

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON PUBLIC HOUSING JOINTLY WITH
SUBCOMMITTEE ON CAPITAL BUDGET

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March 14, 2018
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HELD AT: Council Chambers - City Hall

B E F O R E: ALICKA AMPRY-SAMUEL
Chairperson

VANESSA GIBSON
Subcommittee Chairperson

COUNCIL MEMBERS: Diana Ayala
Robert Cornegy
Laurie A. Cumbo
Ruben Diaz, Sr.
Barry Grodenchik
Mark Gjonaj
Steven Levin
Steven Matteo
Carlos Menchaca
Keith Powers
Antonio Reynoso
Donovan J. Richards
Helen Rosenthal
Rafael Salamanca, Jr.
Ritchie J. Torres
Mark Treyger
Jumaane Williams
James G. Van Bramer

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

Shola Olatoye
CEO and Chair
New York City Housing Authority

Vito Mustaciuolo
Acting General Manager
New York City Housing Authority

Debra Goddard
Executive Vice President for Capital Projects
New York City Housing Authority

Trisha Roberts
Vice President for Finance
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Carrie Jew
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Kathy Pennington
Executive Vice President for Operations
New York City Housing Authority

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Executive Vice President for Real Estate
New York City Housing Authority

Sideya Sherman
Executive Vice President for Community Engagement
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Latonya McKinney
Finance Director
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Nathan Tole
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Chema Obechair[sp]
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Sara Gastelim[sp]
Finance Analyst
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Erik Bernstein
Rebecca Chasen
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Ms. Torres, President
Residents Association of Alfred E. Smith Houses, Inc.

Nancy Ortiz
NYCHA Resident - Valdeck Houses

Kadar Miller, Senior Manager
Community Engagement at Lincoln Center for the
Performing Arts and a Member of the Cultural
Institutions Group

Alex Rodriguez
NYCHA Resident

Randall Texara
Youth Leadership Council

Shenes Mead
Youth Leadership Council

Zackary Rumne
Youth Leadership Council

Arial DeCamp
Youth Leadership Council

Maggie Petway, Vice President
Edenwald's Resident Council

Naomi Johnson, President
The Howard Houses Tenant Association

Carrie Gatson
NYCHA Resident

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2 SUBCOMMITTEE ON CAPITAL BUDGET

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3 JUAN: Test, test this a public hearing
4 on Public Housing. Today's date is March 14, 2018.
5 It's joint with Capital Budget. This recording's
6 being recorded by Juan Doubleday.

7 CHAIRPERSON AMPRY-SAMUEL: [gavel] This
8 budget hearing will now come to order. Good
9 afternoon everyone. I am Council Member Alicka
10 Samuel, chair of the Committee on Public Housing and
11 we are here to conduct a preliminary budget hearing
12 on NYCHA's five year operating and capital plans for
13 2018 to 2022. I would first like to thank my co-
14 chair, Council Member Vanessa Gibson, who will be
15 giving opening remarks and acknowledge that I am
16 joined today, that we are joined today by Council
17 Members Ayala, Grodenchik, Council Member Ruben Diaz,
18 Sr., Council Member Rosenthal, Council Member Levin,
19 Council Member Torres, Council Member Treyger,
20 Council Member Richards, Council Member Salamanca,
21 Council Member Levin and Council Member Matteo.
22 NYCHA has operated the largest public housing program
23 in the nation for over 75 years providing affordable
24 housing to over 400,000 low and moderate income City
25 residents. Despite budgetary challenges, and funding
shortfalls across all levels of government, NYCHA

3 continues to address the varied physical needs across
4 its aging buildings, offer community and senior
5 programming at 255 community centers and pursue
6 strategies to address structural funding deficits.

7 Central to NYCHA's goal of achieving financial
8 solvency is Next Generation NYCHA, a 10 year
9 strategic action plan that was launched in May of
10 2015. The plan applies targeted strategies to get
11 NYCHA on a solid financial ground and reduce NYCHA's
12 deficit by more than \$1 billion over the next five
13 years. While NextGen strategies are projected to
14 generate \$182 million in revenue in 2018, this is not
15 enough to offset the \$1.3 billion federal operating
16 shortfall NYCHA has faced from 2001 to 2016. This is
17 in addition to NYCHA's cumulative federal capital
18 subsidy loss which currently totals \$1.4 billion.

19 From fiscal years 2018 to 2022, the City is currently
20 allocating about \$225 million in operating funds to
21 NYCHA and about \$1.4 billion in capital funds for
22 roof, heating systems, and other critical building
23 system improvements. These resources are critical to
24 NYCHA but it is not enough. Given that this current
25 President in Washington, D.C.'s fiscal 2019 budget
proposal eliminates the public housing capital fund,

3 a \$346 million reduction in NYCHA's budget and would
4 significantly reduce the public housing operating
5 funds, a \$330 million reduction in NYCHA's budget and
6 the Section 8 program, a \$124 million reduction in
7 NYCHA's budget, NYCHA's financial situation looks
8 dire, totaling \$600 million in budget reductions.
9 Put simply, NYCHA has been in a financial crisis
10 which is likely to continue to be exacerbated under
11 the current federal administration and requires
12 immediate action. The Council will continue our
13 commitment to fund vital programs and capital
14 improvements at NYCHA and will seek new opportunities
15 to strengthen these partnerships and with questions
16 around how NYCHA spends and manages its budget, we
17 hope to glean a clearer sense of how NYCHA plans to
18 absorb the proposed federal cuts and how this will
19 impact it's operations and service levels. I would
20 like to thank the NYCHA Chair and CEO, Shola Olatoye
21 and her staff for joining us today and for their
22 collaborative work with the City Council and I look
23 forward to hearing from the administration during
24 this hearing this afternoon. Thank you.

25 CO-CHAIR GIBSON: Good afternoon, ladies
and gentlemen. Welcome to our Chair of the Housing

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2 SUBCOMMITTEE ON CAPITAL BUDGET

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3 Authority and to all the members of the public. I
4 welcome each and every one of you to the City
5 Council. I am Council Member Vanessa Gibson of the
6 16th District in the borough of the Bronx and I'm
7 proud to serve as the Chair of the newly formed
8 Subcommittee on the Capital Budget. I want to thank
9 my fellow co-chair, Council Member Alicka Ampry-
10 Samuel, Chair of the Committee on Public Housing and
11 all of my colleagues who are here. I want to thank
12 my subcommittee members. We are a small but tight
13 group, Council Member Barry Grodenchik, Minor Leader
14 Steve Matteo, and Council Member Helen Rosenthal and
15 thank you for joining us today. This afternoon the
16 subcommittee is joining with the Committee on Public
17 Housing to hear testimony from our CEO and Chair,
18 Shola Olatoye, Chair of the City's Housing Authority
19 which serves nearly 400,000 low and moderate income
20 New Yorkers is truly an essential component of our
21 City's commitment to providing affordable housing to
22 our families. We've read a lot recently about who is
23 responsible for the issues that are faced by the
24 Housing Authority and who is held accountable for
25 addressing them. I will say that beyond all of the
political gamesmanships and all of the conversations

3 that we've had, lays a fundamental truth. NYCHA
4 residents are suffering. They were suffering
5 yesterday. They're suffering today and unless we get
6 our acts together, they will suffer tomorrow. This
7 is a result of years of underinvestment and poor
8 allocation of resources and both the State of New
9 York and the City of New York must step their game up
10 and demonstrate real leadership to effectuate change.
11 This winter, 32,000 residents experienced a loss of
12 heat or hot water for a time while awaiting the
13 replacements of outdated, broken and malfunctioning
14 boilers. For years, tenants have reported issues
15 with mold, lead paint, and leaky roofs. These
16 conditions we all agree are unacceptable. To the
17 administration's credit, it has made substantial and
18 unprecedented investments in structural improvements
19 and exterior capital work. Over 70% of NYCHA's
20 capital plan, \$3.7 billion will support these
21 efforts. The administration has pledged a \$200
22 million investment for heating system improvements at
23 20 of our developments and \$645.4 million or half of
24 all City funded commitments for roof repairs.
25 Investments will not be effective unless they are
truly coupled with reforms to NYCHA's capital

2 process. It's great to have the allocation and the
3 commitment of money but the process has to change.
4 NYCHA's capital commitment rate which was only 22% in
5 2017 is significantly below the City's average of
6 56%. Earlier today I had a hearing with DEP. Their
7 commitment rate for last year, 78% so we certainly
8 know we can do a lot better. NYCHA residents must be
9 confident that the repairs are done in a timely
10 fashion and they cannot afford to wait, particularly
11 when the health, the safety and wellbeing of families
12 is at risk. It is clear that we must do a better job
13 completing projects as expeditiously as possible.
14 That is why I joined with many of my colleagues in
15 the City Council yesterday. We went to Albany to
16 talk to many of our colleagues in the State
17 legislature and we are supportive of the bill that
18 was introduced by Assembly speaker, Paul[sic] Heastie
19 and passed by the Assembly on Monday that would grant
20 NYCHA the ability to use design-build. This would
21 speed up not just boiler work but also many other
22 necessary repair and capital projects. I'm
23 encouraged that the Governor has been open to giving
24 NYCHA this authority and certainly we want to urge
25 the Senate to join with the Governor and the Assembly

3 to get this done as soon as possible. I also want to
4 commend the Housing Authority for yesterday's launch
5 and announcement of a new capital tracker finally
6 which will increase accountability and allow the
7 public to find out more information about the status
8 of NYCHA projects. NYCHA must ensure that this
9 tracker provides accurate, comprehensive information
10 that can really provide true transparency about the
11 \$1 billion in NYCHA capital contracts. Finally, I
12 must note, and this is a sad note, that the City has
13 to address the challenges and recognize what we are
14 facing in the environment of this federal government,
15 this hostile federal government that does not support
16 public housing. It is reality that we are facing and
17 it is a reality that we have to acknowledge. This
18 President's proposed budget would reduce funding for
19 HUD by over 18% which would significantly impact the
20 funds that are received by the City of New York.
21 These proposed cuts to the public housing capital
22 fund are \$346 million at a time when funds are
23 critical to NYCHA's efforts to maintain quality
24 affordable housing so this afternoon I hope to hear
25 from NYCHA about its plans and ongoing efforts to
address the gaps that we face and certainly the

2 impact that these cuts are going to have on ensuring
3 that the Agency is able to operate. No New Yorker
4 should suffer the indignity of living in substandard
5 and unsafe housing. We owe it to 400,000 New Yorkers
6 that live in public housing, their families and their
7 children to find solutions, be creative, expedite a
8 process, fix our capital system and do better. It's
9 as simple as that but certainly hard to achieve so I
10 look forward to this afternoon's conversation and
11 certainly joining my Chair, NYCHA knows that this
12 City Council has always been supportive. Locally,
13 myself and many of my colleagues, we give thousands
14 and thousands and millions of dollars to NYCHA to
15 provide security measures, enhance lighting, upgrades
16 to playground and the list goes on and on and we will
17 continue to do that because it is important. We just
18 can't talk the talk. We have to walk the walk and we
19 have to do our part and make sure that this is a
20 collective partnership so I want to acknowledge the
21 finance team who did tremendous work to today's
22 hearing, our Finance Director, Latonya McKinney, our
23 Deputy Directors Nathan Tole and Regina Parada-Ryan,
24 our Finance Head, Chema Obechair[sp], our Finance
25 Analyst, Sara Gastelim[sp] and our Finance Counsels

2 Erik Bernstein to my left and Rebecca Chasen. I want
3 to thank you all for being here, to all of my
4 colleagues, and I look forward to this afternoon's
5 conversation and now I turn this back over to my
6 Chair, Chair Ampry-Samuel. Thank you.

7 CHAIRPERSON AMPRY-SAMUEL: We have just
8 been joined by Council Member Van Bramer and Council
9 Member Menchaca. Thank you and now I welcome the
10 Chair.

11 COUNSEL: Do you affirm that your
12 testimony is truthful to the best of your knowledge,
13 information and belief?

14 CHAIRPERSON OLATOYE: Yes, good afternoon
15 Chairs Alicka Ampry-Samuel and Vanessa Gibson,
16 members of the Committee on Public Housing and
17 Subcommittee on Capital Budget and the other
18 distinguished members of the City Council. I'm Shola
19 Olatoye, Chair and CEO of the New York City Housing
20 Authority. I'm pleased to be joined by Acting
21 General Manager Vito Mustaciuolo, Debra Goddard
22 Executive Vice President for Capital Projects, Trisha
23 Roberts, Vice President for Finance and other members
24 of the NYCHA Executive team. Thank you for this
25 opportunity to present the Authority's adopted budget

1 which was approved by the NYCHA Board of
2 Commissioners on December 20, 2017. This month marks
3 my 4th year as NYCHA's Chair and CEO. I took on this
4 role to improve the quality of life for residents,
5 reset relationships and stabilize the Agency's
6 finances. To do that, we developed Next Generation
7 NYCHA, the Authority's 10 year strategic plan, and
8 turnaround effort. With it, we've been able to
9 balance NYCHA's operating budget for three years in a
10 row, build up our reserves, launch the largest
11 development program in our history and improve
12 quality of life for residents through innovative
13 federal programs like the Rental Assistance
14 Demonstration Program and Energy Performance
15 Contract. For four years, I've discussed NYCHA's
16 dire financial state including its enormous capital
17 needs and the \$3 billion loss in federal operating
18 and capital funding since 2001. We are a federally
19 funded Agency and federal underfunding remains the
20 number one threat to public housing across the
21 national. While we are operating under a two year
22 federal budget agreement, we do not know what our
23 specific allocations from HUD will be in the years
24 2018 and 2019. The President's proposed 2018 budget
25

3 makes it painfully obvious that the federal
4 government seeks to fully abandon public housing and
5 that it wants local governments as well as residents
6 through a rent hike to make up for this disinvestment
7 but as I've said, we will not let D. C. walk away
8 from its responsibilities. The stakes are simply too
9 high for the one in fourteen New Yorkers who call
10 NYCHA home, the teachers and police officers, seniors
11 and veterans who are the backbone of our great City.
12 We will not turn our backs but it will require bold
13 and unpopular shifts in how we do business. Before I
14 take you through some of the accomplishments we've
15 made despite these challenges, I'd like to discuss
16 our projected revenues and expenses. I will also
17 discuss our capital budget later in the testimony.
18 In 2018, NYCHA expects to receive approximately 20 to
19 23% of the public housing operating funding
20 appropriated by Congress for all public housing
21 authorities based on historical trends. This is \$108
22 million less than we are eligible to receive because
23 HUD rations or prorates the limited federal funds it
24 allocates to all the public housing authorities
25 across the country. With total revenue of \$3.3
billion and expenses of \$3.3 billion, we are

1 projecting a slight surplus of \$12 million for 2018.

2 Two of our largest expenditures are employee benefits
3 and utilities for which we are budgeting \$572 million
4 and \$544 million in 2018 respectively. These are

5 also the expenses most out of our control. Even with
6 the central office headcount going down by more than
7 \$1,000 over the past decade due to attrition and

8 transfers to other City agencies, our health care and
9 pension costs have gone up by \$185 million during
10 that same period, a 51% increase. The cost of

11 utilities is also variable and unpredictable. Our
12 largest source of revenue includes rent from

13 residents and federal operating funding but the money
14 we receive from the federal government in collecting
15 rent are not enough to cover our costs as a landlord.
16 After combining rent and federal operating funds,

17 there's still a \$268 per unit annual deficit and
18 there's been an increase in chronic rent delinquency

19 at NYCHA much of which can be attributed to the HUD
20 mandated flat rent increases. Nearly 95,000

21 households saw their rent go up by an average of 46%
22 or some \$200 a month since January of 2014. Under

23 the current policies, residents pay 30% of their
24 adjusted income towards rent which factors in certain

25

1 deductions and expenses. If the President's
2 draconian vision comes to pass and resident's rent is
3 raised to 35% of their gross income, we expect a
4 negative impact to our rent collection rate because
5 residents won't be able to afford a 33% rent
6 increase. We rely on the federal government for near
7 two-thirds of our funding. As I mentioned for 2018,
8 we expect to receive 20 to 23% of the public housing
9 operating funding appropriated by Congress but under
10 the President's vision, our operating funds would be
11 slashed by more than a third. Currently, for a
12 Section 8 program, we expect a funding proration rate
13 of 95% this year along with a \$6.5 million cut to the
14 funds for running the program. Although we do not
15 anticipate a Section 8 program deficit in 2018, if
16 the final federal budget results in more cuts, we
17 would have to stop issuing turnover vouchers. If the
18 President's proposed Section 8 proration rate of 88%
19 is enacted, we would lose nearly 10,000 existing
20 Section 8 vouchers. It is more imperative than ever
21 for us to rally against the federal government's
22 starvation of public housing. Since its release
23 nearly three years ago, Next Generation NYCHA has
24 served as a critical roadmap for fundamentally
25

1 changing the way we do business at the Authority.

2 Turnaround efforts take time but I think we can all

3 agree that we want to keep moving forward. Put

4 simply, the more revenue we have, the more we can do

5 to support our resident's quality of life. Since

6 2015, NYCHA has achieved more than \$313 million in

7 savings from NextGen initiatives. That includes the

8 Mayor's relief payments to the City \$84 million,

9 reduced central office costs \$47 million, converting

10 formerly units unfunded units built by the City and

11 the State to a Section 8 funding stream \$16 million,

12 RAD at Ocean Bay \$44 million, and our public private

13 partnerships involving six Section 8 developments

14 \$108 million and by reducing the number of central

15 office staff by more than 600, we've been able to add

16 239 front line positions. Improving our operations

17 is another way we can serve residents better and

18 another crucial aim of NextGen NYCHA. Before we

19 launched our strategic plan, basic repairs took an

20 average of thirteen days to be completed. We've

21 brought that down to four days. At our 56 NextGen

22 operation sites where we've empowered property

23 managers with more control and accountability, basic

24 repairs are being completed even faster but if there

25

3 are more cuts from Washington, it is unlikely we will
4 be able to continue driving down repair times. Our
5 NextGen NYCHA digital initiatives are also
6 streamlining our operations - 37,000 employees
7 including maintenance, skilled trades and emergency
8 services staff are equipped with Smartphones enabling
9 them to open and close work orders while getting
10 resident's to sign off on the work on the spot.
11 Using their Smartphones, maintenance workers are
12 completing 9% more work orders. Residents have used
13 the My NYCHA mobile app to open more than a half
14 million work orders since it was launched. Last year
15 we finished rolling out on-line annual income
16 certification to streamline the process for residents
17 and now office staff have more time to focus on other
18 tasks. Through the Next Gen's sustainability agenda,
19 NYCHA is reducing its carbon footprint, benefiting
20 residents and the City at large. We brought
21 recycling to all 325 developments and we've started
22 work on three large scale energy performance
23 contracts that will upgrade lighting and heating
24 systems while reducing energy usage, part of an
25 approximately \$300 million initiative. Under the
Mayor's action plan, we've installed more than 6,200

1 security lights at 14 developments which had the
2 highest crime rates in 2014 with a more than \$140
3 million investment from the City and we're in the
4 process of installing security cameras and high tech
5 building entry systems at all of these sites. Thanks
6 to the City Council fiscal year 2017 funding, we
7 installed about 560 security cameras and upgraded to
8 the 38 cameras at 19 developments on time. Crime
9 dropped more than 7% across NYCHA developments last
10 year. Our capital budget includes three sources,
11 federal funding from HUD, federal FEMA funding and
12 City funding. In recent years, HUD has provided
13 NYCHA with about \$3 million annually in federal
14 capital funds. For 2018, we had allocated \$222
15 million and for roof and façade repairs, heating
16 plant replacements, elevator rehabs and bathroom
17 renovations. If the President has his way and our
18 federal capital funding is zeroed out, these vital
19 projects will be halted at our aged buildings, 60% of
20 which are more than a half a century old and
21 residents will suffer the consequences. While the
22 federal capital funding we receive is far from enough
23 to meet our building's vast capital needs and has
24 declined by a cumulative \$1.6 billion since 2001,
25

3 we're using the money we do receive as quickly and
4 efficiently as possible to improve resident's quality
5 of life. More than a billion dollars of construction
6 work is currently underway across the Authority. In
7 the past four years, we've committed our federal
8 capital grants within an average of twelve months,
9 well ahead of HUD's 24 month obligation deadline and
10 spent the grant an average of 15 months ahead of the
11 48 months deadline. We completed our Bond B work
12 ahead of schedule, about \$500 million of major
13 improvement at 319 buildings. By the end of 2017, we
14 had awarded \$1.8 billion in contracts as part of our
15 historic FEMA grant to repair and strengthen 33 Sandy
16 impacted developments. At that point, we had spent
17 \$730 million of these funds and hired about 250 NYCHA
18 residents in the process. In the next two years, we
19 expect to spend approximately \$1.7 billion on the
20 Sandy Recovery and Resiliency Program. Residents are
21 getting new roofs, electrical systems and boilers,
22 back-up power and flood protection. We are
23 addressing some of our building's most critical
24 infrastructure and issues thanks to Mayor de Blasio's
25 support. He has committed an unprecedented level of
resources to the Authority including \$1.3 billion to

3 fix nearly 1,000 roof, millions to repair facades at
4 over 400 buildings and most recently \$200 million to
5 replace boilers and upgrade heating system at 20
6 developments. We completed roof replacements at 63
7 buildings and construction for the second set of
8 buildings is on schedule to begin this May. We
9 appreciate the extraordinary support from the Mayor
10 and this body which is enhancing our capital projects
11 going forward. However, City funds are not a
12 replacement for HUD funding so we must continue
13 advocating for capital investment from the federal
14 government. Considering the massive needs, any cuts
15 to capital funding are unacceptable and have a severe
16 and immediate impact on our residents. Recently
17 there has been a lot of attention on ways the State
18 can further step up to help improve the quality of
19 housing at NYCHA. The Assembly is already leading
20 the way by including \$200 million in new capital
21 funding to match the City's contribution and passing
22 design-build this week. The City has sought design-
23 build authority for years. It matters because it
24 could shave a year or more off time it takes to
25 replace must needed heating systems at NYCHA.
Moreover, it would be helpful for the leadership at

3 the State to release the \$200 million allocated to
4 NYCHA in last year's budget, commit \$200 million in
5 new capital dollars in this year's State budget and
6 to sign design-build for all NYCHA projects into law.
7 It's important to note that with the steady decline
8 in federal capital dollars, NYCHA is pursuing
9 innovative ways to fund the building in apartment
10 upgrades that residents deserve. Last year, we
11 closed on the largest single site RAD transaction in
12 the nation, bringing \$325 million to repair and
13 modernize 1,400 apartments at Ocean Bay, Bayside, in
14 the Rockaways, home to 4,000 residents. That means
15 new kitchen and bathrooms, new roofs and state-of-the-
16 art security and heating systems for residents. We
17 selected developers for three new RA D bundles which
18 will raise \$300 million for extensive repairs to an
19 additional 1,700 apartments throughout the Bronx and
20 Brooklyn. Our NYCHA neighborhoods program is
21 bringing desperately needed affordable housing to our
22 City and a revenue for building upgrades at NYCHA.
23 To date, we have announced four sites where this
24 vital program will create a 50/50 mix of affordable
25 and market rate housing on underutilized land. Home
Towers, Wyckoff Gardens, LaGuardia Houses and Cooper

3 Park Houses this represents more than 750 new
4 affordable housing apartments currently in the
5 pipeline. Our work to support residents goes beyond
6 the foundations of an affordable home. We also
7 connect residents to life-changing opportunities.
8 Since the launch of NextGen NYCHA, our office of
9 resident economic empowerment and sustainability and
10 partners have facilitated more than 8,200 resident
11 job placements and over 19,000 connections to
12 services. Through job training, Union apprenticeship
13 programs and business courses, we are providing
14 residents with many pathways to opportunity and we're
15 engaging people in new and different ways with 14 new
16 youth councils, dedicated engagement on our real
17 estate development activities, and thanks to the City
18 Council, our recently launched Resident Leadership
19 Academy. With Next General NYCHA as our guide, we
20 are strengthening our organization and improving the
21 quality of life for residents but decades of
22 disinvestment don't come undone overnight and there
23 is no NYCHA fairy waiting in the wings to rescue us.
24 Put simply, we need a sustainable financial model.
25 Our residents deserve it. Come to the table to help
us address the challenges. We cannot solve them on

3 our own and stand with us as we urge D. C. and Albany
4 to provide public housing with funding and resources
5 it needs. We are home to 600,000 people, a
6 population greater than Atlanta. The stakes are too
7 high for us to be divided when the Trump
8 administrations fiscal threats remain. Last year, we
9 came together as partners, elected officials,
10 residents and advocates to make the case for public
11 housing and we will fight tirelessly again this year.
12 We appreciate the support we receive from the Mayor,
13 City Council and other City agencies for our NextGen
14 NYCHA initiatives. This assistance is critical.
15 While City funding can supplement but cannot replace
16 HUD funding, we encourage Council Members to allocate
17 more funds for capital projects that will improve
18 resident quality of life like new boilers, elevators
19 and gas risers and we ask that you stand with us as
20 we urge Albany to pass design-build legislation that
21 will enable us to complete major capital projects
22 faster. There is more work to be done. Thank you
23 for your support. We will take your questions now.

24 CHAIRPERSON AMPRY-SAMUEL: Thank you and
25 we have also just been joined by Council Member Keith
Powers. Yeah. While the 2018 and 2022 adopted

2 operating budget reflects a surplus that you
3 mentioned, in the immediate term in 2018, the
4 operating budget reflects a deficit of about \$28.7
5 million in 2019 and deficits through 2022. Can you
6 provide additional details on the major drivers that
7 contribute to this long-term operating deficit?

8 CHAIRPERSON OLATOYE: Sure, if I may
9 Madam Chair, just to go back and I think in my
10 testimony I misspoke, HUD has provided us about \$300
11 million in capital funding. I think I might have
12 said \$3 so I just want to correct the record.

13 CHAIRPERSON AMPRY-SAMUEL: Okay.

14 CHAIRPERSON OLATOYE: I'll start at high
15 level, there I kind of mentioned in our testimony,
16 there are, there are some key drivers to our budget.
17 One is on the revenue side is the federal operating
18 subsidy which has been declining. The other is our
19 resident rent which has also been declining. On the
20 expense side, there are two large expense categories
21 that are somewhat fixed. One is our personnel costs
22 and the other is utilities.

23 CHAIRPERSON AMPRY-SAMUEL: Okay, you
24 mention a decline in the rent collection. Can you

3 let us know what the actual rent collection is for
4 2017 and what you projected in your budget?

5 CHAIRPERSON OLATOYE: Sure, I'm going to
6 ask our Vice President of Finance, Trisha Roberts to
7 provide that answer.

8 TRISHA ROBERTS: Based on the HUD
9 mandated rent collection rate, in 2017 our collection
10 rate is 92%.

11 CHAIRPERSON AMPRY-SAMUEL: 92%.

12 TRISHA ROBERTS: Yes, based on the HUD
13 MMR rent collection rate. That rent collection rate
14 takes into past-due amounts, reoccurring charges and
15 other fees and credits that are due within that.

16 CHAIRPERSON AMPRY-SAMUEL: Okay, okay and
17 I just have another question about the surplus. Do
18 you factor in emergencies because I know the public
19 constantly talk about the different like urgent
20 issues that happen to come up and with there being a
21 \$12 million surplus, that might sound like a certain
22 figure to the public, but can you explain, or do you
23 put in a budget line at all for your emergencies?

24 CHAIRPERSON OLATOYE: So I'll just take a
25 step back and, you know, budget is both an art. We
use some very basic, prudent approaches which is 1)

3 looking at historicals and really making some
4 conservative assumptions about what we can expect in
5 terms of HUD funding, in terms of expenses. We,
6 within our operations department, we have an
7 emergency services department and that is a
8 department that is funded and the other thing to say
9 here is, it is a projected surplus. NYCHA operates
10 on a calendar fiscal year and so based on what we
11 know in the 4th quarter of the previous year, these
12 are projections and so that \$12 million surplus is
13 really projected and what our hope is as we budget is
14 that we are budgeting for those priorities based on
15 historical and also things that we've outlined in our
16 plan and so, but again, we are funding our emergency
17 services department as part of our operations.

18 CHAIRPERSON AMPRY-SAMUEL: Okay, okay.

19 Although the future federal funding levels remain
20 uncertain, it also represents a major shift in the
21 federal government's role in subsidized housing and
22 the number of federally funded housing programs are
23 slated for elimination which you also discussed or
24 deep cuts which would significantly impact NYCHA and
25 negatively impact the vulnerable New Yorkers. Should
the City be taking steps to ensure flexibility for

3 the adjustment of current priorities to protect
4 vulnerable populations in the event that these cuts
5 actually happen?

6 CHAIRPERSON OLATOYE: So we clearly have
7 been working and watching what's happening in
8 Washington very closely and coordinating with our
9 colleagues here at City Hall and with the
10 administration and we have to plan accordingly and so
11 when we get, when we have a better sense of what the
12 reality is of some of these cuts, or proposed cuts,
13 we absolutely need to be thinking about ways in which
14 we can, while protecting a level of service to
15 residents, make sure that we are planning
16 appropriately and that would include conversations
17 with the City.

18 CHAIRPERSON AMPRY-SAMUEL: Okay and is
19 the administration or your conversations with the
20 City and the administration considering any
21 alternative sources of revenue to fund these critical
22 needs City wide such as the use of the annual
23 surpluses from the Battery Park City Authority? Have
24 you had any conversations or?

25 CHAIRPERSON OLATOYE: So, this, the use
of the Battery Park City Authority funds has been

3 something that's been talked about a while and what
4 I've said is, you know, 1) those resources are
5 currently committed. As I understand it, that's a
6 part of the housing plan and what we need, what NYCHA
7 really needs is a new and sustainable source of
8 revenue so, you know, how those, at that level, those
9 are decisions that the Mayor and, you know, his
10 cabinet ultimately will be making but I do believe
11 that we need a new and long term, you know, source of
12 funds as opposed to a one off, you know, a one off
13 injection. We'll take that too but we really need a
14 long term sustainable new source of funding.

15 CHAIRPERSON AMPRY-SAMUEL: Okay, and this
16 question is about just your headcount and your
17 staffing reductions that was mentioned. What is the
18 total budgeted headcount in 2018 and what is the
19 breakdown of the front line in administrative staff
20 in relationship to the actual line with the resources
21 and staffing for NYCHA? Are these figures that you
22 mentioned in your testimony in line with the
23 resources and staffing that NYCHA estimates is needed
24 for 2018 with that headcount because I know you
25 mentioned in overall from the beginning of when you
started to decline

3 CHAIRPERSON OLATOYE: [Inaudible]

4 CHAIRPERSON AMPRY-SAMUEL: Yes, so can
5 you just speak a little more to that particular
6 headcount.

7 CHAIRPERSON OLATOYE: I'll speak high
8 level on that. I'll ask my EVP for administration to
9 join us at the table, Carrie Jew, to speak specific
10 to you headcount question so at its height NYCHA was
11 approximately 16,000 employees. We are currently
12 about 10,600 employees. We budget for the resources
13 that we have and so broadly one of expressed
14 objectives as part of Next Generation NYCHA was to
15 begin to reduce the number of central office staff
16 while reallocating those resources to the front
17 lines. That was a expressed goal as part of our
18 plan. I'll ask Carrie to speak specifically to your,
19 to the specific numbers. Thank you.

20 CARRIE JEW: I'm Carrie Jew, Executive
21 Vice President and Chief Administrative Officer, so
22 our current 2018 budgeted headcount is 10,684 and
23 that is approximately 5,400 in front line and 5,200
24 in central office.

25 CHAIRPERSON AMPRY-SAMUEL: Okay and you
do have consultants on staff, correct, and if you,

3 when I say consultants, I mean actual employees of
4 NYCHA but they're consultants who have been hired and
5 they work in the NYCHA offices and if you can speak
6 to how many of the consultants are employees or did
7 you consider them in the number that you just read
8 off?

9 CARRIE JEW: So, thank you for your
10 question. I think it's one of the largest areas
11 where we are using consultants is in our Sandy
12 program so I'm gonna ask my EVP for capital projects
13 who oversees our Sandy Recovery and Resiliency
14 Program where we've made a considered choice because
15 of the short-term nature of those funds, to use a
16 construction management approach to manage and
17 execute on that program.

18 CHAIRPERSON AMPRY-SAMUEL: And if you
19 could just explain exactly who they are and the
20 number.

21 DEBRA GODDARD: Okay, Debra Goddard,
22 Executive Vice President for Capital. In our Sandy
23 program, we have a firm called Aptum who provides our
24 program management staffing and I have to get back to
25 you on the number. I only have four NYCHA employees
in the Office of Recovery and Resilience and the rest

3 is being done by consultants due to the limited
4 period in which we will be spending money. We've
5 also discussed with you that there are some
6 consultants in our CPD, capital projects division, as
7 well. Again, we have some short-term money and we
8 need to bring people in to get the money moving or we
9 sometimes use it as, to cover while we're hiring and
10 we have 18 of those in Capital Projects, some of whom
11 are filling in vacancies that we're trying to fill
12 and others of whom are here to move some of the
13 projects that have short term money.

14 CHAIRPERSON AMPRY-SAMUEL: Okay, and the
15 job titles for those individuals.

16 CHAIRPERSON OLATOYE: We can follow up
17 with

18 CHAIRPERSON AMPRY-SAMUEL: The reason why
19 I'm asking this line of question is because I had a
20 meeting with one of the Unions and one of the
21 complaints was the fact that NYCHA hired some 200+
22 consultants for particular jobs and this was the
23 architects and engineers and stated that those
24 particular positions can be actual Union members and
25 the cost would be much lower than what NYCHA is
actually paying the consultants so I was just trying

3 to figure out exactly what that level of employment
4 was at NYCHA and if there could be some cost savings.

5 DEBRA GODDARD: I'm not sure where that
6 number 200 comes from. I don't know where that comes
7 from. I know that I have 18 consultants on staff at
8 Capital Projects, aside from Sandy and again, Sandy
9 is time-limited work and with respect to costs, for
10 the most part, our consultants cost less on a hourly
11 basis than staff.

12 CHAIRPERSON AMPRY-SAMUEL: Okay, thank
13 you so I'll now open it up for questions from my co-
14 Chair, Council Member Gibson.

15 CO-CHAIR GIBSON: Thank you so much to
16 our Chair. Thank you so much Chairwoman for your
17 testimony to you and your staff, the executive team,
18 certainly for all of the work that has been done
19 during your tenure. Really want to just say that we
20 appreciate all of the work that has been done to
21 really reform the system at NYCHA to make sure that
22 residents are given the services that they rightfully
23 deserve. In my new capacity as Chair of the
24 Subcommittee on Capital, it's been a priority for me
25 to understand the entire capital budget process and
what NYCHA has in its toolbox in terms of resources,

3 the measures like design-build and how we can help
4 expedite some of these capital projects because
5 generally speaking when we stand with the Mayor and
6 others and we make these broad City wide
7 announcements of millions and billions of dollars in
8 capital work, many New Yorkers don't understand all
9 of the internal mechanisms that have to happen in
10 order for that money to trickle down to a development
11 so I want in this level of conversation to understand
12 some of those specific details because if we are
13 going to continue to be a partner and if we are going
14 to talk in favor of a program like design-build, we
15 have to be confident that NYCHA has the ability to
16 use design-build, right and so, I want to make sure
17 that the resources we're talking about are sufficient
18 to meet the level of work that is necessary when you
19 talk about capital so my first question and obviously
20 the federal disaster that we have to live with we
21 really acknowledge and recognize that those federal
22 potential cuts are harsh but that doesn't negate the
23 Housing Authority from managing the money that it
24 gets today from the State and the City better and
25 improving efficiency so 1) I first want to understand
within the capital budget process, how does it work

3 from design to construction in terms of the capital
4 division? Who does the designing of these projects
5 without a design-build? What does the architect team
6 look like when we get to the actual designing and the
7 relationship that NYCHA has with OMB to actually get
8 the certificate to proceed on projects? Can you
9 please help my colleagues and I understand that that
10 process looks like.

11 CHAIRPERSON OLATOYE: So thank you for
12 your question and for your support, Madam Chair, on a
13 number of projects in your district and beyond. I'm
14 really happy to hear you talk about the capital
15 process because I think we are, NYCHA is unique in
16 that we actually have three federal capital, three
17 capital programs that we are administering and in my
18 testimony, I talked about the fact that under our
19 administration first, our federal capital program
20 which is our largest and represents the largest
21 percentage of our capital program, we have obligated
22 money faster, we have spent money faster, we've
23 delivered projects on time and under budget. On the
24 City money, City capital dollars that we have
25 received as it related to particularly the safety and
security enhancements, a commitment that we made at

3 the outset of this administration is that we would
4 spend those dollars in the following fiscal year that
5 we received them, the calendar year that we received
6 it in. That has happened for three years in a row
7 and we've continued to deliver those projects on
8 time. I can't speak to the State money because that
9 money did not come to NYCHA. I think as you know,
10 the \$100 million was administered by the Dormitory
11 Authority, not NYCHA and so their pace of how they've
12 spent that money, we'll defer to them and then so now
13 specifically in terms of how it works when we receive
14 City money which is different from the other pots
15 that I've talked about, I'll turn it over to Debra
16 Goddard.

17 CO-CHAIR GIBSON: No, no, thank you for
18 specifying. That's important so yes, I'm talking
19 specifically about City capital money that we get
20 that has to be approved by OMB.

21 DEBRA GODDARD: Got it, so we use a
22 combination of in-house architects and out of house
23 architects on smaller projects, particularly
24 landscapes and playgrounds. It's more cost effective
25 to do it in-house because the projects are so small
and so, therefore, the design fee is quite small so

3 it could be either out of house or in-house. We have
4 a team in-house that's working with whatever the
5 design team is. We have an estimating group so, at
6 several times along the way of design, we are doing
7 an estimating check in terms of what the scope is and
8 what the budget is. I will say that on our smaller
9 City projects, this is where there's often some delay
10 as the scope and the budget do not match and we work
11 with the sponsoring Council Member to repurpose funds
12 or reduce scope or get additional funding in the
13 coming year so that's something that's a little bit
14 different for our smaller City projects. Once we are
15 ready, I will also say to contract with, issue task
16 orders for either design or construction, we do have
17 to go through OMB. It's a pretty smooth relationship
18 there. We also need to go through the Comptroller's
19 office. We think those two processes probably range
20 from anywhere to, no, yeah, I'd say three to four
21 months, maybe they go a little bit longer when you
22 combine the two of them. We publicly bid the
23 construction. We may have existing capacity in
24 contracts again. We try and be quite efficient so
25 that there are times where we bid design or
construction contracts and it's what we call

3 indefinite quantity and we're able to do a task
4 order. We've gotten an award for a contract that's
5 up to. We have a project come in, we do a task order
6 so it's an efficient way of doing it. Construction
7 again, publicly bid. We have to vet all of our
8 contractors whether they're designers out of house or
9 contractors and they're subcontractors through the
10 Department of Investigation and Office of Inspector
11 General for clearance. We go to the Board for awards
12 over a million dollars, I believe. I'd have to check
13 that, I think it's over a million. Issue of a letter
14 award and then you're going to see a period of time
15 where the contractor is getting their permits filed,
16 they start mobilizing, getting stuff out ready in the
17 field and then they will hit construction. Depending
18 upon the nature of the construction, we may need
19 signoffs at the end from FDNY, always DOB, maybe DEP.
20 I should also, there's a, obviously a DOB plan review
21 process earlier as well.

21 CO-CHAIR GIBSON: Okay, so the process
22 you just described on average, and I know it depends
23 on the project size, so renovating a playground is
24 much different than replacing a roof so that design
25 process is obviously a variation but the typical

2 timeframe and we've expedited with City money so I
3 understand one fiscal year but in all that you
4 described, what does the staff look like? Like what
5 is the entire team that actually works on all of this
6 from design to the budget, the scope, registering the
7 contract, the bidding and then construction?

8 DEBRA GODDARD: To give you a precise
9 answer, I'd have to take some time to think it
10 through but I could speak generally a little bit
11 about what a team might look like so at CPD it would
12 involve an architect or an engineer, in or out of
13 house. It would involve at various points, an
14 estimator. It would have a project manager, an
15 assistant project manager and then when it's in the
16 field, it would have an inspector.

17 CO-CHAIR GIBSON: And are all of these
18 staff NYCHA staff or outside consultants?

19 DEBRA GODDARD: The project management
20 staff are all in-house. We do have, as I mentioned,
21 we do have I think three consultants on board filling
22 positions that I'm trying to fill as permanent
23 positions.

24 CO-CHAIR GIBSON: Okay, so we have
25 vacancies in this unit?

3 DEBRA GODDARD: Yes.

4 CO-CHAIR GIBSON: When do we expect to
5 fill the vacancies?

6 DEBRA GODDARD: It's an on-going process.
7 It is difficult in this market. The construction
8 market is very strong and we cannot compete with
9 salaries so it's just an on-going process doing
10 outreach, taking in resumes and interviewing.

11 CO-CHAIR GIBSON: Has that been shared
12 with OMB in terms of the challenge of hiring staff?

13 DEBRA GODDARD: I don't know that I've
14 explicitly shared that with OMB. I think it's
15 relatively well known that it's a challenge.

16 CO-CHAIR GIBSON: Okay, so does this also
17 apply in terms of the general time frame and schedule
18 that you just described? Does this also apply with
19 the Mayor's announcements on boiler work and roof
20 work because that is, as I understand, all City
21 dollars so it would fall under this same process?

22 DEBRA GODDARD: Yes, and as we mentioned
23 with the challenge that was issued around heating, we
24 did step back to take a look at how we're doing
25 things and we are cutting our design work to six
months from twelve months. All of that design will

2 be done out of house with engineering firms. We also
3 are going to the Board later this month to request
4 authority that I could sign construction contracts
5 and then ratify at the Board so we could move it
6 without waiting for the Board's schedule as well as
7 we have commitment from DEP to shorten one of their
8 review periods. We're meeting with DOB tomorrow and
9 we met with OMB earlier, yes earlier this week so we
10 are very fortunate in getting what I've been calling
11 fast lane commitments from our sister agencies to
12 help with our heating program.

13 CO-CHAIR GIBSON: Okay, so with the
14 heating program and the replacements of boilers, are
15 we using outside folks as well as internal or just
16 exterior, just outside.

17 DEBRA GODDARD: Outside for the design,
18 project management will be, we will be having a
19 program manager because we will not have additional
20 staff and it's time limited money so we will be using
21 a combination of outside and in-house staff.

22 CO-CHAIR GIBSON: Okay, the reason why I
23 ask is because most New Yorkers don't understand
24 that, you know, replacing boilers means building an
25 actual brand new boiler. It's not going to Home

3 Depot and purchasing a boiler. As easy as that
4 sounds, we wish we could but boilers have to be built
5 out and the typical timeframe I have of construction
6 of a boiler can be anywhere from two to three and a
7 half years so that's a long time so we're trying to
8 under with an authorization like design-build, I
9 think it's safe to say that we expect if we get
10 design-build authorization that most of that work
11 will not be done by the Housing Authority. Is that
12 safe to say?

13 DEBRA GODDARD: We will be hiring design-
14 build teams, yes. The design will be out of house as
15 part of a team

16 CO-CHAIR GIBSON: Okay.

17 DEBRA GODDARD: With the construction.

18 CO-CHAIR GIBSON: With construction.

19 DEBRA GODDARD: Yeah, and that's where
20 you are gonna save your time. Your design and your
21 construction overlap for the most part and you start
22 putting out the early parts of your construction as
23 design moves along.

24 CO-CHAIR GIBSON: Okay, and the reason I
25 ask is because I just want to make sure that these
projects need to be expedited because the residents

3 are living in dire conditions and we don't have time
4 for design and construction and design-build has the
5 ability to expedite that but only if we have the
6 ability to use it properly.

7 DEBRA GODDARD: Yes.

8 CO-CHAIR GIBSON: I cannot emphasize that
9 enough. Design-build will not help if we don't know
10 what to do with it.

11 DEBRA GODDARD: Correct.

12 CO-CHAIR GIBSON: So it's important, you
13 know, as we have these conversations if we are
14 supporting design-build authorization, we just want
15 to make sure that NYCHA has systems in place to use
16 it in an effective way.

17 DEBRA GODDARD: To that point, yesterday
18 I met with staff and I've asked our law department to
19 give me a scope to bring in outside counsel to help
20 us with forms of contracts because we've not drafted
21 these before as well as we are gonna also bring in a
22 program manager that has design-build experience to
23 augment what we're doing in-house.

24 CO-CHAIR GIBSON: Okay, the certificates
25 to proceed that are approved by OMB, I've been told
that the typical timeframe could be anywhere from 30

3 days to 45 days on average. Do you receive blanket
4 certificates to proceed or are they very project
5 specific and are you finding that within this
6 structure that is a challenging part to get approval
7 from OMB to proceed?

8 DEBRA GODDARD: I think we've, we've
9 smoothed some things out with OMB. We have a very
10 good process there and the answer to your question
11 depends. If it's something like local law 11 that's
12 very specific, every project has to be looked at to
13 determine capital eligibility versus expense. On our
14 CCTV, we came to a written agreement. This is what's
15 capitally eligible, this is what's expense and I've
16 certified that I won't send anything to them that
17 mixes those up and so they don't need to look at it
18 case by case so we're working through, we've been
19 working through those issues over the last 18 months.

20 CO-CHAIR GIBSON: Okay, so they have been
21 progressive conversations?

22 DEBRA GODDARD: Absolutely.

23 CO-CHAIR GIBSON: Okay, okay, we just
24 want to be supportive if we can.

25 DEBRA GODDARD: I appreciate it, thank
you.

3 CO-CHAIR GIBSON: Okay, so Chairwoman you
4 spoke about recent allocations from the State and
5 while I know that the State allocated \$100 million
6 two fiscal years ago, that money went to DASNY and
7 DASNY was doing the work. The conversations with
8 NYCHA on the work that was done, the work that
9 remains to be done, where are we with that? Is there
10 a percentage of completed projects you can share?

11 CHAIRPERSON OLATOYE: Actually I'll turn
12 it back over to Debra to give you a very specific
13 piece but to say that you are correct that that work
14 was, we worked very closely with our colleagues at
15 DASNY once it was clear that they were going to be
16 the ones executing that program. We had a dedicated
17 group of people at the, within capital to play that
18 interface as they were new to NYCHA and understanding
19 the sort of specifications of what construction meant
20 at our building and then the most recent update in
21 terms of where we are on, where they are on that \$100
22 million, Debra if you could.

23 CO-CHAIR GIBSON: Okay.

24 DEBRA GODDARD: I am shuffling through my
25 data here. I do know that as of the end of February
they had spent approximately \$31 million of the \$100

3 million and I can get a project count but I just need
4 a few minutes to

5 CO-CHAIR GIBSON: That's fine. I mean
6 we're not even halfway there so I guess that's the
7 frustrating part about it. Our State colleagues
8 were, you know, using this money on major work,
9 intercom, door replacements, etc. and we're only at
10 \$31 million out of \$100 million so we have more work
11 to do.

12 DEBRA GODDARD: Yes.

13 CO-CHAIR GIBSON: The \$100 million that
14 was allocated by the district attorney of Manhattan
15 that focused on security enhancements at the
16 neighborhood map developments, the 15, I represent
17 one, Butler, and others so was that money drawn down
18 on?

19 DEBRA GODDARD: Yes, on the map we are on
20 schedule to complete, there are I believe five of the
21 fourteen sites of the most recent money are completed
22 and we're on schedule. I can check Butler for you if
23 you want me to.

24 CO-CHAIR GIBSON: When do you expect to
25 complete all sites?

DEBRA GODDARD: Just a minute.

3 CO-CHAIR GIBSON: Okay, and the reason
4 I'm asking all these questions is because, again,
5 this is a lot of money and when residents hear about
6 these announcements, they expect work to be done so
7 the 15 neighborhood map developments were the 15 we
8 targeted that had the highest concentrations of
9 violence. We invested millions of dollars,
10 programming summer youth. We did a lot and with this
11 \$100 million from Cy Vance, those security measures
12 are going to be very beneficial.

13 DEBRA GODDARD: I will tell you that
14 Butler is done and I'm having trouble reading my own
15 information here.

16 CO-CHAIR GIBSON: Okay, I also wanted to
17 ask while you're looking, Madam Chair, you talked
18 about the \$200 million from last year's State budget
19 that has yet to be allocated.

20 CHAIRPERSON OLATOYE: Correct.

21 CO-CHAIR GIBSON: Reason being?

22 CHAIRPERSON OLATOYE: I can't speak to
23 that. What I can say is that we have worked very
24 closely with our colleagues both the elected
25 officials as well as the budget office to provide a
plan. I personally began meeting with our statewide

3 colleagues early in 2017 to talk about the components
4 of how we thought money should be, what money should
5 be spent on so there is, and they've had a very
6 detailed plan as to how that \$200 million would be
7 spent. We proposed \$100 million for elevators and
8 \$100 million for boilers and so we again welcome
9 their support to release those funds and execute on
10 that plan. I think that the Assembly's plan or bill
11 that's been passed reaffirms the commitment for not
12 only allocating what was already put forth but
13 committing new resources to deliver on these really
14 important capital projects.

15 CO-CHAIR GIBSON: Okay, well I appreciate
16 the answer. I just think it's insufficient. We
17 can't talk about new allocations of money if we
18 haven't even been given the \$200 million that was put
19 in last year's State budget so something is wrong and
20 I do know, you know, there is a level of trust that
21 is lacking here. The State does not believe and have
22 the confidence in NYCHA's ability to draw down and
23 spend this money and that is concerning so if we're
24 asking for new money, I want the \$200 million that
25 the State allocated in last year's budget first and
then I want new money so, you know, I think, you

3 know, those conversations we have to expedite and
4 figure out how and, you know, the best way and the
5 best approach to work together unless the new money
6 is the same \$200 million that we weren't given. I
7 mean, that's just not good.

8 CHAIRPERSON OLATOYE: So, again, I think
9 it's really important that facts help shape the
10 narrative here which is we have spent federal dollars
11 ahead of schedule, we have obligated those dollars
12 ahead of schedule, we have spent and allocated City
13 dollars that we committed to at the beginning of this
14 administration so, you know, and we have put forward
15 a very detailed plan with all the necessary checks in
16 addition to the existing oversight that the State has
17 and so, you know, we have, we've come in partnership
18 and we very much would like to move on the \$200
19 million that has been allocated. I couldn't agree
20 with you more.

21 CO-CHAIR GIBSON: Okay, I appreciate
22 that. I'm gonna move on and I think in light of the
23 federal proposed cuts, you know, the money that State
24 and City gives cannot replace federal dollars but the
25 State and City should certainly attempt to do better.
Before I turn it over to my Chair again and we get to

3 other colleagues, I did want to ask about this
4 commitment rate of 22%. The commitment rate for
5 those that may not understand is the percentage of
6 funds that are actually spent on capital and the
7 actual contract being registered by the controller's
8 office and the work actually beginning and so that
9 rate for NYCHA consistently has averaged around 30%
10 so we're nowhere near the City wide's average of 57%
11 in terms of our commitment rate so I wanted to
12 understand the challenges and why we're so low and
13 what we're doing as a housing authority to improve
14 that commitment rate and actually get these contracts
15 registered so that the work can begin.

16 CHAIRPERSON OLATOYE: First thing is, I
17 think it's City capital dollars.

18 CO-CHAIR GIBSON: Yes.

19 CHAIRPERSON OLATOYE: Okay.

20 CO-CHAIR GIBSON: Okay, I'm sorry. Yes,
21 let me clarify, City capital dollars.

22 CHAIRPERSON OLATOYE: Yes, I just saw
23 that report this morning and I do want to dig into
24 it, Madam Chairman. I do think there are a couple
25 things going on here. 1) we deliver, we also deliver
our federal pipeline so we're not just a single

2 stream of funding and we've got a lot of work going
3 on, 2) this mixes together roofing, local law 11, our
4 layered access as well as the smaller City cap
5 projects and as we've said, we're already on time or
6 ahead on roofs, one time or ahead on the security
7 projects so I think what we need to look at are the
8 smaller projects which as I mentioned have problems
9 often between scope and budget but I need to dig into
10 that number I saw for the first time today.

11 CO-CHAIR GIBSON: Okay, it's about \$371
12 million but we can talk further about it.

13 CHAIRPERSON OLATOYE: Okay.

14 CO-CHAIR GIBSON: Okay, let's get to our
15 other colleagues and I'm gonna turn this back over to
16 our Chair, Alicka Ampry-Samuel. Thank you.

17 CHAIRPERSON AMPRY-SAMUEL: We have been
18 by our majority leader, Council Member Cumbo and
19 we've been joined by Council Member Gjonai so the
20 first question is from Council Member Grodenchik.

21 COUNCIL MEMBER GRODENCHIK: Thank you
22 Madam Chairs.

23 CHAIRPERSON AMPRY-SAMUEL: And you have
24 five minutes.

3 COUNCIL MEMBER GRODENCHIK: Five minutes,
4 okay I'll try. I want to get to follow up on what
5 Chair Gibson talked about, the capital commitment
6 rate. We heard this morning from DEP. Their rate is
7 at least three times what your rate is and in many
8 ways, the work that they do is much more
9 sophisticated than the work that NYCHA does. They're
10 building tunnels, they're building sewage plants, all
11 these kind of things and yet they, they have to deal
12 with the same City of New York but they seem to get
13 their capital commitments out in front way beyond
14 what your capital commitment rate is and I don't
15 understand the difference. I just don't get it and
16 the answer I heard that you have a lot of different
17 things going on. I'm sure you do. There's over
18 2,400 buildings in NYCHA but it doesn't explain to my
19 sensibility why this rate is so low and I'd like to
20 know why because you're asking us for more money.
21 People come to us all the time. We want to help the
22 residents of NYCHA. They had a brutal winter. We
23 don't want to see that repeated. You're gonna hear
24 from my other colleagues here. You're gonna hear
25 from Mr. Treyger about resiliency and what hasn't
happened there and I don't have the confidence, I

3 want to have the confidence but I don't have the
4 confidence in suggesting to my colleagues and my
5 Speaker that we put up more money with a 22%
6 commitment rate. I just can't.

7 CHAIRPERSON OLATOYE: So again, let me
8 restate that I do have to look at the number. I'm a
9 little bit surprised at it myself but as I said, we
10 are also moving HUD money, we're moving that well
11 ahead of schedule, we're moving our roof money ahead
12 or on schedule, our security money ahead or on
13 schedule so I need to dig into this.

14 COUNCIL MEMBER GRODENCHIK: I would
15 appreciate getting an answer on anybody on this
16 because I'm really not getting an answer right now
17 which begs the question that I'm gonna ask and you
18 may not like the question but maybe it's time that
19 NYCHA subcontract out the capital construction
20 project to somebody else. You know, I go to my
21 senior centers. I have five excellent senior center.
22 None of them are run by DFTA. DFTA gives them money
23 and somebody else runs them. They do a wonderful
24 job. I'm happy with all my contractors, Catholic
25 Charities, Samuel Field Y, JASA, so and so forth. Is
it time for somebody else to be doing the capital

3 construction under your watchful eye? Is it time for
4 NYCHA to give up the capital construction program?

5 CHAIRPERSON OLATOYE: So thank you for
6 your question. You know, as we said, we are managing
7 three different programs and we've actually asked the
8 same question as it related to some of these smaller
9 legacy programs and projects that I believe
10 contribute to that number and I'd like to see the
11 report that you're referencing and so we actually
12 have raised this issue with our colleagues at DDC in
13 particular.

14 COUNCIL MEMBER GRODENCHIK: At where I'm
15 sorry?

16 CHAIRPERSON OLATOYE: At DDC, the
17 Department for Design and Construction.

18 COUNCIL MEMBER GRODENCHIK: Okay.

19 CHAIRPERSON OLATOYE: Particularly around
20 smaller projects like playgrounds, like community
21 centers which we know are critical community assets
22 but take frankly as much time as a large rehab of a
23 building and so those are conversations that we've
24 had and we will continue to have with them because we
25 do, we believe our resources should be really focused
in resident's homes and if we can partner with our

2 sister agencies on some of these smaller projects, I
3 think with your support we could work to get that
4 number up.

5 COUNCIL MEMBER GRODENCHIK: All right, I,
6 I think maybe it's time to take a, you had suggested
7 we need to look at new streams and maybe it's time to
8 take a radical look at how we do this because it's
9 just not happening at least to my satisfaction and I
10 know that feeling is shared by many of my colleagues.
11 I thank you for your answers and with that Madam
12 Chair, I yield the balance of my time.

13 CHAIRPERSON AMPRY-SAMUEL: Thank you.
14 Council Member Rev. Diaz.

15 COUNCIL MEMBER DIAZ: Thank you Madam
16 Chairman. Chairwoman Olatoye, yesterday [Inaudible]
17 came to the Bronx to Forest Houses[?] to the Bronx to
18 one of the building in the Bronx. Think it was
19 Rafael Salamanca's district and he show, I mean the
20 press and the news show an apartment dilapidated and
21 the paint falling down, the cockroaches running all
22 around. It was, it was, I think one of the worst
23 things that you could see and in that building, there
24 is a 14 years old baby sick with asthma and that
25 shouldn't be there. After seeing that, after seeing

2 that [Inaudible] by Governor Cuomo two questions I
3 want to ask you. 1) did your staff advise you that
4 there's a child, a fourteen year old child there that
5 needs to be moved and to be protected and since
6 yesterday, anything has been done and the other one
7 is do you think Governor Cuomo was trying to show you
8 how to do work, how to do things are he, does he have
9 an ulterior motive?

10 CHAIRPERSON OLATOYE: So, Governor Cuomo
11 is welcome to come to the Housing Authority any time
12 and he visited Jackson Houses in the Bronx and, you
13 know, I think instead of focusing on press
14 conferences, you know, the key thing here is those
15 conditions are unacceptable and we were not in
16 communication with the office in terms of that
17 particular family and their issues so no one advised
18 me about this 14 year old young person.

19 COUNCIL MEMBER DIAZ: No, that, that,
20 that is a job for your staff and people to go check.

21 CHAIRPERSON OLATOYE: No, no, no, but

22 COUNCIL MEMBER DIAZ: Anyone, anybody saw
23 that apartment and that condition.

24 CHAIRPERSON OLATOYE: I, I'm agreeing
25 with you, sir. I'm agreeing with you so I think the

2 first thing is the conditions are unacceptable and
3 then your second question was what has been
4 transpired since we were made aware of this visit and
5 the conditions in the unit and I will

6 COUNCIL MEMBER DIAZ: I, I just want, I'm
7 just trying to prevent associating your department to
8 how to be criticized one week from now before doing
9 something to fix that apartment because the press and
10 the Governor show you that apartment, the condition
11 and the kid and the children that I can see there is
12 for you to move and you start to move, do something
13 in that apartment before next week somebody goes
14 there and says nothing has been done.

15 CHAIRPERSON OLATOYE: So if I could just
16 give you an update on where we are with that with
17 that particular.

18 VITO MUSTACIUOLO: Good afternoon. My
19 name is Vito Mustaciulo. I'm the Acting General
20 Manager at NYCHA. Thank you for the opportunity to
21 be here today. So we took a very close look at the
22 history of the complaints and the repairs in that
23 unit and we're still evaluating the conditions. We
24 did have a team go out there immediately after
25 learning of the conditions. As the Chair indicated,

3 we find the conditions unacceptable. I believe work
4 has been completed in that particular apartment but
5 more importantly, what we're looking at is the entire
6 process so we need to understand better.

7 COUNCIL MEMBER DIAZ: I don't have too
8 much time and I don't want you to take all my time
9 explaining, you know, what you haven't done.

10 VITO MUSTACIUOLO: Sir, we responded as
11 soon we learned of it.

12 COUNCIL MEMBER DIAZ: I don't want you to
13 take my time explaining how bad, how you make the
14 Chairman look all this time because you supposed to
15 be the one doing so she could look good and you are
16 making her look bad.

17 VITO MUSTACIUOLO: Sir, I started two
18 weeks ago with all respect.

19 COUNCIL MEMBER DIAZ: Another, another
20 question I have, another question I'm gonna have, she
21 start looking bad, discriminated against tenants,
22 NYCHA but also now I find out that she's, they also
23 look at your department, [Inaudible] making you look
24 bad and discriminated again your own employee, I have
25 this lady here, has an employee from NYCHA. She is a
Cuban refugee authorized with all the document to

2 work in NYCHA for 20 years. She's ready to retire to
3 get a pension and now because her document has been,
4 her renewed document has been late holding a big
5 hurdle in Washington, she got fired. A woman, a
6 refugee working with NYCHA for 20 years and she got
7 fired and then you say that you protecting woman and
8 immigrant and all those things, come on, come on.
9 You got to do better than that.

10 VITO MUSTACIUOLO: Sir, this is the first
11 that I am hearing of this situation. If you can
12 provide me with that information.

13 COUNCIL MEMBER DIAZ: That's exactly what
14 I'm trying to say. This, this, this was signed by
15 Nico Van James, Interim Director of Human Resources
16 for the department. You making her look bad. All
17 you people, why fire you all of them so they can make
18 you look good.

19 VITO MUSTACIUOLO: Thank you.

20 CHAIRPERSON AMPRY-SAMUEL: Thank you and
21 would you please

22 COUNCIL MEMBER DIAZ: And by the way, let
23 me give you, let me give you the I.D. number of the
24 lady.

3 CHAIRPERSON AMPRY-SAMUEL: Would you,
4 maybe not in open Council, please.

5 COUNCIL MEMBER DIAZ: Her name is Maria
6 Fernandez I.D. 542

7 [crosstalk] No, no, no

8 CHAIRPERSON AMPRY-SAMUEL: Okay, no, no,
9 no, no, no. So, Councilman, we would be happy to
10 take that information right now.

11 COUNCIL MEMBER DIAZ: Okay, sorry.

12 CHAIRPERSON OLATOYE: Can someone,
13 Carrie, can you just go and grab that from him, and
14 actually and try and get a response to try and find
15 out what the issue is. I wouldn't, I don't want to
16 share her personal information in open setting but
17 thank you for bringing it to your attention.

18 COUNCIL MEMBER DIAZ: Thank you.

19 CHAIRPERSON AMPRY-SAMUEL: Thank you.
20 Next, we'll hear from Council Member Richards.

21 COUNCIL MEMBER RICHARDS: Thank you
22 Chairs and thank you Shola and I certainly don't envy
23 anyone who has to sit in your particular seat because
24 there are just so many underlying issues at NYCHA.
25 First, I wanted to start off with management
structure and I guess along the lines of I know Vito

3 is here now and I know we brought this up before.

4 Does NYCHA do any annual inspections at apartments so

5 I guess that's my first question? Do we do annual

6 inspections because it seems to me that instead of us

7 taking more proactive steps which is difficult? I

8 understand you only have a certain amount of

9 workforce but have we thought about annual

10 inspections that could catch a lot of the underlying

11 issues rather than people having to call 707 and I

12 think one of the things that NYCHA's challenged with

13 is the trust factor, right and I think there are a

14 lot of residents who call 707 perhaps, just have

15 given up hope and faith in calling the number at all

16 so that's why you would see an underlying condition

17 like we saw yesterday on the news so just wanted to

18 hear a little bit more about that and then I have two

19 other questions and then I'm done and Vito I know we

20 spoke about this at the last hearing. Have we

21 rethought and reimagined what that process looks like

22 at 707, with the 707 number?

23 VITO MUSTACIUOLO: So first I want to

24 thank you very much for your continued support. So

25 we, I'm just in my first two weeks, we are starting

to look at the business practices and the logic that

3 goes into how we conduct business and there are
4 improvements that need to be made. There was no
5 question about that. As the Chair's testimony
6 indicated, a lot of strides have been made to improve
7 the overall living conditions but we're continuing
8 along that line. I'm going to turn it over to the
9 Executive Vice President for Operations to speak with
10 respect to annual inspections. There are some that
11 are required by law. There are others that perhaps
12 and I am a proponent of proactive measures and so it
13 is something that we will be looking into.

14 COUNCIL MEMBER RICHARDS: Yeah, and I
15 don't want to stay too long on this but if it hasn't
16 been thought about, I would just hope that we can do
17 a top to bottom down inspection process for every
18 unit in the City perhaps so we can know where a lot
19 of these underlying issues are. I know it would take
20 a big army to get it done but something we should
21 consider doing.

22 KATHY PENNINGTON: Hi Kathy Pennington,
23 EVP for Operations. I'll give a short answer. Yes,
24 we are conducting annual inspections. Our goal this
25 year is to schedule half of the units for inspection
and the remaining half next year so we're currently

3 on a biannual inspection cycle and we will be sending
4 out scheduling notices for this year's annual
5 inspections in approximately the next 30 days.

6 COUNCIL MEMBER RICHARDS: And in those
7 inspections, they look for all these underlying
8 conditions,

9 KATHY PENNINGTON: Yes.

10 COUNCIL MEMBER RICHARDS: Mold, bugs all
11 the others.

12 KATHY PENNINGTON: Yes.

13 COUNCIL MEMBER RICHARDS: Okay, so and
14 how do you report that? Is there a report that is
15 generated to the Council or to Council Members in
16 their districts to know that, you know, the
17 inspections actually happened and if not, would NYCHA
18 be open to that?

19 KATHY PENNINGTON: Certainly.

20 COUNCIL MEMBER RICHARDS: Okay, so I
21 think that that's moving forward. Lastly, just two
22 other quick points, so I know NYCHA doesn't
23 necessarily have commercial overlays, right, in all
24 of the developments. Have we given thought and I
25 want to move past where we're at, we need to look at
how to generate dollars? Have we worked with City

3 Planning on figuring ways to creatively get
4 commercial overlays and developments which perhaps
5 could produce jobs for local residents, and obviously
6 some revenue for NYCHA which I know could be
7 controversial but I think it's something we need to
8 look at and then lastly in terms of more revenue
9 coming in, we spoke of RAD and the Rockaways and I'm
10 very grateful. I hope the press covers that because
11 that is such a great story of residents who had the
12 most open tickets probably in the City, at least in
13 Queens, who now are getting new kitchens and new
14 bathrooms and I have family who lives there so
15 they're not complaining so I know it's working so
16 where are we at with RAD? Where are at with the
17 feds? Has the Mayor pushed on this? Where's our
18 U. S. Senators on this? Where are our congressional
19 figures on pushing HUD for more RAD conversions? I
20 don't see us getting out of this hole any time soon.
21 I don't care who you put here. I don't care what the
22 next Mayor does, we just have too much of a backlog.
23 The only way to catch up with it is with new ideas so
24 where are we at with RAD?

25 CHAIRPERSON OLATOYE: Thank you for your
question, questions. First, I'd say you asked about

3 commercial overlays, that's where you started which
4 is to say that has been something that we have, where
5 we are doing development and there is a need for
6 that. We have sought and worked very closely and
7 very well with our colleagues at City Planning.
8 Broadly in terms of RAD, this President's budget, a
9 bright light if you could say is that the cap on RAD
10 was lifted. There had been a congressionally imposed
11 cap of approximately I think 135,000 units
12 nationally. That, that number went up. Maybe that
13 number's up. We'll come back and correct it. That
14 has been lifted.

15 COUNCIL MEMBER RICHARDS: Significantly
16 or?

17 CHAIRPERSON OLATOYE: Yes, there's no
18 more cap but

19 COUNCIL MEMBER RICHARDS: Okay, okay.

20 CHAIRPERSON OLATOYE: The challenger
21 there is there's no corresponding revenue

22 COUNCIL MEMBER RICHARDS: Okay.

23 CHAIRPERSON OLATOYE: To support new RAD
24 conversions so just to now speak about where we are
25 with RAD in our portfolio, our EVP for Real Estate,
Takasia Whites.

3 TAKASIA WHITES: Good afternoon, I really
4 appreciate the question. As the Chair stated, I'm
5 Takasia Whites so we currently have approved three
6 bundles with just in January, three RAD bundles for
7 over 1,700 units of RAD conversion that we're looking
8 to get closed by the end of this year and we're
9 working with HUD currently to expand that to include
10 approximately 3,100 which would take us to
11 significantly more and looking to do more than that
12 at the current time and just to add a little bit more
13 to the question about the zoning. We are currently,
14 in the real estate group, working with City Planning
15 on a number of zoning overlays that impact a number
16 of our developments on rezoning and contextually
17 looking at all of that.

18 COUNCIL MEMBER RICHARDS: Okay, thank you
19 Chairs. Do you have anything else to add?

20 TAKASIA WHITES: We were just going to
21 talk quickly about the East, East Harlem rezoning is
22 one of them in particular.

23 COUNCIL MEMBER RICHARDS: And I'm sure
24 Mark Treyger will touch on the Sandy Recovery
25 developments. I'm interested in knowing where we're
at with all of the developments in the Rockaways and

3 how soon we can anticipate that work but I'll save my
4 time. I'm past my time. Thank you, thank you.

5 CHAIRPERSON AMPRY-SAMUEL: Thank you,
6 Council Member Rosenthal.

7 COUNCIL MEMBER ROSENTHAL: Thank you so
8 much Chairs Gibson and Ampry-Samuel and Chair
9 Olatoye, it's always wonderful to see you. I
10 appreciate your public service.

11 CHAIRPERSON OLATOYE: Thank you, thank
12 you.

13 COUNCIL MEMBER ROSENTHAL: My first
14 question is about a development in my building, in my
15 district where I just want to confirm that I'm
16 thinking about this right and this is a development
17 that actually one of your Board members lives in.
18 Wasn't it the case, this is Wise Towers, right.
19 Wasn't it the case that Wise was initially part of a
20 group of buildings that were funded, split with the
21 State so they were maybe half State and half City for
22 a big long period of time and am I right in
23 remembering that the State walked away maybe, I'm
24 thinking 12 years ago and NYCHA has had to take
25 resources from other buildings in order to keep these

3 buildings going as well as any NYCHA building goes.

4 Am I vague on the right track there?

5 CHAIRPERSON OLATOYE: Yes, you are. Do
6 you want me to elaborate? Okay, so what you're
7 speaking to is the City and the State constructed
8 some approximately 20,000 public housing units in the
9 late 70's and early 80's, probably a little bit
10 earlier, and supported those units with operating
11 funding. That funding ended in 1998 for that, for
12 those units and what it meant was the federal
13 operating dollars that we receive from Washington now
14 had to be encompassing of those 20,000 units and we
15 were taking our subsidy and spreading it over those
16 units. With the ARRA or stimulus bill and thanks to
17 Senator Schumer, we were able to essentially turn on
18 the federal operating subsidy for about approximately
19 11,000, 12,000 of those units which allowed for the
20 first time for those units to get a federal operating
21 subsidy. That still left about 8,000 or so units
22 that continue to be an operating drain on our
23 operating subsidy. With this Council's support and
24 urging, we have gotten an agreement with HUD to, as
25 those units turn over and other ways to turn on
Section 8, we have approximately 4,000 of those units

3 left and are working to secure new resources to
4 essentially remove that operating drag on our, on our
5 budget.

6 COUNCIL MEMBER ROSENTHAL: Thank you and
7 I do just want to point out that Board member
8 Gonzales has been an amazing advocate in educating
9 people about the nature of the issue back to the days
10 when we were on the community board together and I
11 really thank him for his efforts but I want to
12 highlight that this was a commitment that was made,
13 you know, by the State that the State walked away
14 from and that the opportunity still exists for the
15 State to come back and share those responsibilities.
16 That's my two cents. Secondly, at the last hearing,
17 one of the things that we talked about at the end is
18 this notion of there being multiple databases, most
19 on-line, perhaps one that was handwritten and as I
20 heard about it, my interpretation was that if these
21 databases could all be, could all talk to each other
22 and be sorta held together in some better way, that
23 it would service everyone on your executive team
24 better by having all that information together.
25 Since that time, I've spoken with the guy who's the
director of the CUNY Graduate School on Research and

3 Public Policy who has offered to meet with NYCHA
4 executives, yourselves, if you would want to take him
5 up on the offer of working to do that. It's
6 something that, you know, he has a team of people
7 working on all the time and I just, I'm hoping that
8 there could be a collaboration with him. Actually
9 was just texting to confirm and he said absolutely
10 yes.

11 VITO MUSTACIUOLO: Good afternoon
12 Councilwoman and thank you for that question. As we
13 had mentioned prior to the hearing, please send me
14 his information.

15 COUNCIL MEMBER ROSENTHAL: Great.

16 VITO MUSTACIUOLO: We're looking forward
17 to meeting with anyone who has insight who has
18 recommendations. We've already met with, internally
19 with our IT folks to really kind of better coordinate
20 the exchange of information but NYCHA as I have found
21 in two weeks, is a extremely data rich Agency and
22 there are certain issues that we need to contend with
23 such as even keeping the heat logs manually as
24 opposed to having that information put into a
25 database, all right, so we are moving forward on
that. Thank you.

3 COUNCIL MEMBER ROSENTHAL: Okay, great.
4 Thank you and if that's something that requires
5 specific additional funding, I would be interested of
6 course, obviously in discussion with my colleagues,
7 but I think that's a discrete thing that could be if
8 that could be culled out. I just think that's the
9 most important tool you have to do your work. All
10 right, thank you very much.

11 CHAIRPERSON AMPRY-SAMUEL: Thank you.
12 Next, we'll hear from Council Member Salamanca,
13 followed by Council Member Menchaca.

14 COUNCIL MEMBER SALAMANCA: Thank you
15 Madam Chair. Good afternoon, first I, I, I just want
16 to say how happy I am to hear that the RAD program,
17 the cap has been lifted. One of the developments in
18 my district, Bronxchester was a participant and it
19 has done wonders for that immediate neighborhood.
20 It's right behind Via Verde who is half affordable
21 housing, the other half is kind of owner co-ops and
22 you really cannot tell the difference and I see my
23 residents coming out of Bronxchester with pride. It
24 provides a safe environment. They're taking care of
25 their properties so I really enjoy visiting them so I
really hope that we can apply and we can get some of

3 my developments as part of our program when we
4 continue to rebuild the South Bronx. Now, I also,
5 just to get to some of my issues. Merle's Houses is
6 a big concern of mine. The boilers, you know we've
7 mentioned and I know that they're on the list of the
8 20 boilers that will be addressed. Where are we in
9 terms of those 20 boilers that will be redone or new
10 boilers coming in I believe this summer? Am I
11 correct?

12 CHAIRPERSON OLATOYE: Thank you for your
13 question and I'm glad to hear that you are
14 appreciative of the RAD, the Bronxchester work just
15 to be totally precise, that program actually predated
16 our use of RAD but the benefits are the same and we
17 will be working, looking forward to working with you
18 to figure out we can get more resources for the RAD
19 initiative broadly. I'm gonna ask Debra to speak to
20 our, the interim \$20 million I think you're
21 referencing and those short term approaches around
22 the heating system.

23 DEBRA GODDARD: Hello, Melrose in
24 particular, of the City's money it's only for heating
25 controls which we put in about a third of the units
and it gives us the real data but the boiler

3 replacement will be done out of federal funds
4 separately and I have to look. I have to get the
5 schedule for you.

6 COUNCIL MEMBER SALAMANCA: So this \$20
7 million, is it 10 developments or is it 20
8 developments? It's 10 developments, right, and so
9 has the City, have you begun that process? You
10 haven't received the money from the City yet,
11 correct?

12 CHAIRPERSON OLATOYE: Correct.

13 COUNCIL MEMBER SALAMANCA: So you're
14 supposed to receive the money in the new fiscal year
15 '19. Now have you begun any work in terms of RFP's
16 so that you can cut on some of that timeframe so when
17 you receive the money, you can begin the work
18 immediately?

19 DEBRA GODDARD: Yes, we've already issued
20 the task orders for the design firms, the engineering
21 firms because we had capacity in federal budgets and
22 OMB will reimburse us as well as we are working on
23 issuing the program manager our fee.

24 COUNCIL MEMBER SALAMANCA: Okay, all
25 right. Madam Chair, you know, I've spoke. By the
way, Vito is great. It's awesome, a great pick up

2 from NYCHA. We trust Vito and Vito, you know, just
3 having your presence there, knowing that I'm calling
4 you and I know that when I call you, things really
5 get done. In terms of Melrose Houses, you know, in
6 the past, Madam Chair, we've spoken about the what's
7 the mismanagement that's happening in these
8 individual developments and you've, you've agreed
9 that the supervisors are not really doing, fulfilling
10 their duties and really supervising their employees
11 so making sure that tickets are not being closed
12 without proper inspection, the cleanliness, just
13 proper follow up and so my question is have you done
14 any local leadership changes to kind of move people
15 around, move supervisors around or developer,
16 directors around to kinda address some of these
17 issues that are happening because in Melrose Houses I
18 am asking on the record, please get rid of the
19 supervisors and leadership that I have there because
20 they are totally ignoring their responsibilities.

21 VITO MUSTACIUOLO: Sir, I'll take that
22 question so I believe we're scheduled to come up to
23 meet with you. I will make sure that Kathy
24 Pennington, the EVP of Operations, joins us. I'll be
25 more than glad to discuss with you some changes that

2 you are proposing. Staff are rotated and are moved
3 on a regular basis. I think really what you're
4 speaking to though is something again that we want to
5 take a very close look at, with the entire process
6 from complaint intake to resolution, all right, and
7 we're certainly, there's room for us to improve
8 there. With respect to the staffing issues, that's
9 another challenge that I plan on taking on and having
10 some very tough conversations with our colleagues in
11 labor.

12 COUNCIL MEMBER SALAMANCA: But Vito, very
13 quickly because my time is running out. These
14 leadership positions, they're not, they're not in the
15 Union.

16 CHAIRPERSON OLATOYE: Yes they are.

17 COUNCIL MEMBER SALAMANCA: They are in
18 the Union?

19 VITO MUSTACIUOLO: Yes, sir.

20 COUNCIL MEMBER SALAMANCA: So these,
21 these, these supervisors are part of the Union.

22 CHAIRPERSON OLATOYE: Yes, they are.

23 VITO MUSTACIUOLO: Yes, sir.

24 COUNCIL MEMBER SALAMANCA: So we need to
25 have a side conversation and then finally, just my

3 last question so I got this question from someone
4 that's watching on Twitter. When a roof work is
5 completed, does NYCHA follow up with mold remediation
6 in these developments?

7 KAREN PENNINGTON: So oftentimes if there
8 has been extensive roof damage or deterioration, the
9 top floor units can suffer from water damage so
10 during the construction period we are monitoring
11 those units and when that repair work is completed on
12 the roofs, we would be doing repairs in those
13 individual units so yes.

14 COUNCIL MEMBER SALAMANCA: So you're
15 only, but you're only checking those top, those units
16 that are on the top floors because, you know, these
17 roofs they leak and it's not just the top floors that
18 are being affected but you have lower floors as well.

19 KAREN PENNINGTON:[?] Yes, so if any
20 conditions are reported to us if a resident calls us
21 to report mold conditions, we do follow a particular
22 protocol to address that so we would go to

23 COUNCIL MEMBER SALAMANCA: So when a roof
24 is repaired you don't check the entire building to
25 see if mold remediation needs to take place?

3 KAREN PENNINGTON: You know what, I'll
4 have to check in with CPD on what the protocol is.
5 I'm not certain.

6 COUNCIL MEMBER SALAMANDA: Okay, thank
7 you Madam Chair.

8 CHAIRPERSON OLATOYE: Thank you.

9 CO-CHAIR GIBSON: Thank you Council
10 Member Salamanca. I just wanted to just edge in on
11 that a little bit because we the Council Members, if
12 we are getting concerns about leadership, property
13 managers, supervisors and everyone that's at the
14 developments, more than likely the residents are
15 making those same complaints as well so while I know
16 we will have this conversation off line, it's really,
17 really, really important that we stay on top of these
18 property managers and supervisors. Everyone has a
19 job to do and we expect them to do their job. I
20 don't want average work. I want exceptional work.
21 Everyone has a responsibility and if they're not
22 doing their job, we hold all of you accountable
23 because they work for all of you and so if we're
24 getting concerns from our residents and our tenant
25 leaders that managers and property managers on site
are not fulfilling their responsibilities then that

3 is cause for a bigger problem. We're not saying we
4 want people fired. I want people to do their job,
5 that's all and so I want to make sure that as you
6 provide enhanced training and other measures to make
7 sure that people are exceeding expectations, right.
8 It's about what we expect from people. What do they
9 expect from themselves as well in terms of fulfilling
10 their jobs so if we are hearing concerns, then that
11 means that we are hearing it from the ground so we
12 need to make sure you guys are on the ground
13 listening to our residents and leaders if they are
14 coming to all of you about these concerns they're
15 having with regard to staff at their developments.
16 Thank you.

17 CHAIRPERSON AMPRY-SAMUEL: So I'm gonna
18 just ask a question on the same lines. I know you
19 had the OcMom[phonetic] program was implemented in
20 2015 and then the NGO program and I know you
21 mentioned it in your testimony so can you just speak
22 to like just what's happening with the NGO program in
23 particular. Has it been successful? Has it reduced
24 any of the work orders and time so can you just give
25 us a update and a little more detail about the NGO
programs?

3 CHAIRPERSON OLATOYE: So I'll speak high
4 level and then I'll let you get our EVP of Operations
5 to speak specific to some of the existing work that's
6 underway so OcMom was an effort to, not effort, was
7 our focus to empower our property managers, retrain
8 them, essentially retrain everyone who's at the
9 development from the property manager to the
10 caretaker. Empower property managers with actual
11 budgeting responsibility that had not been how we had
12 historically managed these properties. That launched
13 in 2015. We renamed it Next Generation Operations.
14 The goal is for all of our portfolio to be like an
15 NGO, to have empowered property managers, to have
16 retrained staff, to have greater control over
17 decisions with regard to the ground maintenance, etc.
18 We have about approximately 75,000 that are part of
19 that effort with the hope that the remaining of the
20 portfolio enters it this year. I'll let our EVP of
21 Operations speak to some of the performance metrics
22 as it relates to that portfolio to date.

23 KATHY PENNINGTON: Thank you for your
24 question so to the question of, do we think it's
25 working? We do measure performance among our various
portfolios in about, I don't have the details in

3 front of me, but in about seven specific indicators
4 and we have seen in some of the indicators in about
5 three to four of the indicators, the NGO model is
6 producing better outcomes. We also do see where
7 they're performing the same, right? So for instance
8 on rent collections, we measure each portfolio on
9 their collection rates and we see kind of across the
10 board whether it's NGO or not. We have challenges
11 there. We do see better performance, for instance in
12 work orders and in adhering to our guidelines on
13 emergency work orders. They're performing better in
14 those metrics. I can follow up with more specific
15 information.

16 CO-CHAIR GIBSON: Is Melrose part of the
17 NGO program?

18 KATHY PENNINGTON: I'm not sure. I can
19 find out for you.

20 CO-CHAIR GIBSON: Okay, thank you.

21 KATHY PENNINGTON: The goal here is the
22 entire portfolio by the end of the year will be part
23 of NGO so there's been a sort of significant
24 retraining of the existing NGO portfolio and almost a
25 boot camp for those developments that have yet to
move into the portfolio so this is a system wide

3 shift towards greater accountability and improved
4 performance across the portfolio.

5 CHAIRPERSON OLATOYE: I would just like,
6 a little revision on the timeline. We'll complete
7 everyone moving into the new model by June of next
8 year so right now we're in training and conversion
9 with Brooklyn and half of Manhattan and then we'll
10 finish the Bronx by mid next year.

11 CHAIRPERSON AMPRY-SAMUEL: We've been
12 joined, well, we were joined by Council Member
13 Cornegy and we've been joined by Council Member
14 Williams. Council Member Menchaca.

15 COUNCIL MEMBER MENCHACA: Thank you
16 Chairs for this opportunity to talk a little bit more
17 about budget and thank you for being here. I want to
18 go right into the conversation around mold and
19 legislation that the Council, we actually brought the
20 City Council hearing to Red Hook when we talked a
21 little bit about legislation that would essentially
22 create a standard across the City to address mold.
23 The response from NYCHA and this is where I want to
24 give a sense of opportunity for clarifying was that
25 there is already a process for NYCHA that the special
master process and the tenure will end soon and

3 there's gonna be a report. There's two questions I
4 want to get to. One is a better understanding of the
5 actual issue with the piece of legislation that will
6 really grant every New Yorker to have every landlord,
7 including NYCHA, the opportunity to respond to mold
8 in a very particular kind of way but NYCHA wants to
9 be different and so I want to understand if this is a
10 resource question or is it a policy and that's what I
11 want to understand because we're in a new session and
12 I want to go back to the people at Red Hook and
13 beyond and get a sense about how we're gonna approach
14 that. If this is a budget issue, we're in a budget
15 hearing. I want to understand that and I'll let you
16 answer it. There's only a few minutes but I want to
17 also see if you can give a report on 5050. There's
18 some, there's an RFP that went out and I want to get
19 a better sense about any details that came out of the
20 RFP on that and then, well I'll stop there. Thank
21 you.

22 CHAIRPERSON OLATOYE: So, I'm not, I have
23 to, I'm not totally clear on your question with
24 regard to the mold deal. I'm not totally up to speed
25 on some of those details but as you referenced, NYCHA
is under a federal consent decree as it relates to

3 mold specifically so we will have, we have a federal
4 appointed special master who has spent a year or more
5 with us to review policies and procedures, training,
6 actual physical infrastructure, distinctions that
7 plague the Authority. We expect his report
8 imminently and those will be the federally court
9 monitored requirements that NYCHA will have to be in
10 compliance with and so from an operational
11 standpoint, we have sought to and we are working to
12 ensure that our staff, our policies, our training are
13 consistent with what will be a federal decree and
14 that is where our resources has to be aligned at this
15 moment. Shifting to our [Inaudible], you are
16 correct. They are many RFP's on the street. As you
17 know there are four different lanes for us. There's
18 our 100% affordable program where there are some,
19 approximately 12 RFP's that are out, two of which
20 have actually closed and construction's underway.
21 Seven of those projects are 100% senior projects and
22 the NextGen NYCHA program where there's a 50/50 50%
23 affordable, 50% market. There are four projects or
24 sites that have been released. An RFP was just
25 released several weeks ago for LaGuardia. It's on
the street so we will be anticipating submissions at

3 some time in the future and this an ongoing and
4 important part of our work committed to NextGen
5 NYCHA.

6 COUNCIL MEMBER MENCHACA: Thank you for
7 that, for that update and back to mold. I guess,
8 thank you for that report on the special master and
9 the federal decree. I guess I'm talking about the
10 City decree and what we're trying to do is really
11 kind of create a standard for every New Yorker no
12 matter where they live that there needs to be a
13 respond from landlords. What is preventing NYCHA
14 right now from accepting the conversation that we're
15 trying to have here at the City Council where we set
16 policy in the City to respond to mold? What is
17 preventing you from saying yes to comply with the
18 discussion so we can set a standard for everyone,
19 that's my question?

20 CHAIRPERSON OLATOYE: I understand your
21 question and we're not preventing you from having
22 that conversation. I think it's an important one for
23 sure. I do think there is, there is, it is important
24 to know that we are a federal agency and we have to
25 respond to a federal decree with our federal dollars.
At this point, I don't know the details of the

3 conversation and the details of the bill and so we'd
4 have to learn more to understand what that would
5 mean. Could it be consistent with what we are going
6 to be federally required to be in compliance with and
7 where our resources are going to have to be directed?
8 We don't have the luxury of having a extra pot of
9 resources to respond to an unfunded mandate
10 essentially so we really do need to ensure that the
11 resources we do have are being focused on what we are
12 going to be legally required to be in compliance
13 with.

14 COUNCIL MEMBER MEMCHACA: Got it, well I
15 look forward, my time is up, but I look forward to
16 continuing this conversation. I think the goal that
17 I want to set here in this discussion as someone who
18 is supporting that piece of legislation is that every
19 New Yorker deserves the same standard and that we
20 don't create a different standard for one versus the
21 other and let's talk. Thank you.

22 CHAIRPERSON OLATOYE: Thank you.

23 CHAIRPERSON AMPRY-SAMUEL: Can you
24 provide the Council with a copy of the report when
25 you get it?

2 CHAIRPERSON OLATOYE: The special masters
3 report?

4 CHAIRPERSON AMPRY-SAMUEL: Yes.

5 CHAIRPERSON OLATOYE: Yes.

6 CHAIRPERSON AMPRY-SAMUEL: Thank you,
7 okay next we'll hear from Councilwoman Ayala followed
8 by Councilman Gjonaj.

9 COUNCIL MEMBER AYALA: Good afternoon,
10 thank you Madam Chair. My question was around, I
11 think you mentioned in your testimony that a large
12 chunk of NYCHA's budget goes to utilities. How much
13 of that goes, do you have a dollar amount?

14 CHAIRPERSON OLATOYE: It's approximately
15 \$539 million.

16 COUNCIL MEMBER AYALA: Million or
17 billion?

18 CHAIRPERSON OLATOYE: Million, okay.

19 COUNCIL MEMBER AYALA: A year?

20 CHAIRPERSON OLATOYE: Yes, 2017.

21 COUNCIL MEMBER AYALA: Wow, that's pretty
22 significant.

23 CHAIRPERSON OLATOYE: It is.

24 COUNCIL MEMBER AYALA: I know that
25 there's been conversation in the past about

3 converting some of these units to include what do you
4 call those, the circuit breakers so that, meters yeah

5 CHAIRPERSON OLATOYE: Individual meters.

6 COUNCIL MEMBER AYALA: Has there been
7 further conversation about that? I'm just asking,
8 I'm not advocating for anything but I know that there
9 has been conversation in the past about that.

10 CHAIRPERSON OLATOYE: So I'll have to
11 circle back if there have been any more recent
12 conversations but we have been focused on is how do
13 we reduce that number.

14 COUNCIL MEMBER AYALA: Yes.

15 CHAIRPERSON OLATOYE: Because it is a
16 relatively fixed cost and it is pretty variable. If
17 it's a real, if commodity prices are particularly
18 high, then that number is going to be very high for
19 us. If commodity prices are low, then you might see
20 a slight dip so what we've been more focused on are
21 ways in which we can make our buildings more energy
22 efficient and sustainable and we can talk more about
23 it. I don't want to take all your time. We can talk
24 about the ways in which we're working to do that
25 through our energy performance contracts, by sealing
buildings, better windows, energy efficient systems,

3 etc. and working with HUD to be able to capture
4 whatever savings is generated by those interventions.

5 COUNCIL MEMBER AYALA: And my second
6 question is around the number of commercial
7 properties that NYCHA currently has access to so you
8 seem from afar to be pretty rich in terms of
9 commercial property ownership. I'm not sure how much
10 of those properties are actually on the market, how
11 many of them are just sitting there that maybe
12 require capital dollars for improvements. Do you
13 have a list that, you know, explains how many
14 properties exactly we're talking about and what the
15 current status of each is?

16 CHAIRPERSON OLATOYE: Sure, we definitely
17 have a list and NYCHA has two types of commercial
18 property. There's what you see on the streets, the
19 sort of ground floor, 1,000 sq. ft. bodega kind of
20 space of which we have about a million sq. ft.
21 throughout our portfolio and we can get the specific
22 numbers for you and the most recent tenant numbers
23 there but that has actually been an area where we've
24 focused on increasing the occupancy there by getting
25 more tenants and with leases, paying rent, etc. We
also have about another million sq. ft. of non-

3 residential commercial space which are closed
4 community and health facilities that have significant
5 capital needs. They are not habitable and those are
6 a significant opportunity but also come with a great
7 cost as well and so we could follow up with you with
8 a list of those properties.

9 COUNCIL MEMBER AYALA: Yeah, I think that
10 you know, we're missing opportunities to increase
11 revenue by not activating those spaces. My final
12 question, so when I used to work for senior
13 programming many moons ago, DEFTA had their budget
14 item money allocated for rent in NYCHA fights so we
15 would pay NYCHA to be in Carver Houses for instances
16 and then under the Bloomberg administration there was
17 an MOU that kind of reversed that. Has there been
18 further conversation with the administration about
19 possibly including some sort of revenue in DEFTA's
20 budget to cover some sort of rent to NYCHA for having
21 the senior centers and I guess the same would apply
22 to the OYCD for having these summer youth employment
23 programs on site?

24 CHAIRPERSON OLATOYE: Sure, thank you for
25 the question. We agree that there needs to be at
least a basic level of covering operating costs and

3 this has been an ongoing series of conversations that
4 we've had not only with our Agency partners but with
5 the City. As you now at our height, we used to run
6 400 or so community centers and we're now down to
7 about 14 of which the Mayor pays for the operations
8 of those centers but I would welcome your support in
9 continuing those discussions about actual rent for
10 those other centers that are in our facility.

11 COUNCIL MEMBER AYALA: Do you have any
12 idea of how much revenue is lost by not?

13 CHAIRPERSON OLATOYE: We can follow up
14 with you for that specific number, yes.

15 COUNCIL MEMBER AYALA: Thank you. Thank
16 you so much.

17 CHAIRPERSON OLATOYE: Thank you.

18 CHAIRPERSON AMPRY-SAMUEL: Councilman
19 Gjonaj.

20 Council Member GJONAJ: Thank you Chairs
21 for having today's hearings. Madam Chair thank you
22 for being here again. Vito, the same. NYCHA
23 currently has a repair backlog that is estimated to
24 be what dollar amount?
25

3 CHAIRPERSON OLATOYE: That's a very
4 interesting question. We have a capital need that
5 our 2011 capital plan was about \$17 billion in need.

6 COUNCIL MEMBER GJONAJ: And I've heard as
7 high as \$25 billion.

8 CHAIRPERSON OLATOYE: We are awaiting our
9 final capital need, physical needs report.

10 COUNCIL MEMBER GJONAJ: And has the
11 Agency identified any credible way to raise this
12 money?

13 CHAIRPERSON OLATOYE: Next Generation
14 NYCHA put forward an effort to reduce that plan to
15 about \$10 billion over the next ten years and that's
16 been our guide path with the hope that we would have
17 built up a series of reserves, had a dedicated source
18 of revenue that we would then begin to partner with
19 the private industry and actually address that
20 outstanding capital need through a series of general
21 obligation bonds. That was the plan that we released
22 in 2015.

23 COUNCIL MEMBER GJONAJ: That was \$10
24 billion over 10 years, correct.

25 CHAIRPERSON OLATOYE: Right.

2 COUNCIL MEMBER GJONAJ: And what about
3 the shortfall?

4 CHAIRPERSON OLATOYE: That was that the
5 goal would be to then work with the private sector to
6 begin to issue bonds to address that outstanding
7 capital need.

8 COUNCIL MEMBER GJONAJ: So, there is,
9 it's safe to say that there is, you're not relying on
10 Washington or Albany and besides, aside from the
11 private, public option that seems to be success in
12 your option.

13 CHAIRPERSON OLATOYE: Yes.

14 COUNCIL MEMBER GJONAJ: Is the only real
15 options that we have available to bring the much
16 needed capital into NYCHA.

17 CHAIRPERSON OLATOYE: We need all levels
18 of government and, and but there's no question that
19 there will need to be and continue to be a
20 significant level of private investment but we need
21 all levels of government and we cannot let Washington
22 walk away from its obligation here.

23 COUNCIL MEMBER GJONAJ: And you briefly
24 touched on expanding the RAD program to other
25

3 developments. Has it proven to be a success and what
4 hurtles do we have to expand this program?

5 CHAIRPERSON OLATOYE: It is absolutely a
6 success. There are independent reports done by HUD
7 and others to suggest that it has an economic
8 multiplier so that that actually is helping to create
9 jobs and drive local economies but more importantly
10 and from our perspective, it's improving the lives of
11 residents. In Next Generation NYCHA we talked about
12 15,000 units of our portfolio being a part of either
13 RAD or any federal preservation effort. So far we
14 have approval for close to 5,000 of those units and
15 we continue to work with HUD for the remainder. As I
16 mentioned, the cap has been lifted. There had been a
17 congressionally imposed cap on the program. That's
18 been lifted. That's great. The challenge now is we
19 need other kinds of housing resource, financing
20 resources to close the gap. Our projects, our
21 buildings are very old. They have a lot of capital
22 needs and the requirement of the program is that you
23 underwrite to the 20 year fiscal needs assessment
24 number. For New York City, that's very high and it
25 requires that you need a very large amount of
subsidy.

3 COUNCIL MEMBER GJONAJ: Well, I'm glad to
4 hear of that work and to implement this and expand it
5 to the entire NYCHA system, what are the few hurdles
6 that you see to be able to overcome?

7 CHAIRPERSON OLATOYE: So I think the
8 biggest hurdle is 1) we need new resources. We need
9 new sort of subsidy resources to support the
10 expansion of that program; 2) we do do this in
11 partnership with HUD so we need HUD to approve.
12 There is an actual process that they go through. We
13 would need them to make that process, expedite the
14 process and to move out quickly and they have been
15 very helpful on this front. I do want to give them
16 credit there. There's always more to be done but
17 they've been helpful there and then third and I put
18 this as both an obstacle and an opportunity that we
19 have committed to doing a significant amount of
20 engagement with our residents and that takes time and
21 that takes resources and so we want to expand that to
22 our entire portfolio. That's a lot of evening
23 meetings and conversations that we would need to be
24 committed to doing and doing in partnership with our
25 City colleagues. I'd list those money, regulatory

3 approvals and just the sort of public nature of any
4 kind of development activity.

5 COUNCIL MEMBER GJONAJ: I'm glad to hear
6 that you are focusing, so it's safe to assume besides
7 exploring public, private partnerships, there really
8 are no other options to get us out of this?

9 CHAIRPERSON OLATOYE: I would never say
10 there are other options and I think everything should
11 be on the table.

12 COUNCIL MEMBER GJONAJ: I commend you on
13 your work and I look forward to working alongside of
14 you to meet the needs of these families that are
15 being subjected to all types of living conditions and
16 I look forward to helping you deliver your message
17 that this will always remain an affordable program
18 that we have a true commitment to those families that
19 the income threshold of no more than 30% is the
20 affordable aspect of this and we want to make sure
21 that regardless of RA D programs or whatever private,
22 public partnership that we bring in that that will
23 always be the underlying fundamentals for our
24 continued NYCHA housing.

25 CHAIRPERSON OLATOYE: Thank you sir,
thank you.

3 CHAIRPERSON AMPRY-SAMUEL: Next we'll
4 hear from Council Member Treyger followed by Council
5 Member Williams.

6 COUNCIL MEMBER TREYGER: Thank you to
7 both Chairs for this very timely hearing and for your
8 leadership. I first want to actually just publicly
9 say on the record that I want to align myself with
10 the comments of Congressman Hakeem Jeffries who
11 stated that I hope Congress is talking about an
12 infrastructure spending bill and that no
13 infrastructure spending bill should pass without
14 resources to public housing and I think that is
15 critical. I think that is non-negotiable and I think
16 that all of us here recognize the significant capital
17 needs of public housing that existed before your
18 leadership and certainly exists today so I just
19 wanted to just state that for the record and we've,
20 we've heard that there's about \$18 to \$20 to \$25
21 billion estimated in capital need, is that correct?

22 CHAIRPERSON OLATOYE: Right.

23 COUNCIL MEMBER TREYGER: Has there been
24 ever some kind of a scale of urgency created to kind
25 of break down that figure about of that capital on
that need, how much are we talking about, roofs,

3 boilers, versus playground or is there sort of a
4 scale or a degree of emergency capital on that need
5 versus non-emergency items.

6 CHAIRPERSON OLATOYE: Sure, Debra.

7 DEBRA GODDARD: Yeah, we tackle the needs
8 according to building systems in a logical sequence
9 so roofs and exterior first, building systems,
10 heating, life safety, elevators next and then go
11 inside the units and then grounds. Now it's not
12 always that easy. You sometimes, you know, mesh some
13 of those kinds of projects together depending upon
14 funding, source and need but yes, we are very
15 disciplined about how we're using the money in the
16 best, and most logical building sequence.

17 COUNCIL MEMBER TREYGER: So is there an
18 estimate of the emergency need out of the overall
19 capital on that need?

20 DEBRA GODDARD: It's not labeled as
21 emergency. We do have in the older fiscal needs
22 assessment is up, and we can get you more
23 information. We do quantify it by building
24 component, yes, and inside that there are ratings so
25 every roof is rated, every boiler is rated so all of

3 that information is taken into account when we do our
4 five year plan.

5 COUNCIL MEMBER TREYGER: It would be
6 helpful to get that information for us for our
7 advocacy as well.

8 DEBRA GODDARD: Sure.

9 COUNCIL MEMBER TREYGER: And have you had
10 discussions with Deputy Mayor Alicia Glen and the
11 Mayor about trying to identify more City resources to
12 address some of the more emergency or pressing
13 capital needs. I understand that there's an adequate
14 resources in our City budget to deal with the entire
15 capital unmet needs but with regards to the more
16 pressing capital needs, I'm curious to know because I
17 know that in an October 2017 release, the
18 administration announced that they identified \$150
19 million in more money to add to their housing plan
20 which now means that they're spending over \$1.3
21 billion a year over the next decade so they found
22 resources for that but I would also argue that we
23 need to take care of our existing stock and so are
24 there discussions underway with Deputy Mayor and the
25 Mayor about finding more City resources to deal with
the most pressing needs of NYCHA.

3 CHAIRPERSON OLATOYE: Absolutely, I mean
4 we are in constant discussion about our needs. I
5 have not been silent about the needs that the
6 Authority is experiencing. I think that's evidenced
7 by the fact that the Mayor committed the billion
8 dollars towards roofs. I walked in on almost day one
9 and said advised by, you know, my colleagues and said
10 we have to figure out to seal the buildings and roofs
11 and so that investment I think is a direct result of
12 those conversations. We are, you know, talking and I
13 know in the weeks to come as the budget process
14 unfolds they'll be even, we'll get more granular but
15 yes, issues around continued roofs but certainly our
16 heating infrastructure systems, our elevators, our
17 health and safety programs, those are all issues that
18 are absolutely up for discussion.

19 COUNCIL MEMBER TREYGER: And I appreciate
20 that Chair because and that's where the information
21 will be helpful for us to know about packaging the
22 emergency needs to as a point of advocacy with the
23 administration because yet, you're right they seem to
24 find money when there's a lot of attention being paid
25 to these items and I'm not saying that you haven't
raised these issues prior to all the attention being

3 given to them but we need to make sure that we are
4 not just reacting to crisis but preventing crisis
5 from happening in the first place. Just very
6 quickly, have you heard and are you aware that there
7 are quality contractors, quality builders in New York
8 City or in our region that don't want to do work with
9 NYCHA because of our financial uncertainties and
10 issues and that sometimes we are just stuck with
11 bitters that historically have not had a great track
12 record of doing work in our public housing stock.

13 CHAIRPERSON OLATOYE: I have never heard
14 it put that way

15 [Laughter]

16 COUNCIL MEMBER TREYGER: I am a former
17 teacher. I try to articulate things.

18 CHAIRPERSON OLATOYE: I mean clearly we
19 add to the requirements of normal contracts. We have
20 project labor agreements so if you're not a
21 signatory, you're not gonna bid. We have resident
22 employment. No insult to that but it's not the
23 normal course and we have our paperwork is daunting.
24 The HUD requirements we have to add are daunting. I
25 will say to end, we've been taking a look at all our
forms of contract to make sure we've streamlined them

3 as much as possible, that they flow like the world
4 expects. We did bring in for the heating, our AE
5 firms to let them know what's coming down the pike
6 and we're doing more outreach. We got a lot of
7 response to that. We brought in CM firms when we
8 were about to go out with a contract. We got 17 new
9 firms to bid so we're trying to do some outreach
10 every time we've got a significant pipeline going out
11 but we have challenges, yes.

12 COUNCIL MEMBER TREYGER: But I'm sensing
13 from you that you have heard feedback or some
14 criticisms of the procurement process from some
15 builders that discourages them from applying in the
16 first place, is that correct?

17 CHAIRPERSON OLATOYE: Yes.

18 COUNCIL MEMBER TREYGER: And the last
19 question, Chair, and I do want to credit your team.
20 Every three months or so we have a breakfast in my
21 district to discuss updates. Your team comes and
22 they answer questions to the best of their abilities
23 so I do want to note that for the record. There is
24 one Sandy damaged community center that was supposed
25 to open at the end of last year at that's the
Surfside Garden's Community Center and your team

3 informed me that because of leaks in the building or
4 leaks in that area, the contractors or the workers
5 cannot complete work on the center. Just to kind of
6 bring context to the depth of this problem, it is
7 preventing, because the center's not open, it's
8 preventing Heart Share a cornerstone program provider
9 from providing services to children in Coney Island
10 and so they are, they've been moved temporarily into
11 a public school with very limited space and also the
12 cornerstone program promises hours up to 11 p.m. at
13 night but the school closes around 8 or so p.m.
14 shortchanging my kids hours every single day. Is
15 there any update on when this center will reopen for
16 the children of Coney Island?

17 CHAIRPERSON OLATOYE: I don't have an
18 update. We can get you one. I will say that the
19 leak has been problematic and Kathy has been in her
20 position a very short time but has been very
21 proactive when we bring these issues to her of, you
22 know, the combination of operations and capital so I
23 expect that we will have some movement on this very
24 shortly.

25 COUNCIL MEMBER TREYGER: Do you
anticipate that it will reopen by the spring?

3 CHAIRPERSON OLATOYE: I, I, it would be
4 irresponsible of me to promise. We will get back to
5 you with a plan and a date.

6 COUNCIL MEMBER TREYGER: All right, thank
7 you Chairs for your time.

8 CHAIRPERSON AMPRY-SAMUEL: Council Member
9 Williams.

10 COUNCIL MEMBER WILLIAMS: Thank you very
11 much, thank you Madam Chairs. Just a complete
12 separate topic, just want to make sure I put on the
13 record and shout out the pride I have for all of the
14 students across the nation who stepped out today in
15 Brooklyn and New York City and across the nation.
16 Wore orange and making sure that we pressure our
17 cowardly Congress people to move forward what they
18 need to move forward with. I just do hope, I'm glad
19 to see the Parkland students sparked this but I want
20 to make sure we keep the faces of black and brown
21 people, particularly black mothers who deal with gun
22 violence unfortunately on a daily basis. With that
23 said, thank you very much for being here so, you
24 know, obviously I've seen this, what I can only
25 describe as a male measuring contest come to a fever
pitch and it's disturbing. The only thing that's not

3 disturbing is I think because of the contest, NYCHA
4 residents may accidentally get helped and I wish it
5 was purpose felt. Not obviously, I don't know if
6 disingenuous is the best word to use what the
7 Governor did cause I think he may actually do
8 something even if it's for the wrong reason because
9 he wants to win what I can only describe as the male
10 measuring contest and I hope some of that money comes
11 forward. He had seven years to do so but it is the
12 first time he has stepped into NYCHA and probably
13 wouldn't if it wasn't for this contest so my hope
14 again is that NYCHA will accidentally get helped in
15 all of this but I do have to just point out, I do
16 think there was things that the Governor should have
17 done. There's obviously things that the federal
18 government should have done and I still will put in
19 particularly and this is true around management
20 issues, the City does have a lot of culpability here
21 and it was interesting to see, I think I saw a tweet
22 where I think Chair you said that it's not time for
23 division while we're facing these cuts. I agree. At
24 times it seems like there is a division between us,
25 administration and NYCHA and hopefully, that will be
sealed up even after when the contest is finished so

3 that we can all be working toward the same goals. I
4 do have just a few questions and that you may have
5 answered again, answered already. I apologize if
6 I've asked you just to repeat it and I think we are
7 up for capital budget, the needs of NYCHA is it \$24
8 billion. What's how much is the capital needs?

9 CHAIRPERSON OLATOYE: The \$24 billion
10 number is something I have used in conversations
11 since I arrived 18 months ago just to say it's gonna
12 get larger. We are finalizing it now and we will be
13 briefing our Board this month and then we will be
14 ready to brief the Council.

15 COUNCIL MEMBER WILLIAMS: How much, is
16 NYCHA making a request to the Council to push for a
17 certain amount of that budget this year? Is there a
18 long-term plan to ask to try to help fill some of
19 that gap?

20 CHAIRPERSON OLATOYE: So we have, first
21 we have absolutely appreciated the support that the
22 Council has given to date and we encourage and I said
23 this at the end of my testimony. Would request for
24 capital investments for heating, for elevators and
25 other important capital items. We also think it's
really important to have your voice on the passage of

3 a real and long-term design-build, a piece of
4 legislation that would allow us to do this work
5 faster so we absolutely need your support both on the
6 resource side and on the advocacy side.

7 COUNCIL MEMBER WILLIAMS: I do want to
8 point out, of course, the design-build 100%. That is
9 obviously one thing the governor could wave his hand
10 and just help to happen. Why he hasn't, he could
11 have bought a check with him and a wave of a hand at
12 the photo op and he didn't but is there, we obviously
13 can't, it's gonna be hard to fill that gap ourselves
14 but is there a plan to take out bites every single
15 year and is there a number this year that we're
16 looking for in this budget from the City?

17 CHAIRPERSON OLATOYE: We are, as the
18 preliminary budget, we are still fashioning those
19 requests. We absolutely have sat with and if we
20 haven't done this with you yet, Council Member, we
21 need to get this on the calendar. I've sat with
22 members and talked about specific capital asks for
23 districts. We can afterwards perhaps follow up with
24 that roll up number but certainly for districts we
25 absolutely have put in requests.

2 COUNCIL MEMBER WILLIAMS: And last two
3 questions, how much, I know there's money that's
4 outstanding from the State that's either just not
5 released or stuck in bureaucracy. I just want to get
6 a better understanding of how much money that is and
7 then also Chair Alicka Samuel may have brought this
8 up already. First of all, I just want to shout to
9 Chair for her leadership on these NYCHA issues.
10 Thank you for that. Yesterday there, did you talk
11 about the yesterday? Okay, so the Speaker agreed to
12 put in the executive budget a \$500 million part of a
13 \$2 billion ask from ECB&I and Metro are collective of
14 groups that would like to see 15,000 housing be built
15 on some of the info in NYCHA. That's gonna be put
16 in. Want to know if you supported that or the
17 administration supported that?

18 CHAIRPERSON OLATOYE: So you asked, your
19 first question was about the State dollars.

20 COUNCIL MEMBER WILLIAMS: Yes.

21 CHAIRPERSON OLATOYE: We, there was \$100
22 million allocated in 2015 and that money was given to
23 the Dormitory of New York. I believe you said
24 there's about \$30 million that's been spent and we
25

3 would have to talk to them about where the rest of
4 those resources are.

5 COUNCIL MEMBER WILLIAMS: How much is
6 already spent?

7 CHAIRPERSON OLATOYE: \$30 million, then
8 there was a \$200 million allocation. We submitted a
9 plan to the State requesting \$100 million for
10 elevators, \$100 million for heating with a very
11 detailed plan of how that would be spent, how it
12 would be tracked, etc. We await a response so now in
13 terms of your question with regard to the senior
14 housing. We absolutely share your and the Council's
15 goal on addressing the needs of our most vulnerable
16 New Yorkers and more than a third of our residents
17 are over the age of 62 and that's why of the 12 RFP's
18 that we have out on the street right now for 100%
19 affordable project, seven of them are 100% senior
20 projects so we agree in principle and reality to the
21 need to provide more senior housing. I'm not
22 familiar totally with all of the details but I think
23 one of the, in terms of the proposal, I guess I'm
24 curious. You know we, one of the challenges with
25 senior housing I think as you know is, it requires
more resources. Seniors are typically of fixed and

2 is not lower incomes so you need Section 8, you need
3 additional municipal housing finance resources so we
4 just would love to know were there additional
5 resources that were identified as part of the
6 Council's proposal?

7 COUNCIL MEMBER WILLIAMS: So you've never
8 seen the plan?

9 CHAIRPERSON OLATOYE: We have, I, we have
10 spent time with EBC, yes.

11 COUNCIL MEMBER WILLIAMS: Yes.

12 CHAIRPERSON OLATOYE: So I don't know if
13 this is the exact same or something that was
14 different. I don't, I just haven't seen. All I saw
15 was a release so I just don't want to speak out of
16 turn but agree in principle but would like to know
17 are their new resources that have been identified
18 because we, in the plan that I saw, was significant.
19 It would require essentially all of the State's 9%
20 tax credit allocation. I don't know, you know, how
21 would

22 COUNCIL MEMBER WILLIAMS: Well, my
23 understanding was that they felt it could be built
24 with \$2 billion. If I'm, if I'm not correct, I want
25 to go back to the plan and so.

3 CHAIRPERSON OLATOYE: Sure.

4 COUNCIL MEMBER WILLIAMS: People agreed
5 in principle to that \$2 billion plan and the Speaker
6 agreed in principle and I believe did put in the
7 response \$500 million this year to get to that \$2
8 billion goal.

9 CHAIRPERSON OLATOYE: So again, I would
10 need to see the details to really understand that
11 again we agree in principle that senior housing is
12 important. I think it's also really important to
13 note, you know, and these are things that we are
14 trying to balance which is we need new revenue. We
15 need new revenue to invest in our buildings. Senior
16 housing requires more revenue and there's a net cost
17 so can both be done? We think we're doing that. We
18 have 12 projects on the street, seven of which are
19 senior housing and we are trying to build housing
20 that's generating new revenue to fix up our buildings
21 so we just, we're trying to understand how we balance
22 those really important priorities in the face of this
23 proposal.

24 COUNCIL MEMBER WILLIAMS: Thank you, I
25 hope at the end of this contest that hundreds of

3 thousands of people who are being toyed with actually
4 benefit so thank you very much.

5 CHAIRPERSON OLATOYE: Thank you.

6 CHAIRPERSON AMPRY-SAMUEL: Thank you.

7 We're almost at the final hour. I have a question
8 about reserves. The minimum operating reserve
9 recommended by HUD is about two months of operating
10 reserves. As of March 2018, how much does NYCHA have
11 in operating reserves and how much does Section 8
12 have in reserves?

13 CHAIRPERSON OLATOYE: So presently we
14 have 2.7 months of reserves. Just for clarification,
15 HUD recommendation is four months.

16 CHAIRPERSON AMPRY-SAMUEL: Okay.

17 CHAIRPERSON OLATOYE: And to note when we
18 started under leadership of the Chair, we only had
19 five weeks so at this point we have grown it over
20 time and we're still working towards addressing that,
21 balancing the needs of moving our resources out to
22 our residence versus funding to our reserves to get
23 to that HUD recommendation.

24 CHAIRPERSON AMPRY-SAMUEL: Thank you.

25 Co-Chair.

3 CO-CHAIR GIBSON: Thank you so much so I
4 just got a few more questions just to close out
5 today's hearing and I believe one of my colleagues
6 alluded to it but in the same conversation that we're
7 having around design-build there's been this talk
8 about an emergency declaration so I wanted to know
9 what impact if any would that have on NYCHA's capital
10 process and some of your ongoing work that is already
11 in the pipeline.

12 CHAIRPERSON OLATOYE: Thank you for that
13 question because I think it's important for this to
14 be very, very clear and well understood. An
15 emergency declaration which lists the State's
16 procurement requirements on us would save us, would
17 save us six days for this reason. The State requires
18 20 days of public advertising, HUD when federally
19 regulated requires 14 days so it would save us six
20 days.

21 CO-CHAIR GIBSON: Besides that, would it
22 allow us to waive procurement rules or design or
23 anything else that we're doing?

24 CHAIRPERSON OLATOYE: It depends upon how
25 it's worded but it cannot waive federal requirements,
and we're federally regulated so it won't change the

3 HUD procurement and it won't change any of the HUD
4 contractual requirements.

5 CO-CHAIR GIBSON: Okay, well I think
6 that's a really important factor to outline because
7 the public thinks that an emergency declaration is
8 going to allow us to bypass every provision, every
9 guideline and speed up these projects and so you're
10 saying that it doesn't do that because we still have
11 to follow federal rules, even with State dollars that
12 we would get.

13 CHAIRPERSON OLATOYE: Yes, State dollars
14 for the construction and the design but HUD is paying
15 for the staff, all of the administrative costs so it
16 is a federally regulated set of projects, yes.

17 CO-CHAIR GIBSON: Okay, in the NYCHA
18 capital portfolio work, do you work at all with the
19 Department of Design and Construction on design?
20 Does DDC have any involvement at all?

21 CHAIRPERSON OLATOYE: No, we do not work
22 with DDC. We are talking with them about taking over
23 some of our community center work but otherwise, we
24 don't work with them, no.

25 CO-CHAIR GIBSON: So that's an early
conversation that just started or is that ongoing?

3 CHAIRPERSON OLATOYE: It's ongoing. It's
4 been going on for several months.

5 CO-CHAIR GIBSON: Okay, and if that
6 proves successful, that would mean DDC would
7 essentially do the design work.

8 CHAIRPERSON OLATOYE: Actually, we trying
9 to have them assume responsibility for all of our
10 community center capital construction work so that we
11 could focus on our residential buildings.

12 CO-CHAIR GIBSON: Okay, when do you
13 expect, is there a timeframe that you could identify
14 that that would be finalized?

15 CHAIRPERSON OLATOYE: I don't have a
16 timeframe. I think there's tension on both sides in
17 terms of capacity.

18 CO-CHAIR GIBSON: Okay, so I wanted to
19 ask a question about, I forget who mentioned it
20 earlier, but the annual inspections that NYCHA does
21 to access both exterior, not apartment inspections,
22 but just the exterior of your buildings. How does
23 that overlap at all with DOB's inspections that cause
24 scaffoldings to be put up on many of our
25 developments, not necessarily paralleled with
resources to do the work that causes the scaffolding

3 to be put up in the first place? Can you give us a
4 general understanding because I think the general
5 frustration from residents, they see the scaffolding?
6 It is an inhibitor to just safety. NYPD housing cops
7 complain all the time because all the great cameras
8 we put up, you can't see a thing with the scaffolding
9 and then you do have instances where there's
10 loitering. It's just a disaster but if people were
11 to see work being done, I think they would be more
12 accepting and patient with understanding that it's
13 there for a reason but in the majority of the cases,
14 it's just not happening so can you explain to us how
15 that happens with your annual inspections and is
16 there a lot of overlap?

17 CHAIRPERSON OLATOYE: So we actually do
18 rely on the DOB program, local law 11, and it is a
19 beast. It's a five year cycle, all buildings get
20 inspected every five years so it is hard to budget
21 for and predict. We've been working very closely
22 with OMB to be putting out \$100 million a year
23 towards local law 11 but we do not have funding to
24 get to everything all at once and it's very hard for
25 us to catch up. We are on, we are finishing up work
on cycle 7 repairs now but we're already in the midst

3 of cycle 8 and again what's really critical to
4 understand is in 2017, you may find a crack or a
5 lintel having a problem on building A. You take care
6 of it and then in the next inspection, it's a
7 different wall on the same building or a different
8 building in the same development so it is, it's a
9 beast in terms of keeping up with it.

10 CO-CHAIR GIBSON: Okay, and I think
11 Council Member Treyger talked about it just in terms
12 of capital and how you prioritize projects on an as
13 needed emergency basis so are you doing that as well
14 with this as well?

15 CHAIRPERSON OLATOYE: We've been working
16 with OMB, OMB's been, the City's actually been
17 funding most of local law 11 work and that's \$100
18 million, that's been at the pace of \$100 million a
19 year and that's about half of, that's almost half of
20 what we get from the federal government. We have not
21 been putting a lot of our federal money into it.
22 We've been relying on the City money.

23 CO-CHAIR GIBSON: Okay, and overall, I
24 have a graph of the \$1.4 billion of capital work and
25 I have it categorized by project type so most of the
capital work is going to roof, roof replacement,

1 which I appreciate and then the next category is
2 heating systems which is important and a priority. I
3 have not seen any major announcements recently in
4 this administration where we've had a real focus on
5 elevators. Now, while I know the focus has to be
6 exterior, the roof, the heating system because that
7 essentially is directly related to the quality of
8 life, I would also argue that elevators are a huge
9 public safety issue and so there is money. I'm not
10 saying that there, you know, there is nothing but
11 there is money every year that NYCHA devotes to
12 elevators but in terms of massive infusion, I just
13 haven't seen it so I want to understand moving
14 forward what the capital work looks like right now
15 with our elevators, what does the particular unit
16 look like that actually deals with the repairs based
17 on the calls and, you know, other complaints and
18 future wise, what can we do to support this because
19 again, elevators are important. You have an
20 expectation to get in and get to your floor in a safe
21 manner and some of us, I'm not, you know, calling out
22 any development, but I've had a struggle with one of
23 my developments, in particular, that has a senior
24 center in the building and not only are the seniors
25

2 and the residents getting stuck but so is the staff
3 and so I'm working with NYCHA now on how I can do my
4 part in helping with that funding but overall I think
5 generally many Council Members do have that concern
6 about elevators so when I look at this graph, there's
7 only 3% dedicated to elevators in the total capital
8 plan so I want to understand where we are, what does
9 our capital look like for elevators and can we see
10 any expected investments in elevators moving further?

11 CHAIRPERSON OLATOYE: Yes, the short
12 answer is yes.

13 CO-CHAIR GIBSON: Yes, we can see more
14 money?

15 CHAIRPERSON OLATOYE: Yeah, we gonna, we
16 are, the State is 50% of that, \$100 million is
17 towards elevators. We're turning more of our federal
18 program to elevators. Really with the Mayor taking
19 the roofs off of our backs in terms of federal
20 funding, we're now looking to systems, heating, and
21 elevators.

22 CO-CHAIR GIBSON: Okay, so what does,
23 who's the staff that's going to determine the
24 priority? So you're going to look at the entire
25 portfolio of elevators in all of our developments and

3 have some sort of a needs basis on who needs it the
4 most? We can't get to everyone in a timeframe. I
5 realize that but we do have to prioritize so my
6 question is what factors are we going to use in
7 determining how we start with the most in need?

8 CHAIRPERSON OLATOYE: Yeah, so capital
9 one operations work together and we have generally
10 three things we'd be looking at. One, our fiscal
11 needs assessment and what is determined to be the
12 remaining useful life of that component but then we
13 also look at what kind of skill trade tickets or
14 repair work tickets have been called that may change
15 the prioritization and it may not be so much with
16 elevators but in general we'd also look to see are
17 all of the parts that are necessary for repair still
18 available, are they still manufactured so those would
19 be generally the three factors we would look at to
20 prioritize.

21 CO-CHAIR GIBSON: Okay, I appreciate that
22 so I look forward to continuing to have that
23 conversation on elevators. The work that NYCHA is
24 doing with lead, I wanted to understand what lead
25 testing, the relationship that the Housing Authority
has with both DEP as well as with DOHMH. Where are

2 we? Are there any updates that could be provided and
3 what do we see as the biggest challenges moving
4 forward?

5 VITO MUSTACIUOLO: So, I'm sorry, I'm not
6 quite sure, excuse me

7 CO-CHAIR GIBSON: Lead testing

8 VITO MUSTACIUOLO: With respect to DEP?

9 CO-CHAIR GIBSON: Is DEP involved in
10 helping you guys with lead testing?

11 VITO MUSTACIUOLO: No, they're not.

12 CO-CHAIR GIBSON: Is it DOHMH?

13 VITO MUSTACIUOLO: So DOHMH, they are
14 involved when there's an elevated blood lead level.

15 CO-CHAIR GIBSON: Okay.

16 VITO MUSTACIUOLO: Okay, so that is

17 CO-CHAIR GIBSON: Okay, so DEP, okay. I
18 take that back.

19 VITO MUSTACIUOLO: No, no, it's quite all
20 right. So as you may know, this past October we
21 began conducting our visual assessments of both the
22 residential units and the residential common areas as
23 required under local law 1 of 2004 which is the City
24 lead law. I'm happy to report that of the 8,900
25 units that we were required to conduct the visual

3 inspection, we have completed all of them. There
4 were a few access issues with about a dozen units and
5 we have made multiple attempts both during the week
6 as well as on weekends as well as sending
7 correspondence and calls to the residents. With
8 respect to the common areas, there were approximately
9 66,000 common area components that had to be, where
10 we had to conduct the visual inspections and we are
11 about 80% complete with those visual inspections so
12 that program then brings us into compliance with
13 local law 1 requirements.

14 CO-CHAIR GIBSON: When do you expect to
15 complete? You said you're about 80% done.

16 VITO MUSTACIUOLO: Right, so we expect to
17 complete those visual assessments by the end of
18 April.

19 CO-CHAIR GIBSON: Of this year?

20 VITO MUSTACIUOLO: Yes, this April.

21 CO-CHAIR GIBSON: Okay, just making sure.
22 That's like a month away. Just wanted to make sure,
23 okay. The final question that I have in terms of
24 NYCHA and the physical needs assessments, the
25 building façade work that's being done as it relates
to the scaffolding, as you take down a wall. I don't

2 know if NYCHA takes them down but as the scaffolds
3 come down, what happens if there is a subsequent
4 inspection and then it causes the scaffold to go back
5 so is that NYCHA's responsibility or does that fall
6 to DOB?

7 CHAIRPERSON OLATOYE: We are, we are
8 following DOB's local law 11 inspection protocol but
9 we are the ones that are putting up the sheds and
10 taking them down.

11 CO-CHAIR GIBSON: Okay, great, and I
12 guess my final question, I've been focusing a lot on
13 capital because it's really important to just
14 understand this process. The community centers that
15 NYCHA still operates, there was a time when we had
16 15. I think we went down to 14. There was a site in
17 Manhattan that went to DEFTA or private vendor. Are
18 we still having conversations about NYCHA maintaining
19 those community centers for the future or do you see
20 more work with DEFTA? Do you know what I'm talking
21 about, the senior centers?

22 CHAIRPERSON OLATOYE: I do, I know.

23 CO-CHAIR GIBSON: Oh, okay because I have
24 two of them.

3 CHAIRPERSON OLATOYE: I know exactly what
4 you're talking about and I will let our EVP of
5 Community Engagement and Programs speak to that.

6 CO-CHAIR GIBSON: And the reason I ask is
7 because obviously moving forward, some of those
8 centers, I can only speak to the two I have, you
9 know, there are some capital needs in those locations
10 that do need some work and so what I'm not sure about
11 is if it goes to DEFTA and it goes to a private
12 vendor, a social service organization, you know, are
13 we still responsible for the capital work that needs
14 to be done to bring it up to a greater level of
15 quality?

16 CHAIRPERSON OLATOYE: So specific to that
17 question, at the end of my testimony one of the
18 things I think we talked about is that we do have
19 capital needs specific to community centers and
20 senior centers and we would welcome, you know, this
21 body's support in thinking about how we could support
22 resources just for those sites. Regardless of who
23 operates them, one of the goals of NextGen had been
24 to eventually transfer the operation of these centers
25 to our colleagues who are the experts in both youth
programming and/or senior programming. We still have

2 them. I'll let Sideya talk about them but very much
3 still need to talk about the capital needs that we
4 would be responsible for as the landlord.

5 CO-CHAIR GIBSON: Okay.

6 SIDEY SHERMAN: Thank you for your
7 question. I'm Sideya Sherman, EVP for Community
8 Engagement and Partnerships so as you referenced, as
9 a time when we transition the centers, we had 15
10 centers. We now operate 14, then they had
11 Mill[phonetic] Center transferred to DEFTA. We in
12 active conversations with DEFTA about these sites but
13 we are still currently operating the centers and in
14 conversations to continue the operation into the next
15 City fiscal year.

16 CO-CHAIR GIBSON: Okay.

17 VITO MUSTACIUOLO: I'm sorry, Council
18 Member, just for the record I just want to retract a
19 statement where I said that we will be in full
20 compliance. Once we complete the visual assessments
21 of the apartments we have completed the visual
22 assessments. The apartments and the common areas, we
23 will not be in full compliance and we will be in
24 substantial compliance. There's still some
25 additional work that would need to be done.

3 CO-CHAIR GIBSON: So, we're not saying
4 April then, right?

5 VITO MUSTACIUOLO: No, no, I'm sorry. We
6 are still on target to complete the visual
7 assessments of the 66,000 by April. We have
8 completed the residential units but there still are
9 some additional requirements that we have to
10 complete.

11 CO-CHAIR GIBSON: Okay, okay, well I
12 thank you. There's obviously always a lot more we
13 can talk about but, you know, we all have places to
14 go but I think just generally overall we're doing
15 good but we have to do a lot better. I am very,
16 very, very concerned about design-build and NYCHA's
17 ability to comply with that to use it in a way that
18 it can advance these projects and I do think there's
19 a concern from the State as well. It doesn't mean
20 that we won't support the authorization for design-
21 build, but we just want to make sure that there are
22 systems in place so when I talked about the staffing,
23 what does the design, the architects, you know what
24 does that staff look like because if there are any
25 changes and shifts and vacancies, that's going to
affect the outcome of our work and so that's a

3 concern for me so as the Assembly has just passed a
4 [Inaudible], cause I heard from my assembly member,
5 now, you know, we're going to continue to work in the
6 next few weeks as they craft a State budget but the
7 \$200 million from Albany has to be produced and, you
8 know, there's no shortfall on that. We need that
9 \$200 million. It would be great to get more but we
10 want the \$200 million that's already been allocated
11 that, you know, you haven't been able to draw down
12 on. I want to do as much as I can as an individual
13 Council Member and I have been every year putting
14 money into the budget for NYCHA to capital. I mean,
15 I always do because I have a lot of developments that
16 need attention and in some of the City wide, broad,
17 you know, announcements, my district doesn't always
18 make the cut. Yes, I yell and scream and sometimes
19 we make another cut but at the end of the day I'm
20 still going to do my part and so I appreciate the
21 work you guys are doing and we're critical because we
22 know we can do better and I think acknowledging and
23 recognizing that, there are shortfalls, there are
24 challenges we face from the feds, from the State and
25 even locally but we just have to all be in this
partnership together. The fact that you hear some of

3 the nightmare stories, that's how people live every
4 single day and we have to change that because they
5 deserve better. If we lived in those apartments, we
6 wouldn't accept it either so we can't accept someone
7 else living in apartments that are substandard so we
8 do have to do better. I appreciate the work that has
9 been done, all of the staff, the property managers,
10 everyone on the ground do tremendous work. I just
11 think we have to obviously always look at ways of
12 improvement so in my capacity, I'm gonna continue to
13 talk about design-build, change orders, certificates
14 to proceed, the work with OMB because that is the
15 internal work that's going to determine a better
16 output for all of these capital projects that we're
17 undertaking so I appreciate you being here. I thank
18 you for your work and looking forward to working with
19 you during this budget process and I want to thank my
20 co-chair for being an amazing co-chair today. Thank
21 you.

22 CHAIRPERSON AMPRY-SAMUEL: Thank you
23 Chairs. Thank you everyone and we look forward to
24 continuing this conversation and continue to be as
25 supportive as we possibly can and making sure that
this is a partnership, not just between your Agency

3 and the Council but with the residents and making
4 sure the residents' voice is heard and we all bring
5 them into the conversation as well so thank you so
6 much for your testimony and being here and your
7 partnership and we look forward to talking to you
8 again.

9 CHAIRPERSON OLATOYE: Thank you very
10 much. We appreciate your support and partnership.

11 CHAIRPERSON AMPRY-SAMUEL: So next we'll
12 have testimony from members of the public and we'll
13 first hear from Ms. Torres, Nancy Ortiz, Mr. Kadar
14 Miller, and Alex Rodriguez.

15 [pause]

16 CHAIRPERSON AMPRY-SAMUEL: Hi, thank you
17 so much for being here. I know we are in our final
18 hours here so if you don't mind, we would hear from
19 everyone, individual, one after the other, okay and
20 we'll start with Ms. Torres and can you state your
21 name for the record.

22 MS. TORRES: Good afternoon, okay. Good
23 afternoon, my name is Ieksa[phonetic] Torres and I'm
24 the President of Resident Association of Alfred E.
25 Smith Houses, Inc. Good afternoon, on behalf of the
residents of Alfred E. Smith Houses, I am submitting

3 my testimony. Smith Houses has been complaining to
4 NYCHA for over 20 years about the boiler system and
5 the problems we have with the heating and the
6 consistency of water leaks. The heating system is
7 over 65 years old and probably in violation of
8 several codes. The disinvestment of public housing
9 by HUD has taken its toll on the infrastructure of
10 the buildings where we live in. There is a saying
11 that says that the water dripped until it broke the
12 rock. The rock, NYCHA, has been broken, not because
13 of this administration or the effort but due to the
14 lack of disinvestment of infrastructure of NYCHA
15 buildings as a whole for over 20 years. There was no
16 input or investments from the New York State
17 government or the New York City in investing in NYCHA
18 until now from this administration. HUD has,
19 however, allocated \$300 million to flattening
20 developments like in Chicago to solve the problem.
21 The total lack of funding, 0% for NYCHA by HUD as
22 seen in the table below tells the story of investment
23 by this current government administration. What this
24 means for Alfred E. Smith residents is not having
25 healthy or clean environment because we have roof or
pipes inside the walls that leak and need to be

3 replaced, not repaired or patchwork. While this
4 administration has tried to address the problems in
5 three and a half years, it cannot fix the negligence
6 of 20 years nor can NYCHA correct overnight or in
7 three and a half years, especially without funds. In
8 Smith Houses, we have had to prioritize the needs
9 based on safety and the wellbeing of residents so our
10 first priority was replacing gas pipes which were
11 done under this administration because the previous
12 administration held us hostage because we refused to
13 sign off on land lease. Our priority now is
14 acquiring funds for pipe systems and boilers in Smith
15 Houses and we have families having to endure no heat
16 or being overheated because of the boilers and pipes
17 which are eroded. This problem begins to affect the
18 health of residents and especially the elderly and
19 children including the residents that have cardiac or
20 respiratory conditions. Finally, our question today
21 is what investment the City Council and the New York
22 State legislature is going to do in supporting public
23 housing residents given the budget cuts from
24 Washington, D.C. to public housing in the City and
25 the State of New York? Our government and City, our
State and City government must invest in supporting

3 our homes and we demand as taxpayers and citizens of
4 this country that you invest, support the residents
5 of public housing, not by creating another system of
6 oversight but by properly funding NYCHA for the
7 improvement of the infrastructure of every building
8 of NYCHA as needed. Respectfully submitted. Thank
9 you.

10 NANCY ORTIZ: Good afternoon Madam
11 Chairs, members of the Council. My name is Nancy
12 Ortiz. I represent 1,773 residents with a voting
13 block of 2,300. First I would like to address the
14 elephants in the room. While the Governor and the
15 Mayor in their battle for budget sheet control have
16 lost sight of the 400,000 NYCHA residents who
17 continue to suffer, they continue to play ping pong
18 with the 400,000 NYCHA residents who are the true
19 victims here. Over the past few days, I have found
20 myself in awe at the media circus which I see before
21 me again, the bickering in funding and finger
22 pointing, losing sight of the 400,000 residents. If
23 NYCHA is so important, Governor Cuomo, if you're
24 watching, approve and release the \$200 million
25 allocated last year for NYCHA. Additionally, the
State has continuously failed to acknowledge the

3 request to Albany for funding, especially to return
4 the line items for infrastructure which continues to
5 be ignored to this day. NYCHA's budget once again,
6 yet another set of steps to obtain funding to operate
7 NYCHA's decaying infrastructure. By the time these
8 steps have been completed, NYCHA has yet lost another
9 development due to possible Department of Buildings
10 deeming these sites uninhabitable. Oversight, clear
11 honest oversight, if the oversight in funding is the
12 real ball here, then the State controller and the
13 City controller should be the oversights and appoint
14 two independent forensic accountants to monitor the
15 budgets and control. This is an honest oversight.
16 This will remove the politics. Lastly, Walden, Mack
17 & Harren publicly stated that they represent 400,000
18 NYCHA residents. To make such a statement they must
19 obtain a written agreement of representation from
20 each individual, resident, board member. They have
21 not done this. Therefore, I state publicly
22 Vladeck[phonetic] Houses is not in support of this
23 lawsuit and we have not signed onto this lawsuit.
24 Just to give a very quick update, Vladeck Houses was
25 allocated \$500,000 in 2015 for parks. It was
released last week. Now we have to go through DASNY

3 for the sketches. I submitted to City capital for 24
4 instantaneous hot water heaters, 54 mailboxes, 48
5 lobby doors and I'd hoped to get this funding for my
6 development. I'm a very patient person, however,
7 City provided me \$500,000 in funding last year for my
8 second part and it has already been released and
9 we're already getting the blueprints for the parks so
10 the difference in State and City, two year's wait
11 time. Thank you.

12 MS. TORRES: Can I just say very quickly
13 that I also stand by Vladeck Houses that Walden Jacob
14 Gardner does not represent those residents in Alfred
15 E. Smith or the Association so publicly we do not
16 agree with anything that they have done or said on
17 behalf of the residents in public house, especially
18 for Smith Houses.

19 KADAR MILLER: Chairwoman Ampry-Samuel,
20 members of the Committee on Public Housing, my name
21 is Kadar Miller and I'm the senior manager of
22 Community Engagement at Lincoln Center for the
23 Performing Arts, a member of the Cultural
24 Institutions Group. On behalf of Lincoln Center and
25 the Cultural Institutions Group, I want to express
our continuing gratitude for the Council's

3 longstanding leadership and support. I'm grateful to
4 be here seeking the Committee's support of arts in
5 public housing spaces including Lincoln Center's
6 \$15,000 speaker initiative request for our work with
7 people facing housing insecurity. Also, on behalf of
8 the Cultural Institutions Group, we request that in
9 FY19, the Council baseline to \$10 million received by
10 the CIG in FY18 and allocate an additional \$20
11 million to be split between the CIG and local
12 programs groups providing a clear means of supporting
13 the implementation of the NYC cultural plan. Guiding
14 Lincoln's Center partnerships with public housing
15 sites like NYCHA's Amsterdam Houses and transitional
16 housing sites like the women in need shelter network,
17 there's an ever enduring truth. The arts are for the
18 many, not for the privileged few and now more than
19 ever our work at these public housing spaces stand in
20 solidarity with the NYC cultural plan to advance
21 equity by insuring access to affordable, high quality
22 artistic experiences especially in the context of
23 community arts with those in public housing and those
24 facing housing insecurity. The Lincoln Center
25 community artist program facilitates meaningful
collaboration between artists and community members

3 across New York City. Artists from various
4 backgrounds come to public housing spaces people call
5 home not only to teach the skills of their art form
6 but to use art as a means of building an open
7 community among diverse neighborhoods. This creative
8 exchange is the foundation of building a community
9 within public and transitional housing. These arts
10 spaces foster opportunities for individuals and
11 families to connect with each other, expressing their
12 hopes, their dreams, their fears and facilitated by
13 the world's leading artists and without regards to
14 socioeconomic circumstance. Neighbors are able to
15 become more than just strangers in passing in the
16 hallways and the rich cultural vibrancy of New York
17 City is brought into the creation of art that can
18 travel the world over showcasing the beauty and
19 undeniable value of each and every person. In
20 partnership with our CBO partners, the community
21 artist residence program offers weekly workshop
22 sessions at identified residency sites including
23 studio time, art visits, recruitment presentations
24 and field trips to world class live performances in
25 dance, music, theatre at Lincoln Center and
throughout NYC and culminating performance events at

3 each residency site as well as at Lincoln Center and
4 our concurrent exploration into the efficacy of our
5 methods continuing Lincoln Center education will
6 contribute research to the field that formalizes a
7 model for implementing responsive community arts
8 programming in environments in which people have
9 experienced housing related and more generalized
10 trauma. By providing this platform for individuals
11 truly where they live, Lincoln Center and its
12 partnering artists and organizations can engage
13 community residents in a new conversation around the
14 role of arts in the lives of all New Yorkers, a
15 conversation significantly enhanced and expedited
16 with your backing so to this end we hope the
17 Committee will support Lincoln Centers \$15,000
18 speaker initiative request for our work with people
19 facing housing crisis and again on behalf of the
20 Cultural Institutions Group, we request that in FY19,
21 the Council baseline the \$10 million received by the
22 CIG in FY18 and grand an additional \$20 million to be
23 divided between the CIG and local program groups.
24 Thank you to the members of the Committee and the
25 City at large for your ongoing partnership.

3 ALEX RODRIGUEZ: Hey, my name is Alex
4 Rodriguez. I represent myself and the many people
5 like me in the low income communities. I discovered
6 Pathways to Apprenticeship in Section 3 program
7 through pure osmosis. Just by tagging along with a
8 friend, I was able to change my life. Nigel Franklin
9 from 5th Avenue Committee forwarded my resume and
10 application over to the Pathways to Apprenticeship
11 program. I will later be accepted and guided by
12 Dominic Ravo[phonetic] and Alvin Banks on a wide
13 array of subjects such as financial literacy and
14 history of labor unions all while working towards
15 getting accepted into a construction trade. I wrote
16 a speech and presented it on the last day of the
17 program. George Veolop[phonetic], the founder of a
18 local paper, *The Red Hook Star Review*, was in
19 attendance. He interviewed me and after exchanging a
20 few emails, I started to write for the paper myself.
21 Since then I've produced half a dozen publications
22 and attended events all over the City. It was thanks
23 to my affiliation with the paper that I was able to
24 come here to City Hall for the first time and attend
25 a roundtable discussion with City Council Speaker
Melissa Mark[sic]. I remember standing outside after

3 the meeting looking up at the building and taking a
4 second to comprehend how far I had come and how fast
5 everything was happening. Thanks to constellation
6 energy and the NYCHA [Inaudible] program for
7 organizing a four week study course, I was able to
8 obtain the knowledge and more importantly the
9 confidence necessary to pass my apprenticeship
10 aptitude test. Now I'm standing here as a first year
11 apprentice and member of the Local 3 electrical union
12 all thanks to Pathways to Apprenticeship and most of
13 all, all thanks to Section 3. I don't communicate
14 much with the people in my neighborhood but my
15 hardhat and tool bags speak very loudly. You see,
16 tagging along with friends and receiving a life
17 changing experience isn't rare in the neighborhood I
18 come from but it usually lands you in handcuffs or in
19 a penitentiary, not in an apprentice program. I was
20 quoted in the February issue of the *NYCHA Journal* for
21 saying people in our communities are dealing with
22 trauma. What other people read about in the *New York*
23 *Times* and become outraged by, we experience
24 firsthand. Together, thanks to Section 3, we are
25 creating a new funneling system, one that helps us
benefit ourselves, our family and our communities,

2 not Unicore NGO group. My main goal here today is to
3 communicate that low income doesn't mean low
4 potential. Low income doesn't mean low intelligence.
5 There are gems hidden in these low income communities
6 and I implore you guys to go digging. Section 3 has
7 helped me start a lucrative career. Section 3 is
8 helping me obtain a college degree and perhaps the
9 most fulfilling, Section 3 has helped me make my Mom
10 very, very proud. I am willing to be a proponent for
11 Section 3 but I'm not willing to be an anomaly.
12 Please, let's work together and help empower
13 countless other people.

14 CHAIRPERSON AMPRY-SAMUEL: Thank you so
15 much for everyone's testimony and thank you, Mr.
16 Rodriguez, for being here and sharing your story. I
17 know you said your Mother's proud of you. I'm super
18 proud of you.

19 ALEX RODRIGUEZ: Thank you.

20 CHAIRPERSON AMPRY-SAMUEL: And that's
21 what we, that, so my whole goal is to make sure that
22 the Council speaks directly to your voice in making
23 sure that we're sitting here talking about capital
24 projects and you hear all this different things about
25 building and development but we want to make sure

3 that the young people in our community and that's
4 going through Section 3 and now you're a member of
5 Local 3, that you're actually working on these
6 projects and you're able to provide for your family
7 and your communities and we all build and grow
8 together so thank you again for sharing and we're
9 gonna be as supportive as we possibly can, okay.

10 ALEX RODRIGUEZ: Thank you.

11 CHAIRPERSON AMPRY-SAMUEL: Thank you so
12 much and next we have the youth from the Youth
13 Leadership Council. Up next we'll hear from Randall
14 Texara[phonetic], Shenes[phonetic] Mead, Zackary
15 Rumne[phonetic], Naomi Johnson, no that's not Youth
16 Leadership Council. Arial DeCamp, and, four members
17 of the Youth Leadership Council. And for the record
18 I have to say this, Youth Leadership Council are all
19 members of the Brownsville community. I'm very
20 excited about you being here. You can state your
21 name and then

22 ZACKARY RUMNE: Hello, eye good. Good
23 afternoon, my name is Zackary Rumne. I live in Van
24 Dyke Houses and I've there for 15 years of my life.
25 I play basketball and football. I am an
entrepreneur, I sing, I dance, I rap, I model, and I

3 am a Nike youth ambassador. I focus on keeping my
4 music and clothing brand business going so I can
5 continue to be my own boss. I am currently Youth
6 Leadership Council president for NYCHA Zone 7. I'm a
7 youth leader because I want to make my community a
8 better place. I have always lived in NYCHA so it is
9 our home, our place, and where I am from. I would
10 love to see an updated environment with cleaner
11 hallways and courtyards, better sidewalks and other
12 improvement. I would also like to see more programs
13 and jobs input in my community and I would also like
14 to thank Chairwoman Alicka, Alicka, I got a little
15 tongue twist, Alicka Ampry-Samuel for hosting the
16 event for the seniors last Thanksgiving. Thank you
17 all for having me here today.

18 RANDALL TEXARA: Good afternoon, my name
19 is Randall Texara. Thank you for allowing me to
20 testify before you today. I've lived in Van Dyke
21 Houses at NYCHA for 12 years. I'm on the Youth
22 Leadership Council because I want to make my
23 community look and feel decent. Our top advocacy
24 priority is beautification. I want people to be able
25 to plant and garden in the spaces around our
buildings. Growing up I used to help my uncle with

3 his vegetable garden at his house. I would love to
4 see NYCHA residents be able to grow their own healthy
5 vegetables and spend time outside together. I think
6 gardening is something healthy for people to do
7 together while also taking pride in our community.
8 To me and my family, NYCHA is made up of people who
9 want to improve our environment. I hope one day
10 NYCHA residents are able to spend more time gardening
11 outside to improve health and pride in our community.
12 Thank you for your time and attention today.

13 Good afternoon, my name is Shenes Mead
14 and I live in NYCHA Seth Low houses in Brooklyn and
15 I've lived there for the last 13 years. Last year I
16 got to meet Ms. Councilwoman, Ms. Alicka Ampry-
17 Samuel. Last Thanksgiving we volunteered at the
18 senior center. It's good to see you again. Thanks
19 for having me here. Appreciate you. To me NYCHA
20 means [Inaudible] stable housing community. Just to
21 know more about me when I'm home and I'm bored. I
22 like to read and write and draw, hangout, you know,
23 in the community, NYCHA community and more about me
24 when I'm older, I want to become a famous illustrator
25 and a famous pastry chef. This past year I joined
the Youth Leadership Council and my favorite thing to

3 do with YLC is to volunteer with seniors at a
4 community center. I serve on the Youth Leadership
5 Council because I want to make my community,
6 Brownsville, a better place to live at and lately on
7 the news I've been hearing how NYCHA funds and money
8 limitations and hopefully, you'll figure it out
9 because [Inaudible] are money because I would like to
10 see better apartments and buildings and parks. I
11 always like to see less health issues and violence
12 and more garden and more employment for teenagers.
13 Thank you for allowing me to testify today.

14 ARIAL DECAMP: Good afternoon, my name is
15 Arial DeCamp. Thank you Councilwoman Ampry-Samuel
16 and other Council Members for having me here today.
17 I have lived in NYCHA's Van Dyke for 15 years. My
18 personal goal for the future is to be more of a
19 contributor to our society. Right now in my spare
20 time, I play basketball and I stay on top of the news
21 and current events. Last fall I started to read a
22 lot about NYCHA's budget issues and problems in the
23 newspaper and also I saw it on TV. Hearing NYCHA's
24 budget motivated me to join the Youth Leadership
25 Council in my area. I joined because I think I can
make my community better by advocating for things

3 that we need. I would like to see NYCHA become more
4 of a welcoming community and I would like to see
5 restoration, less violence, and more unity. Thank
6 you for your time today.

7 CHAIRPERSON AMPRY-SAMUEL: Thank you so
8 much for your testimonies. I, they just warm my
9 heart and I look forward to working with you in the
10 district, in the community on your agenda and what
11 you would like to see happen. Thank you so much and
12 this is huge.

13 CO-CHAIR GIBSON: You guys are awesome.
14 If there's any way that we end today's hearing, it is
15 with powerful youth. I am so proud of you. I am
16 proud to serve as a Council Member but I'm even more
17 proud when we can see the fruits of our labor. We do
18 this work for all of you and I want you to be
19 encouraged. There are so many young people, many of
20 your classmates that live in your community that
21 don't see this work as being important and we need
22 you to help us. We need you to be our ambassadors to
23 talk about the Youth Council and the great work that
24 you can do, the powerful impact you can make. It
25 shouldn't just be reactionary, right, so today there
were thousands of young people that walked out of

3 school in demonstration of what's been happening
4 across this country with gun violence but even if
5 we're not talking about gun violence, we can talk all
6 the time about things that young people go through
7 every day, right. It doesn't have to be reactionary
8 but it can really be preventative so I am thankful
9 and I'm so glad that there are still representatives
10 here from the New York City Housing Authority to see
11 you young people in action because I'm encouraged.
12 On the days when I feel like all the work we are
13 doing, the adults in the room that can't get along, I
14 look at our young people and it gives me hope. It
15 gives me hope that we're doing the right thing. When
16 we fight, when we yell and scream for money for
17 boilers and roofs so we can improve the quality of
18 life, it's for you so that you can be safe in your
19 communities so that you have a better future than we
20 do so I am just so grateful to see you here with
21 these bright yellow shirts on, talking and just
22 articulating your points and I really, really want to
23 encourage you. Yes, sometimes things seem really
24 bleak, sometimes it seems like really dark like we
25 won't ever see light but I just want you to be
encouraged that there are good people that are trying

3 to do the right thing. There are adults in the room
4 that get along. We like each other. We work
5 together and we're not always fighting, right.
6 Sometimes the media gives you the bad version and
7 there's really a lot of great work that's being done
8 internal that you may not see so I just want to
9 congratulate you on being a part of the Youth
10 Council. I want to encourage you to be our
11 ambassadors whether you live in Van Dyke, Brownsville
12 Houses or any other parts of Brooklyn, please help us
13 so that we can help more young people and we can have
14 this as a movement, right. Think about the impact
15 that four young people can make if you talk to four
16 people and you talk to four people. That's a
17 message. That's a powerful message and a lot of
18 times you know young people don't listen to adults
19 but they may listen to another young person so we
20 need you, even more, to be our ambassadors so I want
21 to thank you for coming and I also want to commend
22 you to because you, like you typed up your testimony.
23 That's great. Sometimes we get handwritten notes so
24 it just shows professionalism and I just want to say
25 thank you for that, thank you for being here and
please keep up the great work.

3 [Applause]

4 Youth Council Members: Thank you, thank
5 you.

6 CHAIRPERSON AMPRY-SAMUEL: We have just
7 one more panel so can you wait at the back. We would
8 love to take a picture with you. So our last panel,
9 next we'll hear from Maggie Petway, Naomi Johnson,
10 and Carrie Gatson from Fury[phonetic], Naomi Johnson
11 from Howard Houses and Maggie Petway from Edenwald.
12 This is the last. Okay panel, you're taking us home.

13 [Laughter]

14 CHAIRPERSON AMPRY-SAMUEL: I expect you
15 to top the Youth Council.

16 [Laughter]

17 CHAIRPERSON AMPRY-SAMUEL: Okay so when
18 you start, just state your name and we'll hear from
19 everyone.

20 MAGGIE PETWAY: Thank you, oh my
21 goodness. [Laughter] Wow, that's pretty loud. Good
22 afternoon ladies and gentleman. My name is Maggie
23 Petway and I'm the Vice President of Edenwald's
24 Resident Council. I was asked to come here today to
25 make a statement regarding my time in Edenwald Houses
and how these repeated budget cuts affect my life, my

3 son's life and the many residents of this
4 development. I have lived in Edenwald Houses for 47
5 years and just to give you a little of my personal
6 history, I've worked every summer since I was 14 in
7 this very development. I began working after school
8 at age 17 and then full time at age 20. I've worked
9 at two law firms, one as an intern and the other as a
10 full time employee for four years. I am currently
11 employed as a paralegal in City government. My
12 official civil service title is administrative
13 manager at the Department of Housing, Preservation
14 and Development for the last 30 years. I live in
15 this development with my son. He is 22 years old and
16 a college student studying media graphics and digital
17 design. My immediate neighbors are a retired couple
18 in their 90's. Both are ill with the usual plagues
19 that old age can bring. There's a sick elderly woman
20 who's in a wheelchair and is taken to dialysis two to
21 three days a week and there's a woman in her late
22 70's who took in foster children and has now seen her
23 last child into college. I could tell you about many
24 of the other people that live in this development,
25 people I see monthly at the resident council
meetings, those who have disabilities, those who have

3 children with disabilities, the infirmed, the elderly
4 and those making it to a meeting after working all
5 day. NYCHA is their community. Over the years I've
6 watched how budget cuts have slowly caused a decay,
7 less maintenance workers to handle repairs in a
8 timely fashion, reduced funding for roof or boiler
9 repairs, less building cleaners to handle janitorial
10 duties, less materials for mold and lead plaster
11 remediation, windows that are corroding and falling
12 apart and working appliances that are almost
13 impossible to get. I saved vacation money last year
14 but had to spend it purchasing a working refrigerator
15 after receiving two defective ones and I used the
16 balance to pay my son's student loans. It angers me
17 when I hear that the current Presidential
18 administration is talking about reforms to eliminate
19 the deductions given for elderly, disabled and for
20 children for family compositions that lower the
21 income for the household. It means that my elderly
22 neighbors may have to choose their heart and pressure
23 medications and paying rent. Also under this
24 administrations' rent reform proposal they would
25 increase tenant rent from 30 to 35%. This enrages
me. A person making minimum wage or anyone just

3 barely getting by could have their entire lives
4 thrown into turmoil. How about the single mom who
5 lives across the street, who's been working on her
6 job for three years, has not been given a raise and
7 one of her children is autistic. Should this
8 resident have to choose between buying shoes for her
9 children and paying 35% of income on top of losing
10 the deductions that make rent for her apartment
11 fairer and then we hear on the news about the same
12 Agency spending thousands on new furniture on the
13 backs of the poor, the disabled, children and the
14 elderly is beyond unfair. It's cruel. Housing
15 policy is complex and costly from subsidies to tax
16 credits and from tenant advocates to landlords.
17 Sometimes they work in harmony with one another and
18 other times working in other opposition. We have a
19 larger problem in this country than we could hope to
20 solve in one or two hearings. I know that smarter
21 people than me have tried to figure this all out and
22 failed but what I do know is that you don't make a
23 bad situation worse. You don't reduce funding to an
24 Agency already on life support and you don't kill the
25 hope of many that are barely hanging on. I have to
be honest. I didn't want to attend the hearing

3 today. I've seen these before. People come, plead,
4 pour their hearts out and the tenants never get what
5 they want or need. In general, more of the same
6 political banter about budgetary constraints and
7 limitation. What this boils down to is that rents,
8 food, health and medical costs keep going up and
9 service and quality of life go down. I'm here today
10 in hopes that we can stop playing politics, oppose
11 rent reform and ensure enough funding to get NYCHA's
12 residents needs met. Thank you.

13 NAOMI JOHNSON: Good afternoon, my name
14 is Naomi Johnson. I have lived in NYCHA's Howard
15 Houses for 38 years and I have served as the
16 President of the Howard Houses Tenant Association for
17 the past 7. Thank you Chairwoman Alicka Ampry-Samuel
18 and the members of the City Council for allowing me
19 to testify before you today. I am here today to talk
20 about two major threats to the NYCHA community, lack
21 of capital operating funding and threats of rent
22 reform at the federal level. As you know, NYCHA has
23 been chronically underfunded which has created major
24 infrastructure problems for Howard Houses. In fact,
25 the chronic underfunding of NYCHA has made my
position as President of the Tenant Association very

3 challenging. I am constantly hearing from residents
4 about what needs to be fixed or replaced, why we do
5 not have cameras, with heat and hot water being the
6 top complaint. In my role, I have been advocating
7 for security and basic infrastructure work but there
8 has not been enough resources available. Capital
9 investment into Howard Houses is long overdue and I
10 know our development is not alone. At the federal
11 level, NYCHA is facing threats of a major budget cut
12 and potential for rent reform which could raise the
13 tenant's rent from 30% to 35% of their income. Rent
14 reform would also eliminate important deductions like
15 child care and medical expenses. Working families
16 rely on their deduction for child care. Seniors on a
17 fixed income would also be affected. Eliminating
18 these deductions would also increase the rent for
19 working families. How do we expect them to make ends
20 meet? Many residents in the development, families,
21 seniors, and others would not be able to pay the
22 increased rent and I believe they would become
23 homeless. They certainly would not be able to afford
24 a market rent unit in New York City and many of them
25 may not have a family safety net or anyone they could
stay with. In these cases, all that is left is to

3 enter the City's shelter system. This is not what we
4 want for our vulnerable seniors and families. It is
5 essential that the City Council ensures that NYCHA
6 receive the funding they need to keep provider
7 services and protecting affordable housing. Thank
8 you for your time today.

9 CARRIE GATSON: Thank you for all that
10 you've done. I thank you for the beautiful youth,
11 their energy, their desire, their need to succeed and
12 to enjoy the upper part of life, the talents that
13 they have a choice. I work as a J51 processor so I
14 walk through New York City and I see buildings that I
15 worked on in better condition than the NYCHA
16 buildings. You know, I go in them, I see them.
17 There should be no difference between not walking
18 down Bond Street or Hoy Street and I walk past a
19 building that I worked on to see it still standing in
20 good condition and a standard that when I worked, I
21 had to maintain a standard. I could not process a
22 building if it had a violation. These standards I
23 would like to see for NYCHA. The controller has
24 recommended that you know, certain things that would
25 help to improve NYCHA's accountability. I would like
for the barriers that are in place within NYCHA's

3 daily operating system to be removed so it does not
4 frustrate the resident, so they complain more, so
5 they feel bad, when they complaint their voice is
6 heard, that no institution or no person is greater
7 than the constitution and that these, that the system
8 of checks and balances within the constitution will
9 avail even though it may take time and I'm thankful
10 for the City Council and everybody who are starting
11 to hear the voices of NYCHA and there's so many
12 people that statistics of the number of complaints is
13 not accurate because they're many people who do not
14 complain because they've been frustrated so much that
15 they say there is no reasons because nobody is
16 listening but you the City Council and all the other
17 people are hearing their voice, that you're showing
18 that they have a voice, that they are people, that
19 they deserve a decent way of life and thank you so
20 much for the youth that's showing hope and I'm proud,
21 even though I don't know them, I am happy and proud
22 for them and that's it today.

23 CHAIRPERSON AMPRY-SAMUEL: Well thank you
24 so much, everyone. I just want to say also, thank
25 you so much, Sara, for all of your hard work. This
concludes our preliminary budget hearing for FY 2019

1 COMMITTEE ON PUBLIC HOUSING JOINTLY WITH
2 SUBCOMMITTEE ON CAPITAL BUDGET

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3 with the Committee on Public Housing for Expense and
4 Capital Budgets. Thank you so much [gavel].
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C E R T I F I C A T E

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



Date April 12, 2018