 is. One contractor is active and-and working. The
19 second contractor unfortunately we to default.

20 CHAIRPERSON LEVINE: So, that means that
21 what-what parks in the city are left unserved?

22 DEPUTY COMMISSIONER KAVANAGH: The-we
23 have the two contractors. One was working in
24 Brooklyn and Queens. The other had a portion of
25 Brooklyn and Staten Island.

1
2 CHAIRPERSON LEVINE: So, Sunnybrook--

3 DEPUTY COMMISSIONER KAVANAGH: It was--it
4 was the--it was the Staten Island Brook--Brooklyn
5 portion that was contracted that was defaulted.

6 CHAIRPERSON LEVINE: When will that work
7 resume?

8 DEPUTY COMMISSIONER KAVANAGH: We hope to
9 have it resuming in the fall. We attempted to rebid
10 it even while we were going through the default
11 process, but unfortunately we--we couldn't get a
12 contractor.

13 CHAIRPERSON LEVINE: So, well, but you
14 can't do this work in the winter, right for the most
15 part?

16 DEPUTY COMMISSIONER KAVANAGH: Yes, it's--
17 you can't do a concrete or a stump removal. (sic)

18 CHAIRPERSON LEVINE: [interposing] So, we
19 are essentially losing a year? Losing ourselves to
20 it, right--

21 DEPUTY COMMISSIONER KAVANAGH: Well, no--

22 CHAIRPERSON LEVINE: --or seasons.

23 DEPUTY COMMISSIONER KAVANAGH: No, I
24 don't think we're losing a, you know--

25

1
2 CHAIRPERSON LEVINE: A season, but that's
3 a year.

4 DEPUTY COMMISSIONER KAVANAGH: Six
5 months, and we probably might be losing it.

6 CHAIRPERSON LEVINE: But six months, but
7 there's only seven or eight months that you can—nine
8 months that you can do this work?

9 DEPUTY COMMISSIONER KAVANAGH: Yes.

10 CHAIRPERSON LEVINE: So, but when we
11 sent—when we choose the winner for one of these
12 contracts isn't there a runner-up that we can keep in
13 reserve in case of a default?

14 DEPUTY COMMISSIONER KAVANAGH: There—
15 there was not in this case. Unfortunately, we—and
16 there may be a, you know, a function of the, you
17 know, the very hot construction market in New York
18 City. We didn't get a lot of contractors bidding on
19 these projects. When we tried to rebid back in
20 January to get a contractor in place for the spring
21 we only had two bidders. One of them was deemed
22 unresponsive, and the other withdrew his bid. We've
23 met with a number of companies that do this type of
24 work to try to understand better what—what it is that
25 is, you know, maybe keeping them from bidding on the

1 projects. We're going to try to incorporate that
2 into our next bid, but we're just not seeing the
3 level of competition we would like to have for
4 whatever—you know, a very good—very good contracts.
5

6 CHAIRPERSON LEVINE: Alright, there's got
7 to be a better way. Contractors default. There has
8 to be a way to have a backup plan when—when so much
9 is at stake and when we lose so much time. So, we—we
10 would need to work with you on this to figure out
11 going forward how to ensure that we have a Plan B in
12 case of—of a default. I'm going to pass it back to
13 the Chair for questions for our colleagues. Thank
14 you.

15 CHAIRPERSON FERRERAS-COPELAND: Thank you
16 so much, Chair. We've been joined by Council Member
17 Reynoso. We will hear from Council Member Deutsch
18 followed by Council Member Kallos followed by Council
19 Member Rosenthal. [pause]

20 COUNCIL MEMBER DEUTSCH: Thank you, Madam
21 Chair. Thank you, Chair Levin--Levine.
22 Commissioner, I want to thank you for being here
23 today, and Deputy Commissioner your responses I have
24 to be honest were very shameful of how the city is
25 progressing with all these issues with the tree stump

1 removals and the time line and everything. It's
2 really unacceptable and if there's a funding issue
3 that should be even addressed before the—the Finance
4 and the Parks Committee before even the budget. You
5 should know what the issues are, and what funding
6 needs to be done. The stumps that are still—8—8,000
7 stumps I think that are on backlog, and the funding
8 there's no funding for it and people have to wait for
9 two years. So, while I appreciate, Commissioner,
10 your always being accessible and—and Commissioner
11 Maher for always being very responsive, I'd like to
12 express my dissatisfaction today about Bill Brown's
13 Park, which is located on Bedford Avenue in my
14 district. In 2011, over \$2.5 million was allocated
15 to Bill—Bill Brown's Playground. The work was to
16 renovate the comfort station as well as the plaza.
17 Construction began in 2015, four years later. An oil
18 tank was discovered underground, which delayed the
19 work even further. In November of 2016, I was told
20 that this project would finally be complete in
21 August, this August of 2017 six years from when the
22 money was actually allocated and two years from when
23 the work began. This is totally unacceptable, and
24 this is totally irresponsible. Now, I'm told that
25

1 the work will not even be completed in August of
2 2017, and I'm asking the Commissioner if you could
3 put in any and all resources. This way we do not go
4 through another summer that people don't have a
5 comfort station, which, like you said should have
6 been done years ago—years ago. So, I think that this
7 needs to be addressed and there needs to be oversight
8 on this project, and we need to move on. And there
9 are many days that I don't even see construction
10 workers there, and I pass by all the time, and there
11 is a sign on the outside of the park recognizing that
12 that I am the Council Member for that project and
13 it's kind of embarrassing having this project for
14 such a long time, and nothing is being done.

16 COMMISSIONER SILVER: Right. A couple
17 points. My staff is saying, but still the target
18 completion date is August 2017. You have identified
19 one of the issues that we are now correcting going
20 forward. This is a project that preceded my tenure.
21 As a result of the early intervention, we now have
22 funds to do site investigation before we start
23 construction. So, we do not uncover issues on the
24 site that prevents these delays. That is now in
25 place, and this is a project again, as you said was

1 pre- my tenure. As a result, going forward I agree
2 with you we are trying to sit down any time there is
3 a project delay. I meet with staff on a monthly
4 basis to see how we can expedite a project, but this
5 one is still on target to be completed in August of
6 2017.
7

8 COUNCIL MEMBER DEUTSCH: Okay, I just
9 don't—I don't understand that from 2011 when the
10 money was allocated why did it take three years or
11 four years before even an oil tank was discovered
12 underground. The city knows all t he oil tanks
13 underground, you know, because you have to -they have
14 that information. So, I don't understand why no one
15 has the blueprint of what was there before, and that—
16 that-that there is an oil tank underground?

17 COMMISSIONER SILVER: It is not
18 necessarily prior to me coming on board. Look, doing
19 site investigation was not capitally eligible. We
20 now have baselined \$1.8 million to do pre-site
21 investigation to make sure we know what is
22 underground, and we use that to test on average about
23 40 sites a year. This is going back to 2011. I
24 can't answer what happened prior to 2014. We could
25 have a sit down to go through some of the details,

1 but now we have a program in place to do pre-site
2 investigation, but as of now we're still on target to
3 be completed in August of 2017. My staff
4 Commissioner Maher will certainly be willing to sit
5 down with you to go over the detail and the timeline
6 of what happened from 2011 to the current day.
7

8 COUNCIL MEMBER DEUTSCH: Alright, thank
9 you. I appreciate it.

10 CHAIRPERSON FERRERAS-COPELAND: Thank
11 you, Council Member. Council Member Kallos.

12 COUNCIL MEMBER KALLOS: [background
13 comments, pause, coughing] Good afternoon. I want
14 to thank you for your partnership in Parks. When I
15 was first elected in 2014 we were able to secure \$35
16 million for the East River Esplanade, and we were
17 working together and we were looking forward to
18 breaking ground on fixing the esplanade between 80th
19 and 88th and 90th Street where you identified a severe
20 weakness, and in the intervening 3-1/2-3-a little
21 less than three years, [coughs] there now is a big
22 hole in the city park behind the Mayor's House. And
23 during the Preliminary Budget based on numbers that
24 in all fairness I received from Parks Department that
25 there's \$169 million in need to keep what happened to

1 the Mayor from happening to everybody else going from
2 East Harlem down to East Midtown. And I—I am
3 grateful to receive \$100 million for my district from
4 61st to 53rd, but we need to care for the existing
5 infrastructure. So, I guess I'm disappointed that
6 the \$125 million that you reference in your testimony
7 does not cover the East River Esplanade, and I guess
8 I wanted to touch on two facts: One, will you commit
9 to the \$169 million that Parks needs to keep this
10 park from falling into the East River, and in
11 addition, what can Parks do to ensure that when you
12 identified that there is a weakness that that
13 weakness does not progress to a point that it falls
14 in while we're waiting for a real repair. And I'm
15 against Band-Aids, but I'd like to make sure that
16 things don't just fall in.

18 COMMISSIONER SILVER: Alright, what I can
19 commit to is that there's \$41 million in phase 1 and
20 I believe another \$25 million for phase 2, and we can
21 commit to those two phases. The \$169 million--

22 COUNCIL MEMBER KALLOS: But those were
23 already funded, though.

24 COMMISSIONER SILVER: They were already
25 funded. The \$169 you referred to would be a Phase 3.

1
2 It has not been committed, and that is something I
3 have to work with both the Mayor's Office and OMB to
4 make the determination for the 169, but the process
5 worked. EDC did a study. They found vulnerable
6 areas including the one you had mentioned where a
7 portion of the esplanade fell. We had advanced it,
8 and we're about a month away from starting that work
9 because we have identified that as one of the
10 vulnerable areas, and that work will commence within
11 about a month or-or less than two months. So, the
12 process actually works and for that phase there's--

13 COUNCIL MEMBER KALLOS: [interposing] How-
14 how can we make sure that the construction starts
15 before the vulnerable spaces collapse?

16 COMMISSIONER SILVER: We are working with
17 our staff right now to design various sections and I
18 think you probably know those sections--89th to 90th,
19 the 114th the 115th, 117th and 125th are all the areas
20 we have identified. It so happens that while we're
21 preparing design for these packages, the area
22 identified as being vulnerable actually collapsed.
23 So, we know the areas and work is going to commence
24 to address those critical locations.

1
2 COUNCIL MEMBER KALLOS: And I'll just
3 reiterate that \$169 million I need your full support
4 on, and it was in the City Council Budget Response,
5 and let the record reflect that most of the money is
6 actually going to go to a district north of mine, and
7 this will benefit the communities of East Harlem and
8 the Upper East Side and East Midtown. So, I think it
9 is—it is a big deal. I know it is part of a loop
10 because you can't have the loop because if you build
11 from 53rd to 61st, but the rest of it has already
12 fallen in--

13 COMMISSIONER SILVER: [interposing]
14 Right.

15 COUNCIL MEMBER KALLOS: --that's going to
16 be a problem. Along similar lines, my goal in
17 working with you, and I want to thank you. You were
18 able to open about 2,000 square feet by the pier on
19 90th Street, is to open more park space. I believe
20 you share that goal, and there's a piece of land
21 under the Queensborough Bridge. In other locations
22 under bridges you have great multi-purpose fields.
23 On Randall's Island you have soccer on turf on
24 synthetic turf. I've been told I'm not allowed to
25 say astro turf, but synthetic turf. The community

1 has passed multiple resolutions. Every elected
2 official from my Congress Member on down is asking
3 for that space to be a field. In-in speaking with
4 folks a lot of folks are-are-well, some are happy
5 that there are three months a year additional of
6 availability for the public for six tennis courts.
7 Others have done an analysis and found that now the
8 person who has the sweetheart contract without having
9 to really bid against anyone, now has two more courts
10 for three additional months a year. They're going to
11 save about a million plus a year on having to take
12 down the bubble and put it back up. So, it's a net-
13 net positive for them, and so is there an opportunity
14 to please return this to the public as a multi-use
15 field that anyone can use year-round without having
16 to pay as much as \$200 an hour?

18 COMMISSIONER SILVER: Well, as you know,
19 this is not park land. It is land owned by the
20 Department of Transportation that has a concession on
21 it. Our goal through the process was to find a pilot
22 program that would open up the site [bell] to the
23 public, and we felt the pilot. We'll see exactly how
24 that works. The public now will have access to a
25 climate controlled tennis courts for children and for

1
2 seniors that now have access to a space they didn't
3 have access before in its current setting. We will
4 continue to explore how this pilot works before we
5 make the long-term decision in coordination with the
6 Department of Transportation who is the landowner of
7 that land, and so that's what we committed to do.
8 And we met with the community as you know, that there
9 we somewhat of a—those for and those against, and
10 we'll work with all parties as we consider the future
11 use of this Department of Transportation owned land.

12 CHAIRPERSON FERRERAS-COPELAND: Thank
13 you, Council Member. We will hear from Council
14 Member Treyger followed by Council Member Cohen.

15 COUNCIL MEMBER TREYGER: Thank you very
16 much to the Chairs and welcome Commissioner. I just
17 want to just make a quick note about I think that the
18 chairs have covered this issue and so have my
19 colleagues and myself with regards to the cost of
20 capital projects. Commissioner, I think you would
21 agree that the costs are—are skyrocketing and as you
22 mentioned that we might be at the mercy of the
23 market, but just a note to my colleagues in the
24 Council, I think we're on the verge of losing full
25 community control and local member control over our

1 parks because council members are only given, as you
2 know, Commissioner on average in the past couple of
3 years about \$5 million per member for capital
4 improvements. You're now talking \$3 million comfort
5 stations. We can't get two bathrooms in our parks.
6 It's going to get to the point where the—the capital
7 allotments that we get are not sufficient to meet
8 almost any parks improvement. And the data shows it
9 when we do, and the Speaker encourages us to and we
10 want to do it, you know, where residents vote on
11 projects in our districts PV, and half the room
12 empties out when you can't do a bathroom with a
13 million dollars. So, this is a major issue that
14 we're going to have to tackle together, and I
15 appreciate that you recognize it. And my colleagues
16 we need to take note of this because at some point
17 we're going to tell our—our constituents we can't do
18 anything now. We're at the full mercy of the
19 administration now to fund big parks projects. Just
20 a note about with regards to keeping promises that
21 have been made in the past. I appreciate the fact
22 the administration kept a promise to Bushwick Inlet
23 Park. \$169 million is significant, but that was a
24 promise that was made and should have been kept. I
25

1
2 agree. We just read about and have seen the
3 commitments on the Manhattan East Side Esplanade, a
4 significant project. We get it, but I think you know
5 where I'm going with this, Commissioner.

6 COMMISSIONER SILVER: [interposing] I do.

7 COUNCIL MEMBER TREYGER: A promise was
8 made to Southern Brooklyn, too, for Calvert Vaux
9 Park. Again, physically not in my district, but
10 serves a huge swath of Southern Brooklyn communities.
11 All we have were two soccer fields and a parking lot,
12 but it is one of Brooklyn's biggest treasures. There
13 have been—it has not been yet developed.

14 COMMISSIONER SILVER: Right.

15 COUNCIL MEMBER TREYGER: Is there a plan
16 in place now [coughing] to keep the promise to
17 Southern Brooklyn residents for a—a beautiful
18 renovated Calvert Vaux Park?

19 COMMISSIONER SILVER: Well, as you know,
20 the work is already committed. It has probably one
21 of the best soccer fields that exist in Brooklyn, and
22 I know you and I talked about it. I went for a site
23 visit how we can expand that further into the rest of
24 the park. There is currently nothing in the Capital
25 Budget that's being proposed that would commit

1 dollars, but this is something we'll continue to look
2 at to see how we can find ways to fund that—that
3 park. There is a new project going as you know, the
4 comfort station and some other improvements. So,
5 we're slowly chipping away, but in terms of the funds
6 you and I had talked about to do the balance of the
7 park, that right now is not in the Capital Budget.

9 COUNCIL MEMBER TREYGER: Yeah, well, I
10 mean we—we—we planned a number of my colleagues and
11 the Borough President and others plan to, you know,
12 remind the Mayor of the promise that was made to our
13 community as well. This is a—and by the way, this
14 leads to my next and final points because of time, in
15 Southern Brooklyn and other parts of the city as
16 well, we're at the mercy of the Parks Department when
17 it comes to even coastal resiliency, when it comes to
18 making sure that we're protecting our coastal areas.
19 Calvert Vaux is right on the coastline by Gravesend
20 Bay, Coney Island Creek. Again, Kaiser Park. You go
21 around the beach boardwalk. We have made it very
22 clear to EDC and to all the relevant stakeholders
23 that there is a Coney Island Creek Study that has
24 been completed. The Army Corps is in receipt of the
25 study that there are three criteria that—that my

1 office has set out to work with the city that number
2 one, whatever is proposed to protect residents has to
3 be rooted and supported by sound science. Number
4 two, that it should meet FEMA Guidelines to mitigate
5 flood insurance costs for residents. And number
6 three, which is relevant to your agency enhancements
7 of public assets, and that includes Kaiser Park,
8 Calvert Vaux and the beach and boardwalk communities.
9 And I don't know if you've been briefed on—on where
10 that. Can you shed any light about the coordination
11 or cooperation you had with the sister agencies with
12 regards to this study?
13

14 COMMISSIONER SILVER: Yes, we do have
15 staff. The Office of Recovery and Resiliency, of
16 course, coordinates all the resiliency efforts. Yes,
17 we do have staff that's very involved and
18 knowledgeable about what is happening in the entire
19 Coney Island area and vicinity when it comes to some
20 of the impacts of climate change, but more important
21 some of the resiliency efforts as well. So, the
22 answer is yes.

23 COUNCIL MEMBER TREYGER: Alright, and
24 we'll follow up on that, and my last point and time
25 is running out. Commissioner, we're making a—again

1
2 another direct appeal for additional PEP officers,
3 additional maintenance workers for our beaches and
4 boardwalk [bell] both in Coney Island and Brighton
5 Beach. We had a meeting with your agency and other
6 agencies and stakeholders with regards to a security
7 concern that—that happened because of what happened
8 on Easter Sunday. It was very clear that there was a
9 need for additional PEP—PEP enforcements not just
10 folks who tell people to get out of the water even
11 though they shouldn't be in the water when it's not
12 beach season. [coughing] But we definitely need the
13 PEP officers. We definitely need maintenance
14 workers. Can you give us a commitment that we're
15 going to see an increase in Parks Department
16 personnel this season?

17 COMMISSIONER SILVER: Well, we have
18 increased, but it's up to 18 of our PEP officers,
19 which is a very high concentration because of all the
20 people that come out to visit Coney Island, and we do
21 also—I believe that the Parks Security Service there
22 are 24. They offer a very important service. It
23 allows the PEP to free up to do other work. So
24 there's 40 personnel dedicated to Coney Island
25 because it receives so many visitors and we want to

1 make sure that people enjoy their quality of life.

2 So, that's a large force out to that location. We

3 always look for more opportunities as PEP come out of

4 the academy, but right now there are 18 PEP assigned

5 in 24 park security service, but we'll also take a

6 look to see whether we can enhance it further, and as

7 you know, we work very closely with NYPD as well to

8 ensure that people enjoy Coney Island in a safe

9 manner.

10
11 COUNCIL MEMBER TREYGER: Right, we'll

12 follow up with you on that. Thank you.

13 CHAIRPERSON FERRERAS-COPELAND: Thank you

14 Council Member. We will now hear from Council Member

15 Cohen followed by Council Member Rose, followed by

16 Council Member Reynoso.

17 COUNCIL MEMBER COHEN: Thank you, Chair.

18 Good afternoon Commissioner. I have good news. I'm-

19 I'm not going to ask you questions about specific

20 capital projects in my district because I meet

21 quarterly with my borough commissioner and she gives

22 me regular updates on those, and-and I just want to-I

23 know at every Parks Committee meeting we hear this,

24 but I just want to reiterate once again on the record

25 what a good relationship I have with her, how

1 interactive she is, how hands-on and approach—you
2 know and accessible she is. So, I just want to—you
3 should know that. I'm happy to tell it to anybody
4 who will listen to that. That is—I'm very grateful
5 for that. My project—

6
7 CHAIRPERSON FERRERAS-COPELAND: I'm
8 grateful for mine, too. I just want to say that.
9 [laughter]

10 COUNCIL MEMBER COHEN: Okay.

11 CHAIRPERSON FERRERAS-COPELAND: Okay,
12 just an FYI.

13 COUNCIL MEMBER COHEN: [laughs] One
14 flagged Parks project, though, that I did not fund is
15 the Parks Without Project in Van Cortlandt Park, and
16 I was just curious if there's an update on that, how
17 that is going and--?

18 COMMISSIONER SILVER: I—just give me one
19 second. [pause, background comments] Okay, so all
20 eight of the projects they included all the public
21 scoping sessions and now conceptual design is now
22 underway, and so that means as we begin with the
23 conceptual designs, we'll bring it back to the
24 community, the Community Board and then ultimately
25

1 the PDC. So, we're in the conceptual design phase
2 now.

3
4 COUNCIL MEMBER COHEN: Okay, I've been
5 trying to follow that project closely. Even—even
6 like I say even though it's not one funded by me, I—I
7 think it's a very good project, and I think it will
8 really enhance that side of the park. I am going to
9 follow up, though on some line of questioning from
10 the Chair and Chair Levine about I know we've had
11 some discussions about Senate Bill 5766 and Assembly
12 Bill 5286, which were recently introduced by
13 Assemblyman Dinowitz and Senator Klein calling for
14 the creation of a Parks Construction Authority. Have
15 you by any chance had any time to kind of take a look
16 at those, and do you have any thoughts?

17 COMMISSIONER SILVER: Well, the city is
18 reviewing the recently introduce legislation and
19 we're open to discussing the creation of such an
20 authority or a similar entity. However, such an
21 exercise would be a very complicate undertaking with
22 the many potential impacts, and would thus require
23 some robust discussion involving the city, the state,
24 the legislature and other stakeholders. So, we're
25 open, we're discussing it as a team, and we read

1 through the legislation we're trying to identify what
2 some of those impacts and implications would be.

3
4 COUNCIL MEMBER COHEN: Right, your
5 testimony earlier was that the comparison to SCA to
6 the Parks Department is not a fair comparison because
7 the—I-well, it appears to me as someone who works
8 with SCA and someone who works with the Parks that
9 SCA is doing something right that I—I—since I've been
10 in office I would think maybe 18 months ago I had
11 detailed discussions about the construction of a—of a
12 significant addition on a school in my district, and
13 SCA presented to the community the other day and that
14 they're going to break ground in the fall. And the
15 timeline is—is pleasantly shocking. I mean that that
16 is possible, and it's not like—not that Parks
17 projects aren't complicated, but this is 15
18 classrooms, a gym, obviously HVAC. A complicated
19 project and the timeline is very, very impressive
20 and—and one of the things that SCA said at this
21 meeting is that like we deliver 100% of the time on
22 time. Not 99%. They said every project is on time.
23 So that is something obviously the model just seemed
24 so compelling and/or the—the results seemed so
25 compelling, and nobody enjoys coming here complaining

1 that our Parks projects aren't getting done, and—and
2 just one last thing I'll say. You know, I'm—I'm
3 concerned. As someone who really cares deeply about
4 the Parks in my district and—and in the term—in the
5 world I live in with term limits, I'm concerned as a
6 Council Member why should I fund the parks—parks
7 project in my second term when I know I will not see—
8 never mind the ribbon cutting, I won't see a shovel
9 go in the ground in my second term for a Parks
10 project. That is disheartening and it's—it's bad for
11 you because you want members to fund Parks projects.

12
13 COMMISSIONER SILVER: Well, I agree. We
14 are doing what we can on our end to expedite the
15 process. The procurement continues to be an area for
16 improvement, and I'm optimistic that MOCS will find
17 ways to reduce the timeline. The reason why I can't
18 answer about the School Construction Authority I
19 don't know their process enough as they go in in
20 terms of community consultation, community visioning,
21 in terms of PDC expectation for design. That part I
22 don't know. So, it's hard for me to say once we look
23 at the legislation how do we hold up that expectation
24 because the process here for Parks is very
25 collaborative. So, I just don't know when you look

1 at an authority what you lose to gain on time. So,
2 that's values that we have to take a look at since
3 people here in New York City are very, very active,
4 as you know, in many of the park designs and we
5 engage them. [bell] We just want to see at that time
6 how that all folds. So, we certainly will look at
7 it, and we'll—we'll have a response.

9 COUNCIL MEMBER COHEN: Madam Chair, could
10 I—I know that you're—you're not the head of the SCA,
11 and you're not the head of MOCS, but it's my
12 understand that MOCS has been looking has been
13 looking at this for a long, long time, too, and that—
14 that doesn't sort of create confidence. That like—
15 that things are going to get quicker if it takes
16 forever for MOCS to come up with a—to do their part
17 like it's—everything is taking an inordinate amount
18 of time. Thank you Chair.

19 CHAIRPERSON FERRERAS-COPELAND: Thank
20 you. We will now hear from Council Member Rose
21 followed by Council Member Reynoso.

22 COUNCIL MEMBER ROSE: Thank you, Chair
23 and I have to say ditto to Council Member Cohen's
24 remarks about how long it takes a project to come to
25 fruition, but I—I also want to say, you know, I

1 really enjoy a very—a good relationship with
2 Commissioner Silver and Commissioner Ricciardone, and
3 I appreciate, you know, the cooperation that we have
4 and the projects that we have been able to get on
5 board and completed. But with that said, I really
6 have three major issues that revolve around
7 acquisition and—and project completion. In the—in
8 the Council response, we—we asked that the North
9 Shore Recreation Center or otherwise know as
10 Cromwell, since we've identified the location, we've
11 gone through the visioning process, we asked that it
12 be funded in this—this cycle and that has not
13 happened for the \$98 million. Could you tell me why
14 we could not get that funded this cycle, and what's
15 the—what's the plan for that. And then Goodhue the
16 acquisition of Goodhue ten years ago, the city made
17 an agreement with Goodhue Children's Aid Society to
18 acquire that—that—their acreage, and they—they
19 actually kept their—part of their agreement and they
20 purchased two phases of it. There's a third phase
21 that seems to be hanging out there, and no one is
22 addressing it, and no one is saying anything about
23 the acquisition. S o, I'd like to know where that is
24 in the pipeline, and what the plans are to complete
25

1 the acquisition of Goodhue. And then my third is
2 that at 46 Harbor Road there's a playground, and I
3 have put some money into actually improving that
4 playground, and there's a house that's adjacent to it
5 that was for sale. We had conversations about
6 acquiring it. It became unavailable for purchase.
7 It is now available again. So, I'd like to know if
8 we can resume that conversation, and move that
9 forward so that this could be—really become a viable
10 community park in a community that has—is really
11 absent of—of parks and playgrounds.

13 COMMISSIONER SILVER: So, it is the first
14 I'm hearing. Let me take the last one first. It's
15 the first I'm hearing about the Harbor Road
16 playgrounds. I'll ask staff both the borough staff,
17 and we also have our Planning and Development staff
18 just to take a look at that. I wasn't aware that of
19 that one. So, we'll get back to you.

20 COUNCIL MEMBER ROSE: Okay.

21 COMMISSIONER SILVER: On [coughs] the
22 Cromwell, as you know from the Mayor's visit and the
23 town hall, he made it clear that it's a—it was a very
24 important project. We did identify a location, but
25 the Mayor felt that it would be better if it was part

1 of the Bay Street Rezoning conversation, and that is
2 something that he stated, and that continues to—to be
3 the case on the location of Cromwell.
4

5 COUNCIL MEMBER ROSE: Commissioner, I—I
6 just—I just want to say about that. I'm—I'm excited
7 that it would be a part of the rezoning project, but
8 the rezoning project isn't even a done deal. It—it
9 could not—there's a possibility that it wouldn't
10 happen, and I don't want the future of Cromwell
11 hanging in the balance waiting on, you know, the
12 rezoning of the Bay Street Corridor. So, I would
13 like to see us move forward with putting it, making
14 it a-a viable capital project sot that that project
15 can go forward. Because we all have acknowledged how
16 important Cromwell is to our community.

17 COMMISSIONER SILVER: Council Member
18 Rose, I'll communicate that to the Mayor. I'm just
19 following on what was publicly state at the Town Hall
20 that the Mayor felt it would be best if this is part
21 of the Bay Street Rezoning, but I will communicate to
22 both the Mayor and OMB your concern. On Goodhue,
23 equally the Mayor spent some time out on Staten
24 Island touring a lot of sites. The issue of the
25 Goodhue acquisition came up. Unfortunately, for this

1 budget it was not funded, but it continues to be one-
2 both I'm sure you're very interested in, the Borough
3 President and my of the stakeholders. It is one that
4 we're still discussing, but was not funded under this
5 current budget.
6

7 COUNCIL MEMBER ROSE: I'm--

8 COMMISSIONER SILVER: [interposing] The
9 acquisition.

10 COUNCIL MEMBER ROSE: Commissioner, I
11 didn't quite hear you. Did you say that the
12 acquisition is still being talked about with the
13 Borough President?

14 COMMISSIONER SILVER: There is no funds.
15 No, there--there's no funds to acquire the additional
16 parcels at Goodhue.

17 COUNCIL MEMBER ROSE: There is no
18 conversation about acquiring Goodhue?

19 COMMISSIONER SILVER: No, there's
20 conversation. Yes, I said there were conversations.
21 It was discussed. We took a look at it. It was not
22 put in this budget for the funds to acquire Goodhue,
23 but there was conversations trying to understand
24 [bell]the parcels that need to be acquired, the
25 parcels that Parks owns to fill out the entire

1 Goodhue Park. So, there was certainly conversations,
2
3 yes.

4 COUNCIL MEMBER ROSE: Alright. I know my
5 time is up. I just wanted to move from conversation
6 to realization.

7 COMMISSIONER SILVER: This is something
8 yes, we have these conversations, we put forward
9 recommendations. This is—we meet with OMB to see
10 exactly what could be funded. Right now the Goodhue
11 remains part of the conversation. It just had not
12 been funded for the acquisition.

13 COUNCIL MEMBER ROSE: Thank you.

14 COMMISSIONER SILVER: The last is parts.
15 As you know, we have acquired parcels.

16 COUNCIL MEMBER ROSE: The last phase.

17 COMMISSIONER SILVER: Yes.

18 COUNCIL MEMBER ROSE: Thank you.

19 CHAIRPERSON FERRERAS-COPELAND: Thank
20 you. Thank you, Council Member Rose. I feel like
21 you gave us a theme: Conversations to realization.

22 COUNCIL MEMBER ROSE: You like that.

23 CHAIRPERSON FERRERAS-COPELAND: Yeah, I
24 like that. I think—I think we're going to have to
25 use that one. Council Member Reynoso.

1
2 COUNCIL MEMBER REYNOSO: Thank you,
3 Chairs. Commissioner, thank you for being here. I-I
4 guess I want to speak about equity or the lack
5 thereof. I believe the lack thereof. My district
6 has-is one of the Council districts with the least
7 amount of park space in the city of New York. The
8 park space that we do have is either on the entrance
9 of the-what is it the bridge underneath the
10 Williamsburg Bridge or on either side of the BQE.
11 When we talk about the-the park space that is
12 available to my residents, we're talking about
13 putting them in the line of high particulate matter,
14 and-and high-high pollution or high pollution access
15 or-or just in the presence of pollution. When they
16 need air the most, that's what they're breathing in,
17 in areas on Rodney Street, on Marcie-Marcie Ave., on
18 South Fourth Street or the Williamsburg-the
19 Williamsburg Bridge entrance, which is a kiddie park.
20 We're talking about an entrance on one side, and then
21 another entrance on the other side. So, the
22 Williamsburg is a park in the middle of that. The
23 one that's underneath the Williamsburg Bridge is now
24 actually a parking lot for the Department of
25 Transportation, but under the Department of Parks

1
2 it's still considered parkland or considered acreage
3 within my stock of-of fabulous parks. So, just even
4 as one of the least-one of the districts with the
5 least amount of park space, that lot is considered
6 park space as well, or the acreage that is
7 representative of my district. So, my-my district is
8 in dire need of park space. Of that park space, more
9 than 90% is all blacktop. What is not blacktop is
10 specifically in Cooper Park, which is up at the
11 northern portion of my district and Maria Hernandez
12 Park, which is in-in-in Bushwick. Outside of that,
13 every other park for the most part is blacktop. My
14 district is the south side of Williamsburg, the south
15 side and it needs to be very clear that I have mostly
16 East Williamsburg and the south side of Williamsburg.
17 McCarren Park is not in my district. It is not
18 considered a park for my district through lines.
19 I've been asking the Mayor's Office for the last four
20 years and the Parks Department to look into how we
21 can expand the park space in my district, how we can
22 look at space differently and-and give more to my
23 community. We've got a-we see very few returns on-on
24 exactly what spaces you guys would be looking at, but
25 when it comes to increasing acreage it's almost like

1
2 you throw you hands up. My district talks about the
3 BQ Green, which is decking the BQE. It is something
4 that if any administration cared about what was
5 happening with the lack of park space in a district
6 especially a minority district with three times the
7 asthma rates as the rest of the city of New York,
8 they would take that seriously and look into it. I
9 have yet to receive an estimate as to how much it
10 would cost for any inclination or note or sign that
11 city of New York is looking into it seriously to see
12 if it's something that we shouldn't be doing. The
13 previous council member four years ago put out a
14 study, a feasibility study on this issue, and also
15 have yet to receive any return calls or any
16 information from the city—from the Mayor's Office as
17 to how much that would cost in your terms under Parks
18 terms. With all that said, we see parks being built
19 on the waterfront, being purchased for \$160 million
20 not including the development of the actual park,
21 just the space being purchased. As for that being
22 introduced or being connected in the Upper East Side,
23 an affluent, another affluent white district, a park
24 being expanded in Chelsea I believe or in Lower
25 Manhattan another location or area with ample park

1 space. And yet again, a district like mine that has
2 the least amount of park space, a park that's been
3 built in areas that don't make any sense or should
4 have never been built by Robert Moses in between a
5 highway, and the—the dark top. When is the
6 Department of Parks going to take the expansion of
7 park space seriously in my community?
8

9 COMMISSIONER SILVER: We take the
10 expansion of park space seriously everywhere, and
11 we'll go back. I know we had a meeting earlier this
12 year to see what opportunities exist, but this
13 Community Parks Initiative, which is really
14 addressing parks that haven't seen capital in over 20
15 years is a—is a major investment of \$318 million the
16 first phase, and we're going to continue to invest
17 more. We'll go back and take a second look, and meet
18 with both our capital staff as well as the Borough
19 Commissioner, but we certainly believe that every
20 park deserves its fair share of quality open space.
21 If I recall, I also spoke to the Deputy Borough
22 President that the BQ and the BQE is a state
23 facility. So, certainly, and as I expressed that if
24 the state is willing to cap it [bell] we'll certainly
25 participate in that conversation, but it is something

1 until we get to that point. So I don't know if it's
2 necessarily the City's obligation to come up with up
3 cost estimates. It's not—we're not the property
4 owners. It's the state, but we're certainly open and
5 willing if the state wants to proceed because it
6 would connect two parts of the city that we would be
7 open to have that conversation.

9 COUNCIL MEMBER REYNOSO: So, Commissioner
10 and this is part of my—my frustration is that I've
11 had countless conversations with the Parks Department
12 and the Mayor's Office. The state has written a
13 letter stating that so long as it is not responsible
14 for a penny on the project, they will give
15 repsonsive—and/or responsibility of building it just
16 for the city of New York that they would absolutely
17 be in line with it. For them it's about they said as
18 long as we don't for it, you can use the—you can do
19 as you wish on top of the BQE.

20 COMMISSIONER SILVER: Council Member, I
21 had not received that letter. This is new for me.
22 So, we'll certainly take a look at that and start the
23 conversations and based upon information response.

24 COUNCIL MEMBER REYNOSO: Okay, and then I
25 guess, Commissioner, I just want you to know that

1 fact that you don't know that is—is what the problem
2 here. And every park, every district is not—should
3 not be treated the same. Those districts that are
4 aligned by Central Park might not need as many
5 resources as districts like in my district. So maybe
6 you should pay more attention to district like mine,
7 and not treat everyone the same. That's very
8 important. There's an—it's about equity, not
9 equality. I don't want the same attention across the
10 board. I want attention paid to districts that need
11 more park space, and my district is one of those, and
12 I don't think that the Administration or the Parks
13 Department is doing enough to address those issues.

14
15 COMMISSIONER SILVER: Alright, and
16 Council Member I'd have to respectfully disagree. I
17 take equity very seriously. It's one of the reasons
18 why I took this job. We sit down and make sure that
19 all of our resources are—are given in an equitable
20 manner from both maintenance to resources to capital.
21 We're willing to sit down with you to go over this
22 again, but I am saying to you right now we're
23 committed to advancing equity in every single
24 neighborhood across the board. If you feel you're
25 not getting your fair share, we're certainly willing

1
2 to sit down with you to see what else we can do to
3 convince you that is the goal of this administration.

4 CHAIRPERSON FERRERAS-COPELAND: Thank
5 you, Council Member. Council Member Torres followed
6 by Council Member Menchaca.

7 COUNCIL MEMBER TORRES: I have the same
8 frustrations that every member has, and it's not
9 toward to you personally, Commissioner. I-I think
10 the world of the Bronx Borough Commissioner. It's-
11 my-my issue is not with your team, but it feels like
12 the Parks capital projects are the most inflationary
13 products. They're more inflationary than healthcare,
14 than higher education, and the price of oil, and I'll
15 give you a few examples in my district. At Nate's
16 Ball Field I was told in 2014 that it would cost \$4
17 million and then in a span of three years that cost
18 estimate has risen to \$10.5 million. \$10.5. Corey's
19 Soccer field, \$3.5 million in 2014 and it's risen to
20 \$7.3 million. Now there are agencies that adjust
21 their cost estimates, but it's often at the margins,
22 but I-the only agency in which I see a two fold or a
23 threefold increase in the cost of a capital project
24 is yours, and I-I'm sure there are larger forces at
25 work, but it's just immensely frustrating, and I'm

1 not sure if the administration is making enough of an
2 effort to partner with council members to address the
3 prohibitive cost of Parks projects. It-it is
4 impossible, and I represent one of the poorest
5 districts, and my constituents are every bit as
6 entitled to parks amenities as any district, but it
7 is impossible for me as an individual council member
8 to secure enough funding to address these capital
9 needs. The only context in which-I have to threaten
10 to kill an affordable housing project just to get
11 crumbs, and-and, you know, I-could there be a
12 matching funds program where Parks will just split
13 the cost with the local council member? There has to
14 be something. I-I think the status quo cannot be
15 allowed to persist any longer.

17 COMMISSIONER SILVER: Number one, you
18 bring up a good idea about a matching fund. It had
19 been discussed before. I do want to reiterate we
20 share your frustration. We've gotten better at our
21 cost estimating. We're getting specialized software,
22 we're watching the trends, what's happening in the
23 market. We do our best to give you the estimate.
24 Now, this is pre-scoping, but when it comes in, we do
25 not set the prices. That is something that is

1 outside of our control. We do our best to estimate,
2 and then when it comes in, we're seeing it going
3 higher and higher. But your recommendation for
4 matching funds is not new. It's something we could
5 certainly explore with the administration, but we
6 share your frustration because for us to do our best
7 at doing a proper cost estimating, and then come back
8 to say it's not enough, that is not news we want to
9 deliver, and it's something that frustrates us as
10 well.
11

12 COUNCIL MEMBER TORRES: And again, you
13 know, even though I represent one of the poorest
14 districts, no funding from the Parks Equity
15 Initiative has come into my district. My-my-my-my
16 constituents have been poorly served by-by the
17 initiatives of-of this administration. It pains me
18 to say that because I feel like this administration
19 does care about low-income communities of color. But
20 my district for whatever reason has been deeply
21 disadvantaged. It's just frustrating--

22 COMMISSIONER SILVER: Right.

23 COUNCIL MEMBER TORRES: --because if I
24 tell my constituents it's going to cost \$3.5 million.
25 Here's my strategy for funding it over time, and then

1 the price doubles, I lose credibility as a local
2 council member, and I have constituents who are
3 already deeply cynical about their elected officials.

4
5 COMMISSIONER SILVER: The Green Parks
6 Initiative is based on several criteria. If parks in
7 the district did not meet that criteria, it wasn't
8 eligible for the Parks—the Community Parks
9 Initiative. We always partner with council members
10 to see what we can funding within the district. It's
11 something as we do every year, and I'm sure Council—
12 Borough President Rodriguez sat down with you to go
13 over some opportunities, and it's something we'll
14 continue to work with you to see what we can fund in
15 your district. There's another round of CPI. I
16 don't know. Again, we have to look at what the next
17 round will be, but it is based on criteria, parks
18 that hadn't received funding in over 20 years. There
19 are other factors, but that's the key factor, but
20 we'll certainly take a look to see the status of the
21 parks in your district.

22 COUNCIL MEMBER TORRES: I hope so because
23 I—it's just—I'm—I'm just losing hope. At Porey (sic)
24 Soccer Field we were able to secure \$3.5 million from
25 the administration, which I thought was the cost and

1 now it's \$7.3, and so those \$3.5 million are simply
2 going to languish. Like everyone loses. Parks
3 loses, the Council Member loses, the community loses,
4 and you and I had conversation two or three years ago
5 about matching funds, and we're still no closer to
6 figuring out how we can improve the ability of local
7 Council Members to address the prohibitively
8 expensive capital needs in each of our districts.
9 So, I'm—you-it's, you know, again this is almost
10 psycho therapy because you're getting the same
11 frustration from every council member, but I
12 represent one of the poorest districts, and I feel
13 like communities like mine are hit hardest by the
14 status quo. That's the extent of my questions.
15 Thank you.

17 CHAIRPERSON FERRERAS-COPELAND: Thank
18 you, Council Member. Commissioner, before Menchaca—
19 Council Member Menchaca asks his questions, I just
20 wanted to have a follow up. I know that I sent you a
21 letter about an incident that had happened at
22 Flushing Meadows Corona Park with a street vendor, an
23 alarming incident. We saw portions of the videos of
24 a woman being aggressively arrested and, you know, I
25 understand being pushed around. Wanted to know (1)

1 if you received my letter, and (2) what have been the
2 steps?

3
4 COMMISSIONER SILVER: Yes, I did receive
5 your letter. I did see the video. The woman in
6 question did assault Parks Enforcement Patrol, and
7 was arrested. The matter was referred to the
8 Inspector General at DOI for further investigation.

9 CHAIRPERSON FERRERAS-COPELAND: Just to
10 be clear so this is being referred to DOI and DOI
11 will be responding and investigating the incident?

12 COMMISSIONER SILVER: Correct.

13 CHAIRPERSON FERRERAS-COPELAND: Okay,
14 thank you. We will now hear from Council Member
15 Menchaca.

16 COUNCIL MEMBER MENCHACA: Thank you to
17 the chair. I think—I think before I get started with
18 my piece, that question begs a lot of different
19 questions about how we engage our community in
20 positive ways in the very difficult instances where
21 we find ourselves in situations, but I—I look forward
22 to supporting our chair in that—in that incident and
23 really anywhere and everywhere. As the Chair of the
24 Immigration Committee it's really important to me.
25 Second, I just want to say how—how thankful we are to

1 have the leadership of Borough Commissioner Marty
2 Maher to take on such, and I want to say thank you
3 for all the work he's done. One of the things that
4 we keep thinking about in this last three 3-1/2 years
5 is how participatory budgeting has been the—the
6 biggest windfall for all of you in the Parks. I
7 think this is where when you give a community the
8 opportunity to engage, to think about things and how
9 to improve their community, their vision quickly goes
10 to a local park. Your testimony speaks to it, our
11 engagement speaks to it. Our Chair Levine speaks to
12 it, and the only thing that I want to say is how do
13 we—how do we move it beyond just a Council
14 initiative, and I need you all to adopt this on the
15 budget side. This could be a different way. So—so
16 Council Member Torres' concept of matching figuring
17 out how the Mayor can come in. We need you as a
18 partner. It's not only real for the transformation
19 about how communities can continue to engage in our
20 parks, but for the future of our parks and how we
21 continue to do that. And—and which begs the next
22 question, which is so much of the—of the work that
23 we've given to the Parks Department in the district I
24 think has new—requires a new layer of understanding.
25

1
2 In places like Red Hook, we have lead in our—in our
3 ball fields, and I just want to say 100% thank you
4 for not even batting an eye. It was just not an
5 issues. You guys said yes we're going to take care
6 of the fields, and we're in process. One of the
7 things I see lacking right now, though, is engagement
8 in community. There's so many people that don't have
9 any idea that you all put \$100+ million in our ball
10 fields to take care of the lead. It's on its way.
11 We're going to have—we're going to have world class
12 fields in Red Hook. Thank God. This is something
13 that our community deserves, and no one knows about
14 it. I could only do so much as a local elected
15 official, but I think there's a budgetary line that
16 needs to go into this—into this next budget. But how
17 you get out and celebrate some of the work that
18 you're doing and not leave it to us and pressure
19 points where people are saying we have lead, and
20 starting from the beginning of a conversation?

21 COMMISSIONER SILVER: Well, as you know,
22 we did our—I believe did a very good job. When the
23 issue arose, many, many meetings to the public was
24 informed. I am very positive that Commissioner Maher
25 will come up with a strategy of how to keep the

1 public more engaged about what is going on, but
2 you're correct. We identify the problem, working
3 closely with EPA. Yes, they're going to have world
4 class sports fields in Red Hook rivaling anywhere
5 else here without the city-within the city. So, I
6 will work with the commissioner to see how we can
7 better engage the public to know what is happening,
8 and the timeline so they had better expectations
9 about what's gong to happen and when.

11 COUNCIL MEMBER MENCHACA: Wonderful.
12 Thank you for that, and we—we look forward to working
13 with you. We've been doing such a great job already,
14 but whatever—whatever we're all collectively doing
15 right now is not working, and I'll take
16 responsibility for my side. It sounds like we all
17 are doing that. So, let's-let's see some change
18 quickly. And—and the last point I want to make Red
19 Hook was—was devastated by—by Super Storm Sandy, and
20 so many of the new projects that are coming in
21 including the lead renovations, but other ones that
22 are on their way like a possible skate park. This is
23 a general kind of Sandy—Sandy question about how
24 parks can work with us, and real commitment work with
25 us and design to design parks of the future that are

1 going to be positive impacts on-on the climate
2 change--

4 COMMISSIONER SILVER: [interposing]

5 Right.

6 COUNCIL MEMBER MENCHACA: --issues that
7 are on the way, and can we have your commitment that
8 any-any big-big developments like Este (sic) Park and
9 others that are coming really-really have a focus,
10 and work with local-local and-and trained minds in
11 the district that want to help us, and-and so I guess
12 what I'm looking for is no resistance to-to the sense
13 of working together and-and making sure that our
14 budget money that's coming in from participatory
15 process people who-there's thousands of people, 8,000
16 people voted in my district for parks, and-and that
17 means that people are, people are wanting to get down
18 and dirty and-and really make an impact that-that
19 means something to us in Red Hook.

20 COMMISSIONER SILVER: When it comes to
21 planning parks for the future especially in the era
22 of climate change, we are with you, and you have our
23 full support. In fact, we do that for all of our
24 projects. We identify where it's a flood plain,
25 where it's vulnerable, and it is built into the

1 design. On participatory budgeting, I hear this very
2 often we are trying to make sure the projects that
3 you put forward that you share with the public are
4 ones that work well within our parks. We will do a
5 better job upfront of a site-identifying what some of
6 those items are because we know most things that
7 people [bell] want to fund are out of the range of
8 what some of the council members are providing. So,
9 we'll try to figure out some menu of items that would
10 work a lot better so it doesn't heighten expectations
11 for those involved in the PB process.
12

13 COUNCIL MEMBER MENCHACA: Thank you.

14 CHAIRPERSON FERRERAS-COPELAND: Thank
15 you, Council Member. We'll now have Council Member
16 Mealy.

17 COUNCIL MEMBER MEALY: Yes, I want to
18 thank the Parks for doing an excellent job in
19 Brownsville and having the second in the borough,
20 Imagination Playground, two levels. Thank you. But
21 I was thinking about the last Parks Department
22 Committee hearing we had we talked about the parks
23 without borders. Have you all reached out to other
24 not-for-profit organizations in the community in
25

1 regards to helping them get involved with the Parks
2 Without Borders?

3
4 COMMISSIONER SILVER: Well, in terms of
5 Parks Without Borders, that was a nomination process
6 from the community. It was from the ground up, and
7 so--

8 COUNCIL MEMBER MEALY: [interposing] And
9 it--it started already?

10 COMMISSIONER SILVER: It's already--we had
11 two pots. We have one \$40 million pot that was a
12 nomination process, and eight of those parks have
13 already been selected. The other \$10 million staff
14 uses to augment projects in the pipeline to see how
15 they can address some of the edges, but now it's part
16 of our design philosophy for all parks including some
17 of the work that's being done around Betsy Head. The
18 Anchor Parks is the one that Betsy Head had been a
19 beneficiary of, and that's the one that we're working
20 on a phased approach to totally renovate the one next
21 to Imagination Playground and then the sports field
22 that going to be totally redesigned and rebuilt. So,
23 that was the Anchor Parks Proposal. The Parks
24 Without Borders that process had already concluded.

25 COUNCIL MEMBER MEALY: Okay, because I--

COMMISSIONER SILVER: [interposing] -in
terms of the selection.

COUNCIL MEMBER MEALY: --know it wasn't
Betsy, it was—I had asked you all to—well I had spoke
to Wingate, Friends of Wingate Park, they had wanted
to be a part of the Parks Without Borders.

COMMISSIONER SILVER: Okay.

COUNCIL MEMBER MEALY: So, I'll just—the
second question: Have you all had any additional
funds to these projects.

COMMISSIONER SILVER: For Anchor Parks,
not it was a--

COUNCIL MEMBER MEALY: Not Anchor, the
Parks Without Borders.

COMMISSIONER SILVER: I'm sorry. For
Parks Without Borders no, it was \$50 million capital
project, and right now those have been committed to
eight parks, and the rest are about 50 smaller parks
with the \$10 million. So, there's no additional
funding for the Parks Without Borders.

COUNCIL MEMBER MEALY: None at all? Any
additional organizations that are involved?

COMMISSIONER SILVER: Well, we have a
number of parks groups, if that Parks Without Borders

1 project is affecting your neighborhood, then those
2 groups that are surrounding it are—we do engage with.
3 But for the most part, we're just going through the
4 design process with most of the Parks Without
5 Borders. Then we have heavy community consultation
6 on those designs.
7

8 COUNCIL MEMBER MEALY: Okay, I understand
9 the design. My last and final question: Is there
10 any new participants in their Parks Without Borders?

11 COMMISSIONER SILVER: Well, throughout
12 the process. Right now they're in design to go back
13 to the community board. So, I don't believe unless
14 they show up to the community board there aren't any
15 additional participants. We're always open. In the
16 case of Fort Greene, there were ne residents that
17 wanted to weigh in on the project. We held
18 additional public meetings to make sure their
19 concerns were addressed, but for the most part, most
20 of the projects are going along fine, and if there
21 are community concerns, staff will sit down to hear
22 those concerns.

23 COUNCIL MEMBER MEALY: Okay, I'm going to
24 ask one off the cuff question. How many state parks
25 have you did in Brooklyn?

1
2 COMMISSIONER SILVER: I don't know the
3 number, but we've cone quite a few. The last one was
4 underneath the BQE. I can't pronounce the name,
5 Gondolla-

6 MALE SPEAKER: [off mic] Golconda.

7 COMMISSIONER SILVER: Golconda.

8 MALE SPEAKER: [off mic]

9 COMMISSIONER SILVER: Maybe. Okay, the
10 answer is about a dozen.

11 COUNCIL MEMBER MEALY: Okay, dog parks?

12 COMMISSIONER SILVER: Oh, my, we don't
13 have the numbers off the top of our head. We have a
14 lot of dog parks.

15 COUNCIL MEMBER MEALY: Do you--do you feel
16 in the future you will have extra funds because, you
17 know, a lot of people are requesting dog parks, and I
18 know we have a lot of parks. So we would have to
19 make some kind of adjustment to make sure that a
20 piece of our parks get a dog park just in where I
21 know I know--

22 COMMISSIONER SILVER: Right.

23 COUNCIL MEMBER MEALY: --I spoke to our
24 new commissioner. We need extra funding also for
25

1 that. So, I hope that you would be able to start
2 looking in that design.
3

4 COMMISSIONER SILVER: Adult fitness
5 equipment and dog runs seem to be the most popular
6 two items New Yorkers are looking for.

7 COUNCIL MEMBER MEALY: It's not or it is?

8 COMMISSIONER SILVER: It is.

9 COUNCIL MEMBER MEALY: It is?

10 COMMISSIONER SILVER: Both adult fitness
11 equipment and dog runs seem to be the two most
12 popular things people want for Christmas or the
13 holiday season. So, we want to make sure we work
14 with the community to see how we can provide that.
15 If you work with—with the Commissioner Marty Maher,
16 if there's specific request we can work with you to
17 see how that can work. Usually some community
18 outreach involved, but we're certainly open to both
19 skate parks and dog runs where it fits into the
20 setting of that park.

21 COUNCIL MEMBER MEALY: And one thing that
22 was said that you all wouldn't have enough employees
23 to man the dog parks. I see it other places. So I
24 know it can be in Brooklyn because I--
25

COMMISSIONER SILVER: [interposing] We
have 40 dogs, yeah-

COUNCIL MEMBER MEALY: --both of those
need one.

COMMISSIONER SILVER: Yeah, we don't
typically have staff for the dog runs unless there's
a Parks employee that cleans up the entire park, but
they tend to be self-run [bell] by the users--

COUNCIL MEMBER MEALY: [interposing]
Okay.,

COMMISSIONER SILVER: --whether large
parks--large dogs or small dogs. We have 40 dog runs
in Brooklyn.

COUNCIL MEMBER MEALY: Forty?

COMMISSIONER SILVER: 40-4-0.

COUNCIL MEMBER MEALY: Okay, okay. Thank
you, Madam Chair and Mr. Chair.

COMMISSIONER SILVER: Thank you.

CHAIRPERSON FERRERAS-COPELAND: Thank
you.

COUNCIL MEMBER MEALY: Thank you so much.

CHAIRPERSON FERRERAS-COPELAND: Thank
you, Council Member.

1
2 COUNCIL MEMBER MEALY: Thank you,
3 Commissioner.

4 CHAIRPERSON FERRERAS-COPELAND: And we're
5 going to begin our second round of questions now, and
6 our chair is going to kick them off--kick it off.

7 CHAIRPERSON LEVINE: Commissioner, we've
8 talked a lot about three very popular capital
9 programs, which you've introduced with is CPI, the
10 Anchor Park Initiative and Parks Without Borders. I
11 don't believe any new money for those three programs
12 is in your Capital Budget this year. So, what--what
13 is the future for those programs. I assume for
14 Anchor Parks we've designated five parks. There's no
15 more to designate for--I believe Parks Without Borders
16 we've designated the--those parks which we had money
17 for no more designations. For CPI there is some
18 additional designations to come.

19 COMMISSIONER SILVER: Correct.

20 CHAIRPERSON LEVINE: Could you discuss
21 the future of these programs?

22 COMMISSIONER SILVER: Well, right now our
23 focus is to--is to design, procure and build them, and
24 that's our focus. It's a huge portfolio. It's
25 something that is change of the direction for this

1 city. We want to make those old parks new. That's
2 the Anchor Parks. Parks Without Borders not only the
3 eight demonstration projects, but the other 50 who
4 are using pipeline projects. So, there's no
5 additional funding. It's something we'll continually
6 evaluate and look at going forward, but we're
7 focusing on the designing building and the
8 constructing them so that we can open all those up as
9 quickly as possible. All said and done, 67 for CPI,
10 five for Anchor Parks, and then some depending how
11 you count it. Eight plus the 50 on the Parks Without
12 Borders. So we want to make sure these projects are
13 successful. So we continue to push for additional
14 funding because we believe these will really change
15 neighborhoods in New York City--

17 CHAIRPERSON LEVINE: [interposing] Right,
18 so-but just to clarify. So, no additional
19 designations on Anchor Parks or--

20 COMMISSIONER SILVER: [interposing]
21 Correct.

22 CHAIRPERSON LEVINE: --Parks Without
23 Borders and at CPI. Are there additional parks to be
24 designated or is that it?

COMMISSIONER SILVER: We do have about 11
or 12 sites for the last—excuse me? Yeah, we have 11
or 12 sites of Community Parks Initiative to be
announced this fall.

CHAIRPERSON LEVINE: That will be
announced this fall?

COMMISSIONER SILVER: Right, we're going
to announce this right now for the criteria.

CHAIRPERSON LEVINE: Yes.

COMMISSIONER SILVER: As I was mentioning
to Council Member Torres, we go through—we have a
data driven approach to select these, and so that
will occur and announce those this fall.

CHAIRPERSON LEVINE: Okay, excellent. So
we had a couple of colleagues who either had to leave
early or couldn't come, but—but asked me just to ask
about some specific parks--

COMMISSIONER SILVER: [interposing] Okay.

CHAIRPERSON LEVINE: --very quickly.
Daniel O'Connell Park in Southeast Queens, Council
Member Mille tells me that there's a comfort station
with a roof being repaired that it's been three
years, and that in the meantime there's no water for
the park.

1
2 COMMISSIONER SILVER: We can--well, staff
3 is taking notes. We'll follow up on that one unless
4 [background comments] Excuse me. Okay.

5 CHAIRPERSON LEVINE: Any chance,
6 Commissioner Kavanagh you know on that about that
7 one?

8 DEPUTY COMMISSIONER KAVANAGH: It--it has
9 been a problem for our objectives. No question about
10 it. We have a similar situation to our trees and
11 sidewalk contract in which we had a contractor
12 working on the site. The contractor has not been
13 able to meet the production schedule, and--and the
14 deadlines that we've set. We initiated the--the
15 default process unfortunately. It's something we're
16 reluctant to do, butt when we have to, we--we do.
17 We're pursuing through the bonding aspect of the
18 program to get the--the bond holder to either hire a
19 sub or to--or to take responsibility for the project,
20 but it has delayed it. If there is no water in the
21 park, however, we will find a way to make sure that
22 the water is operating to other features of the park
23 outside of that.

1
2 CHAIRPERSON LEVINE: That--that is I'm
3 sure very important. So, when do you expect the work
4 will be completed?

5 DEPUTY COMMISSIONER KAVANAGH: I can't
6 give you an answer right now because we're still
7 negotiating I think.

8 COMMISSIONER SILVER: There is water in
9 the park?

10 BOROUGH COMMISSIONER LEWANDOWSKI: [off
11 mic]

12 COMMISSIONER SILVER: I'm told there is
13 water in the park--

14 CHAIRPERSON LEVINE: Okay.

15 COMMISSIONER SILVER: --from--
16 [background comments]

17 BOROUGH COMMISSIONER LEWANDOWSKI: We
18 just need to use it [siren]

19 CHAIRPERSON LEVINE: Could someone just
20 speak that in to a mic? Yeah so we can get the--

21 COMMISSIONER SILVER: Borough
22 Commissioner Lewandowski.

23 BOROUGH COMMISSIONER LEWANDOWSKI: I just
24 thought I should add last summer we did activate the
25 water fountains and the spray showers. We worked

1 with the council member, and we also funded a Port-A-
2 San (sic) which has been in the park since last
3 summer all year long and it continues for this year
4 until the building is complete.
5

6 CHAIRPERSON LEVINE: Okay, well, I'm
7 sorry he's not here for follow-up questions, but I
8 appreciate that update. [background comments] Well,
9 we were just speaking about your park, Council
10 Member. [background comments] You have impeccable
11 timing. No, words at all and—and I'll just bring you
12 up to date that—that we're discussing the
13 availability of water in the park, and the Borough
14 Commissioner has told us that some of the features
15 are, in fact, functional at this time. Could you
16 repeat that piece about the water, Commissioner?

17 BOROUGH COMMISSIONER LEWANDOWSKI: Yes,
18 I'm pleased. We did last summer, Council member as
19 you recall we activated the spray shower and the
20 water fountains in the park. So they are
21 functioning. We intend to have the spray showers
22 again for this season and the water fountains.

23 COUNCIL MEMBER MILLER: Will there be
24 bathrooms aside from the portables?
25

1
2 BOROUGH COMMISSIONER LEWANDOWSKI: We
3 will currently still have the Port-A-Sans for this
4 season.

5 COUNCIL MEMBER MILLER: Could I digress
6 for a moment?

7 CHAIRPERSON FERRERAS-COPELAND: [off mic]
8 If you have questions—

9 CHAIRPERSON LEVINE: Please.

10 COUNCIL MEMBER MILLER: I'm sorry because
11 this was a what? A two-year project and we're in
12 year what? [pause] First of all, this was—this
13 wasn't a new construction. This was a roof, right
14 and it was bundled. Could we talk about what
15 percentage of the bundles jobs don't get done in the
16 prescribed amount of time? We had—we—you know it was
17 funny. So, I'm coming out of a root canal. That's
18 how important this was. I ran into the person that
19 runs the tournament, and one of the programs that we
20 has, and w they were just like wow, we have all this
21 great stuff for the summer and we're going to meet
22 with your staff, and I says well I had just a little
23 caveat here, and that is that again for the year in a
24 wow we don't have water, we don't have bathrooms.
25 How is that possible? Why can't we expedite this?

1 We—we, in fact, last year when we ran into this
2 problem last year there was a problem. There was
3 conversation about—about the contractor defaulting,
4 removing him then. They said, you know what, he's
5 going to be okay. The job is going to get done. He
6 shows up for a week, and we're right back a year
7 later in the same position, and—and—and this is—this
8 is horrible and folks are really invested in this
9 park, and the activities of this park. Why can't we
10 get it fixed?

12 DEPUTY COMMISSIONER KAVANAGH: Council
13 Member, we share your frustration. We did try to
14 work with the contractor. We thought that was going
15 to be the best path forward to get the project
16 finished. Initially, the contractor did respond in a
17 positive way. We saw more activity on the site.
18 They began to start meeting the production goals that
19 we set out for them, but ultimately they were unable
20 to sustain the pace of work that we needed to
21 complete the project. We have defaulted the
22 contractor. We are working with the bonding company
23 to get a completion contractor onto the site.
24 Unfortunately, I don't have the details about what
25

1 that schedule would look like right now, but we will
2 follow up with you directly to let you know,

3
4 COUNCIL MEMBER MILLER: Aren't their site
5 managers on these sites?

6 DEPUTY COMMISSIONER KAVANAGH: Yes, there
7 are.

8 COUNCIL MEMBER MILLER: Assigned to these
9 sites. At what point did the site manager realize
10 that this wasn't going to happen?

11 DEPUTY COMMISSIONER KAVANAGH: The site
12 manager, well, they file reports on a regular basis,
13 on a weekly basis, and they did report the initial
14 poor performance in terms of the production goals. We
15 were aware of it. We met with the contractor
16 regularly to insist that they increase staffing, that
17 they improve their supply chain to meet the
18 production goals. As we discussed last year, I think
19 with you, you know, we did consider default. We
20 attempted to work with the contractor. As I
21 described, we had some initial success, but
22 ultimately the contractor was unable to sustain the
23 level of work that we need to make this project
24 successful. I-I do believe the project is more than
25 just a roof, however, but it's not an excuse. It

1 should have been done already. So, we're going to go
2 into year 4 [bell] of this project. It's going to
3 take four years to be on the procurement process.
4

5 COMMISSIONER SILVER: We are-

6 COUNCIL MEMBER MILLER: The actual work
7 to get a roof put on a comfort station? That's
8 unacceptable. It's unacceptable. It is absolutely
9 unacceptable. We have people and-and the amount of
10 activities that go on in this park during the course
11 of the year, and we should not have to compensate for
12 water. We should not have to compensate with porta
13 potties, and the fact of the matter is one porta
14 potty during the time that we have these activities
15 going on what about the people that use the park
16 everyday? What are they going go be subject to? This
17 is not what we're paying for. Capital dollars this
18 is not what we expect. This is not what we expect
19 with our tax dollars. We have private investment in
20 this park, and-and this doesn't happen all over the
21 city. This is unacceptable.

22 COMMISSIONER SILVER: Council Member, I
23 heard you last year. I was not aware of the last
24 year of what happened. I'm already talking to staff
25 that I want to meet right after this to find out what

1
2 happened. What we are going to need to do to fix this
3 problem immediately. I share your concern. It was
4 far too long, and I will make sure we get back to you
5 to figure out what is the path forward to get this
6 done as quickly as possible.

7 COUNCIL MEMBER MILLER: I thank you, but
8 I would submit that we had this conversation at the
9 budget hearing last year, and we're having the same
10 conversation again now as that is really—it's
11 despicable. You know, there's—there's a lot of
12 questions but, you know, that is at the top of the
13 list and—and it's really frustrating. So, thank you.

14 COMMISSIONER SILVER: Thank you.

15 CHAIRPERSON FERRERAS-COPELAND: Thank
16 you, Council Member and Council Member you will have
17 the—the full weight of both committees to follow up
18 on this issue. Commissioner, it is I'm sure not
19 necessarily a council member's only issue with Parks,
20 but the fact that he has to dedicate this much time,
21 and I personally know that he really was about to get
22 a root canal, and came back because that's how
23 important this is. So, we will be following up with
24 you directly on this one particular issue, of course.
25 The Chair—the chair will have additional questions.

1
2 CHAIRPERSON LEVINE: Well, thank you so
3 much, Madam Chair. Council Member Dromm couldn't be
4 here, and maybe he'll walk in right on cue. We seem
5 to have good luck so far on this, but he wanted me to
6 ask about Travers Park in Jackson Heights, which was
7 funded in 2012, a larger projected funded with \$12
8 million, and here we are five years later, and I
9 don't believe construction has begun. I'm not even
10 sure if you're—I don't even thing you picked the
11 contractor yet.

12 COMMISSIONER SILVER: Well, the most I
13 have is a project that's still in the procurement
14 phase, and we expect to award it to a contractor
15 soon, and we're still on target for a fall 2017
16 groundbreaking.

17 CHAIRPERSON LEVINE: But how—how did it
18 take five years to go from being funded to get a
19 contractor picked?

20 COMMISSIONER SILVER: Right, we're
21 willing to sit down and—and meet with the Council
22 Member to go over the timeline. So, I can't answer
23 what happened before right now at this meeting, but
24 unless there's a staff member that can over
25 specifically what happened.

1
2 CHAIRPERSON LEVINE: Alright, well-

3 CHAIRPERSON FERRERAS-COPELAND: I just--

4 COMMISSIONER SILVER: [interposing] And
5 we're on target for the 2017 groundbreaking.

6 CHAIRPERSON FERRERAS-COPELAND: Can I
7 just follow up on the Travers Park. I don't know if-
8 I'm sure you've been briefed on the history. This is
9 like a street that's actually

10 COMMISSIONER SILVER: Right.

11 CHAIRPERSON FERRERAS-COPELAND: --being
12 converted into a park, one that required a lot of
13 community engagement, and I think that the
14 frustration of the local council member that because
15 it required so much community engagement, every day
16 that passes only grows frustration for the
17 constituents. He and I have--you know, my district
18 and a few blocks away, but we kind of share both
19 people that--people for the park. And what's
20 happening in the interim is that we're seeing an
21 uptick in some gang violence and some crime because
22 it doesn't necessarily look like a traditional park
23 space.

24 COMMISSIONER SILVER: Right.

25

1
2 CHAIRPERSON FERRERAS-COPELAND: So, there
3 is a sense of urgency for us to be able to begin what
4 I think would be something incredibly innovative in
5 our city that we're even converting a street. I
6 could only—you can only imagine how much work, human
7 equity and power, community power it took to actually
8 eliminate parking in New York City in Jackson
9 heights, and—and the community had an uprising and
10 said we—we need parkland, and we are willing to give
11 up our parking spots for it. Unfortunately, it's
12 still asphalt, and in some—you know, and I know we've
13 kind of converted some of the spaces. So, I just
14 want to—you said the groundbreaking is scheduled for—
15 -?

16 COMMISSIONER SILVER: The fall of this
17 year.

18 CHAIRPERSON FERRERAS-COPELAND: The fall
19 of this year?

20 COMMISSIONER SILVER: Correct.

21 CHAIRPERSON FERRERAS-COPELAND: Okay, and
22 this—in the—we can not expect any delays. You know
23 do you see, foresee a reason for us to have any
24 additional relief?

25

COMMISSIONER SILVER: I don't know what stage it is in the procurement process, but a lot of things could happen in procurement, but if we believe it's going smoothly at this point, we expect the contractor if there are nay concerns through procurement. It has not been awarded yet, but it is in the procurement phase. Things that happen--

CHAIRPERSON FERRERAS-COPELAND:

[interposing] What does that mean? Is that like the final stage?

COMMISSIONER SILVER: It has been awarded correct.

CHAIRPERSON FERRERAS-COPELAND: So, does awarded mean--

COMMISSIONER SILVER: [interposing] And registered as basically the last step before--

CHAIRPERSON FERRERAS-COPELAND:

[interposing] Well, after it's awarded, then it's registered? Okay, so, I'm sure the Council Member will be following up with you and the chair will give him the update, but this is vitally important especially I think Danny is the district with the least most--the least being paid.

1
2 COMMISSIONER SILVER: [interposing] Right,
3 and we're very proud of Travers Park. In fact, when
4 we talk about Parks Without Borders it is one of the
5 featured parks that we use. So, we are also very
6 eager to get this started because it is quite
7 exceptional that you're actually closing off the
8 street to join two different parks.

9 CHAIRPERSON FERRERAS-COPELAND: Right.

10 COMMISSIONER SILVER: So, I share their-
11 both sense of urgency to get this moving. Again,
12 this is one that started before my tenure, but while
13 I was here, we did play a role at figuring out how to
14 actually blend in that street with the surrounding
15 parks. So, it is going to be a beautiful park when
16 it's done. I understand their sense of urgency to
17 see it as quickly as possible.

18 CHAIRPERSON FERRERAS-COPELAND: And-and
19 also there's a green market that's part of Travers
20 Park that also needs to understand the timeline
21 because it provides an incredible service for the
22 community, and if the Green Market is moved then I
23 think they're trying to figure out where they're
24 going to go. And every time kind of the goal post
25

1 gets moved, it creates incredible anxiety in the
2 community.
3

4 COMMISSIONER SILVER: But we always
5 encourage the public. Maybe we have to get the word
6 out more. We have something called the Capital
7 Tracker. You can go online for any park in the city
8 and follow the progress. I failed to mention that to
9 Council Member Menchaca, but we do want the public to
10 utilize it. We're getting tens of thousand of-of
11 visits to the site, but anyone can find any park to
12 check the status so they know exactly what's going
13 on, and we encourage them to do the same with Travers
14 Park.

15 CHAIRPERSON FERRERAS-COPELAND: And I'm
16 glad that you brought up the site, I you're your
17 website because I've had certain people, and I'm
18 going to follow up with you where they-they wish the
19 site could be more friendly in other languages.

20 COMMISSIONER SILVER: Okay.

21 CHAIRPERSON FERRERAS-COPELAND: So, I
22 think there's an opportunity to have, you know, so
23 many mechanism now. You can translate a website, and
24 that is not facilitated in our website in particular.

25 COMMISSIONER SILVER: Point well taken.

1
2 CHAIRPERSON FERRERAS-COPELAND: There's a
3 big disadvantage that creates for people in many
4 communities.

5 COMMISSIONER SILVER: Correct, thank you.

6 CHAIRPERSON FERRERAS-COPELAND: Chair.

7 CHAIRPERSON LEVINE: The final question--

8 COMMISSIONER SILVER: [interposing] We're
9 told there is automatic translator on our site.

10 CHAIRPERSON FERRERAS-COPELAND: It's--
11 it's--it is not translating as it should, and when you
12 use like automatic translators it makes like the
13 Borough of Queens sound like Queen.

14 COMMISSIONER SILVER: Oh.

15 CHAIRPERSON FERRERAS-COPELAND: Right, so
16 [Speaking Spanish]. You know, things like that. So,
17 we can perfect it. I'll follow up with you. We can
18 do better, but thank you.

19 CHAIRPERSON LEVINE: If the machine
20 translation breaks down on the technical stuff,
21 there's nothing better than humans for cleaning up
22 parks and translating website. The last Park, I
23 wanted to ask you about is Orchard Beach. We're
24 excited that you have committed I believe \$30 million
25 towards renovation of the boat house. There was some

1 confusion on how has been assembled for the boat
2 house the last time. Is it 30 from the city, 10-30
3 from the administration, 10 from the City Council and
4 10 from the state? Sorry, it was 30 from the
5 governor. I would have gotten in a lot of trouble if
6 I didn't clarify that.

8 COMMISSIONER SILVER: Yes.

9 CHAIRPERSON FERRERAS-COPELAND: Thank you,
10 thank you, Governor--

11 COMMISSIONER SILVER: [interposing] It's
12 still in the city.

13 CHAIRPERSON FERRERAS-COPELAND: --Cuomo
14 for giving \$30 million to Orchard Beach and \$10
15 million from the Mayor and \$10 million from the City
16 Council. We're sorry for the disassembly.

17 COMMISSIONER SILVER: Several.

18 CHAIRPERSON LEVINE: Well, I really
19 mangled it. Maybe one of you can straighten this
20 out.

21 COMMISSIONER SILVER: Yes. May I.

22 CHAIRPERSON LEVINE: Yes, it's been a
23 long hearing.

24 COMMISSIONER SILVER: It is--you're
25 correct. There's \$50 million committed for the

1 projected. We needed between \$45 and \$50. So, we do
2 have the funds committed to begin to proceed.
3

4 CHAIRPERSON LEVINE: And just clarify the
5 breakdown maybe a little.

6 MATT DRURY: So, it's \$10 million from
7 the Borough President.

8 CHAIRPERSON LEVINE: Right.

9 MATT DRURY: \$20 million from the Mayor.
10 Those are city funds that are in place.

11 CHAIRPERSON LEVINE: Yeah.

12 MATT DRURY: There's a \$10 million
13 commitment from the Governor and a \$10 million
14 commitment from the Assembly for which paperwork is
15 being processed now through the Dormitory-

16 CHAIRPERSON LEVINE: [interposing] Okay,
17 thank you for clarifying that. Everyone gets credit
18 where it's due. It's a--it's a large property, if you
19 will, and the boat house is only one element. It's
20 been pretty much untouched since the Robert Rose's
21 (sic) Era and no major renovations, and there is
22 plenty of work to do beyond the boat house. Could
23 you give us a sense of the cost of the full project
24 if we were to complete--completely update the process?
25

1
2 COMMISSIONER SILVER: Well, we'll get
3 back to you. We had a study conducted. We'll get
4 back to you with the exact number. I don't want to
5 give a false number, but we do have the full number,
6 and we'll get back to you very quickly.

7 CHAIRPERSON LEVINE: Okay. I think it
8 might be over \$100 million for the whole site.

9 COMMISSIONER SILVER: It is a large
10 number, yet.

11 CHAIRPERSON LEVINE: And I know that
12 Maintenance Operations Building, which needs to be
13 raised and modernized is about \$14 million.

14 COMMISSIONER SILVER: That's right.

15 CHAIRPERSON LEVINE: It matches more or
16 less. This inch by inch is probably one of the most
17 heavily used park properties in the city. I don't
18 know how many use it a year, but I wouldn't be
19 surprised if it's over a million, or at least
20 somewhere in that neighborhood.

21 COMMISSIONER SILVER: The beach is around
22 I believe about a million.

23 CHAIRPERSON LEVINE: What's that?

24 COMMISSIONER SILVER: I believe it's
25 about a million for.

DEPUTY COMMISSIONER KAVANAGH: [off mic]

It was \$1.9 million last year.

CHAIRPERSON LEVINE: \$1.9 million.

COMMISSIONER SILVER: \$1.9 million last
year, yes.

CHAIRPERSON LEVINE: So, an unbelievably
heavily used property. The price tag relative to
that use is actually reasonable considering how many
people would benefit from a modernized facility. So,
just want to tell you how important it is. I think
we not only to the boat house, but really do right by
the entire Orchard Beach property. Alright. Thank
you, Madam Chair.

CHAIRPERSON FERRERAS-COPELAND: Thank
you. Commissioner, we may have additional questions.
We ask that you get them back just as soon as
possible because we'll be using them to negotiate the
budget, and we're going to be following up. Now, we
will hear from Council Member Mealy before we--

COMMISSIONER SILVER: [interposing] And I
do have a point to clarify for the record on the
Esplanade. I believe I said \$41 million phase one
and \$25 million phase 2. In total it was—it was \$15

1 phase one, 25 phase 2 for a total roughly about 41.

2 So, I just want to clarify that for the record.

3
4 COUNCIL MEMBER MEALY: Yes, I just wanted
5 to follow back up on a question. Someone just said
6 that they had—we had problems with turning on the
7 water or something like—different things like that at
8 one of our parks. How do you deal with the electric
9 company when you build the park and you put in
10 provisions that it will glow, well light up at night,
11 but then it never was connected and every year you
12 would say that it's dealing with the Con Edison. How
13 do you rectify those issues, and I know my park is
14 Baywood (sic) Park in Brooklyn—in Bedford-Stuyvesant.
15 To me when people call my office I get on the line—
16 get on the phone with Con Ed Government Affairs and
17 things happen. So, this park has been done now about
18 five or six years and the electrical is still not on
19 in this park. So, could you explain how do you all
20 handle these issues? I just heard another issue
21 somewhere.

22 COMMISSIONER SILVER: Were you referring
23 to the lighting, the street—the lighting in the park
24 itself because that's not our jurisdiction.

1
2 COUNCIL MEMBER MEALY: No, the lighting
3 in the park also. We have brand new lights, but then
4 behind the water park you put some beautiful that as
5 soon as nightfall, dusk it's supposed to light up,
6 and it has neve it up--

7 COMMISSIONER SILVER: [interposing]
8 Right.

9 COUNCIL MEMBER MEALY: --since the park
10 was done. That's at least six years ago.

11 COMMISSIONER SILVER: Alright.

12 COUNCIL MEMBER MEALY: So I'm just
13 wondering how do you perfect dealing with government
14 agencies just like the roof, the water, DEP? How do
15 you handle those things that it could be expedited
16 and it doesn't? We want our community to get the
17 full benefit of the park. What's the sense of
18 building a beautiful park and that extra little light
19 that goes behind that--that wall with beautiful green
20 rocks and when you put it--as soon as when the lights
21 turn on, it's supposed to turn on also, and it has
22 never turned on.

23 COMMISSIONER SILVER: [interposing] Well,
24 we'll follow up to see what's going on. I'm not
25 familiar with that particular park and the lighting

1 issue, but we'll follow up to see exactly what's
2 going on so we can go ahead and address that.

3
4 COUNCIL MEMBER MEALY: Okay, then and
5 then one more question. With my colleague Miller's
6 park, how often do—if a contractor do not perform
7 what they're supposed to do, and then they hire a
8 subcontractor, how do they hire their subcontractors?
9 Do the contractor have their own ability just to go
10 out and get a subcontractor or they go through bids?
11 Do they go—

12 CHAIRPERSON EUGENE: [interposing] My
13 understanding is that—

14 COUNCIL MEMBER MEALY: --for minority
15 contracting? I would love to know exactly how you—if
16 that's a subcontractor—you do get another contractor
17 to finish that part, would they go through minority
18 contractors are they able just to get their own
19 subcontractor?

20 DEPUTY COMMISSIONER KAVANAGH: We--

21 COMMISSIONER SILVER: [interposing] they
22 have to—I'm sorry. Go ahead, please.

23 DEPUTY COMMISSIONER KAVANAGH: We do
24 approve all of the subcontractors [bell] that work on
25 our projects, and we do have goals for participation

1
2 by Minority and Women Owned Businesses as well, and I
3 think we have a--have a very strong record in that
4 area. So, yes we do.

5 COUNCIL MEMBER MEALY: It's the first in--
6 in that area--

7 DEPUTY COMMISSIONER KAVANAGH:
8 [interposing] Excuse me.

9 COUNCIL MEMBER MEALY: -that they have a
10 subcontractor, minority. That's what you said?

11 DEPUTY COMMISSIONER KAVANAGH: I-I don't
12 know in this particular case if there was any--any
13 Minority and Women Owned Business subcontractors on
14 the project that Council Member Miller was concerned
15 about, but we do approve the subcontractors who work
16 for our--our prime contractors and we, you know,
17 stress the importance of--of making our projects
18 including the subcontracting opportunities available
19 to Minority and Women Owned Businesses.

20 COUNCIL MEMBER MEALY: Okay, thank you,
21 Chairs.

22 CHAIRPERSON FERRERAS-COPELAND: Thank
23 you, Council Member. As I mentioned before, we're
24 going to have additional questions for both
25 committees, and we'll get them out to you, and I'm

hoping that you can respond as soon as possible.

That concludes today's hearing. Thank you again to

Commission Silver and his staff for being with us

today. I'd also like to once again thank my co-

chairs for today's hearings, Council Members Torres,

Vacca, Greenfield and Levine and the members of their

committees. Again, a reminder that public will be

invited to testify on Thursday, May 25th the last day

of budget hearings at approximate 1:00 p.m. in this

room. For any member of the public who wishes to

testify but cannot make it to the hearing, you can

submit your testimony to the Finance Division on the

Council's website council.nyc.gov/budget/testimony

and it will be part of the official record. The

Finance Committee will resume budget hearings

tomorrow in this room at 11:00 a.m. with the

Committee on Cultural Affairs and the Subcommittee on

Libraries to hear from our library system followed by

the Department of Cultural Affairs, and with that,

this hearing is now adjourned. [gavel]

C E R T I F I C A T E

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



Date June 22, 2017