

CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON PUBLIC HOUSING JOINTLY WITH THE
SUBCOMMITTEE ON CAPITAL BUDGET

----- X

March 22, 2019
Start: 3:16 p.m.
Recess: 4:56 p.m.

HELD AT: Council Chambers - City Hall

B E F O R E: ALICKA AMPRY SAMUEL
Chairperson

VANESSA L. GIBSON
Chairperson

COUNCIL MEMBERS: Diana Ayala
Laurie A. Cumbo
Ruben Diaz, Sr.
Mark Gjonaj
Carlos Menchaca
Donaovan J. Richards
Rafael L. Salamanca, Jr.
Ritchie J. Torres
Mark Treyger
James G. Van Bramer
Barry S. Grodenchik
Steven Matteo
Keith Powers
Helen K. Rosenthal

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

Katherine Garcia, Interim Chair and CEO New York
City Housing Authority, NYCHA

Vito Mustaciuolo General Manager
New York City Housing Authority, NYCHA

P.V. Anatharam, Executive Vice President for
Finance and Chief Financial Officer
New York City Housing Authority, NYCHA

Deborah Goddard, Executive Vice President for
Capital Projections, New York City Housing
Authority, NYCHA

3 [sound check] [pause]

4 CHAIRPERSON AMPRY-SAMUEL: This hearing
5 is now coming to order. [gavel] Good afternoon and
6 thank you for coming to today's joint hearing on
7 NYCHA's five-year operating and Capital Plans for
8 2019 and 2023. I am Alicka Ampry-Samuel, Chair of
9 the Committee on Public Housing, and I would to begin
10 by thanking my co-chair for today's hearing Council
11 Member Vanessa Gibson who chairs the Committee on
12 Capital Budget, and I acknowledge that we are joined
13 today by Minority Leader Borelli. Oh, [laughter].
14 I'm so sorry. [laughter] Monte Sohu (sic) Council
15 Member Grodenchik, Council Member Salamanca, Council
16 Member Ayala, and Council Member Gjonaj. Chronic
17 underfunding of public housing coupled with
18 organizational mismanagement has left NYCHA in dire
19 states as residents continue to wait for living
20 conditions to improve. In recent months, the federal
21 government stepped in through and administrative
22 agreement, which requires NYCHA to remediate living
23 conditions at developments citywide by specific
24 deadlines and meet strict compliance standards
25 regarding lead paint hazards, mold growth, pest
infestations and inadequate heating and elevator

2 service. In total the city is providing \$2.2 billion
3 from Fiscal 2019 to 2028 for critical repairs to meet
4 the terms of the agreement, and just last month a
5 federal monitor was appointed to oversee major reform
6 efforts at NYCHA. While city funding is a critical
7 resource for NYCHA, it is a drop in the bucket
8 compared to NYCHA's \$32 billion overall capital needs
9 and it remains to be seen whether the appointment of
10 a federal monitor will expedite repairs that will
11 improve the health and safety of NYCHA residents. I
12 also want to highlight that NYCHA operating budget
13 from 2019 was adopted at \$3.5 billion and their
14 revenue was estimated at \$3.5 billion. Thirty-one
15 percent or one-third of their revenue comes from rent
16 collection at \$1.1 billion with—which is a 90—with a
17 90% collection rate, and I just want to reiterate
18 that NYCHA residents are doing their part. They pay
19 their rent, and deserve to live under better
20 conditions. NYCHA to its credit is not sole relying
21 no its government partners to rescue it from
22 financial insolvency. The Authority recently
23 announced NYCHA 2.0, a comprehensive [bell] 10-year
24 plan to renovate and preserve NYCHA developments and
25 resolve \$24 billion in capital needs across its

2 portfolio. It is a big and bold plan at a critical
3 point in time. Major components of the success of
4 the NYCHA 2.0 plan rely on funding resources
5 available at the federal level, which in recent years
6 has proposed the elimination or reduction of funding
7 for public housing programs. At today's hearings we
8 hope to glean a clearer sense of how the NYCHA 2.0
9 plan will roll out. How NYCHA will improve the
10 physical conditions of its buildings under the terms
11 of a federal monitor and how all of this translates
12 to improved services for residents. I would like to
13 thank NYCHA for joining us today, and I look forward
14 to their testimony. After NYCHA we will hear from
15 members of the public and I would like to remind
16 everyone that if you would like to testify today,
17 please fill out a witness slip with the sergeant-at-
18 arms so we can put you in the que, and I will not
19 turn it over to my Co-Chair Council Member Vanessa
20 Gibson. Thank you.

21 CHAIRPERSON GIBSON: Good afternoon
22 everyone. Welcome to City Hall. I am Council Member
23 Vanessa Gibson. I am proud to serve as Chair of the
24 Subcommittee on the Capital Budget. I thank all of
25 you for being here this Friday afternoon. I want to

2 thank my fellow co-chair the Chair of our Committee
3 on Public Housing, Council Member Alicka Ampry-
4 Samuel, and as it was mentioned, we are grateful to
5 be here because we are examining NYCHA's Fiscal 2020
6 Preliminary Budget, the Fiscal 2020 through 2029 Ten-
7 Year Capital Strategy, the Fiscal 2020 Preliminary
8 Capital Commitment Plan and the Fiscal 2019
9 Preliminary Mayor's Management Report. Despite the
10 critical role that NYCHA plays in providing
11 affordable housing to many New York families, many,
12 many tenants continue to suffer from deteriorating
13 physical conditions of the Authority's Public Housing
14 Units. For many years we've heard reports of health
15 and safety issues in homes ranging from heat
16 breakdowns, elevator malfunctions, mold, pests
17 infestations, lead paint and leaky roofs and that
18 just to name a few. The fact that these longstanding
19 issues continue to exist we acknowledge is
20 unacceptable. The fact that this is a true injustice
21 to the NYCHA residents we acknowledge is
22 unacceptable. We must do better by the residents of
23 public housing. NYCHA's 2019 through 2023 Capital
24 Plan provides approximately \$6.4 billion in planned
25 commitments for infrastructure improvements, major

3 modernization, systemic upgrades and repairs,
4 resiliency and fortification of developments that we
5 damaged by Super Storm Sandy. Overall of the \$6.4
6 billion included in this plan, 42% is from City
7 capital funds. The capital plan also includes \$825
8 million in expected one-time disaster recovery funds
9 to address the continued impacts of Sandy and assumes
10 \$450 million from the State. Even though I must
11 acknowledge that money has been promised to us in the
12 past, it has not been released and we are patiently
13 waiting for Governor Cuomo to release the \$450
14 million that the city of New York was promised.
15 There are also risks on the federal level that we
16 must acknowledge. Under the president's Federal
17 Fiscal Year 2020 Budget proposal, a number of
18 federally funded housing programs are slated for
19 elimination or severe cuts, which we know would
20 significantly impact housing operations in our city.
21 Although the federal government is currently funded
22 under continuing resolutions, they are scheduled to
23 expire on September 30th, 2019. Any negative funding
24 impact to the city's Housing Programs for Fiscal 2020
25 are not yet known. Approximately \$3.9 billion of a
plan is slated for structural improvements and

1 exterior capita work at NYCHA, the second largest
2 category of work totaling \$1.2 billion will go
3 towards necessary heating and plumbing work. While
4 the maintenance of building's envelopes is laudable,
5 the current allocation of funds in the Capital Plan
6 does not prioritize the greatest need of NYCHA's
7 aging infrastructure. In the 2017 Fiscal Needs
8 Assessment, the P&A that was done apartment interiors
9 were identified as the single largest category of
10 capital need with almost 40% of the total projected
11 infrastructure need for kitchens, bathrooms and
12 associated piping, walls, ceilings and floors. The
13 second largest category of need, exterior
14 infrastructure representing 34% of the total need.
15 So, while I understand the need to prioritize
16 exterior capital work in order to protect any
17 subsequent interior work, I also want to think about
18 the day-to-day experiences of NYCHA tenants that live
19 in unsafe interior conditions. From their
20 perspective, they will not see an immediate benefit
21 or quality of life improvement from the exterior
22 work. So, I strongly encourage—I said this before—
23 for the Housing Authority to find the appropriate
24 balance between allocating capital funds for
25

1 necessary exterior repairs, but also the interior
2 repairs that were identified in the P&A clearly as a
3 priority. In addition to prioritizing capital
4 infrastructure repairs and improvements, much more
5 work needs to be done by NYCHA to ensure that
6 residents and stakeholders have access to accurate
7 information regarding the status of capital projects.
8 We do not today have a database that tracks capital
9 projects except the one database that the Mayor's
10 Office of Operations operates, but the minimum
11 threshold is \$25 million. So, projects that are less
12 than \$25 million no New Yorker can go on a public
13 site today and find out the status of their Capital
14 Project. In March of 2018, NYCHA launched the New
15 Digital Maps that are tracking construction projects
16 in an effort to increase its transparency on \$1
17 billion of ongoing contracts portfolio work. Although
18 the tool's goal and purpose was really transparency,
19 the available information has not been up updated
20 since February. Tenants have a right to know how
21 government is performing in meeting its commitments
22 on capital plans and projects and really to know the
23 status of many of these of these repairs and work. I
24 want to acknowledge the work of our Council Finance
25

2 Division who did a lot of work to prepare for today's
3 hearing our Deputy Directors Regina Poreda Ryan and
4 Nathan Toth; our Unit Head Chima Obichere; our
5 Principal Financial Analyst Sarah Gastelum; our
6 Counsels Rebecca Chase and Stephanie Ruiz. I want to
7 thank the members of my Subcommittee who are here,
8 Minority Leader Steve Matteo, Council Member Barry
9 Grodenchik, Council Member Keith Powers, Council
10 Member Helen Rosenthal. We've also been joined by
11 Council Member Jimmy Van Bramer, Council Member
12 Donovan Richards, and Council Member Ritchie Torres.
13 I look forward to today's hearing. We have a lot to
14 get to. I appreciate your presence. I turn it back
15 over to Chair Ampry-Samuel.

16 CHAIRPERSON AMPRY-SAMUEL: Thank you,
17 Chair. Now, Counsel will swear you in.

18 LEGAL COUNSEL: Do you affirm that your
19 testimony will be truthful to the best of your
20 knowledge, information and belief?

21 KATHERINE GARCIA: I do.

22 LEGAL COUNSEL: Thank you.

23 KATHERINE GARCIA: [pause] I'm ready to
24 go. Chairs Alicka Ampry-Samuel and Vanessa Gibson,
25 members of the Committee on public housing and

1 Subcommittee Capital Budget and other distinguished
2 members of the City Council. Good afternoon. I am
3 Katherine Garcia, Interim Chair and CEO of the New
4 York City Housing Authority. I am pleased to be
5 joined by General Manager Vito Mustaciuolo, PV
6 Anatharam, Executive Vice President for Finance and
7 Chief Financial Officer; Deborah Goddard, Executive
8 Vice President for Capital Projects, and other
9 members of NYCHA's Executive Team. Thank you for
10 this opportunity to present the Authority's Adopted
11 Budget, which was approved by NYCHA's Board of
12 Directors on December 19, 2018 and just at the
13 hearing I want to acknowledge how much work the
14 Council has done to support NYCHA over the last few
15 years, and also I have been cramming for this hearing
16 and so anything that I do not get to is not due to my
17 staff not trying to make sure I had every possible
18 fact that you probably already know. So, it may take
19 me a minute to find it, but an absolutely sure I have
20 it. My top priority is to better serve the hundreds
21 of thousands of New Yorkers who call NYCHA home.
22 There has been real progress over the past year to
23 improve the quality of life for residents and to
24 focus on pressing health and safety concerns
25

2 including presumed lead paint, mold, pests, and heat
3 and elevator service. We are making progress despite
4 the fact that NYCHA has enormous capital needs
5 totaling nearly \$32 billion dollars. Initiatives are
6 underway to conduct XRF lead paint testing in 135,000
7 apartments, reduce heating outages and response
8 times, invest in new heating plants, roofs and
9 elevators, provide residents with 7-day service at
10 their developments, renovate more than 60,000
11 apartments and make \$24 billion worth of repairs for
12 residents. Faced with declining federal funding, we
13 are not sitting idly by waiting for easy and
14 improbable solutions. We are developing plans, taking
15 action and making measureable improvements for
16 residents. While we do not know what our specific
17 allocations from HUD will be in 2020, on March 11th
18 the President again proposed cutting financial
19 support for public housing authorities across the
20 country. I want to thank Senator Schumer, and our
21 Congressional delegation for their work to ensure our
22 2019 funding of an estimated \$980 million in
23 operating funding and \$535 million in Capital
24 funding, and again request their advocacy on our
25 behalf to avert the president's latest budget cuts.

2 We are waiting final confirmation of these figures
3 for the 2019 but we look forward to seeing numbers
4 that are significantly better than what the President
5 put out for 2019. But any additional dollars will be
6 invested in addressing critical help and safety
7 issues impacting or residents in the areas of lead
8 paint, mold, pests, heat and elevator service. Before
9 I take you through some of our accomplishments, I'd
10 like to discuss our projected operating revenues and
11 expenses. I will also discuss our Capital Budget
12 later in the testimony. The 2019 and NYCHA Operates
13 on a calendar year. The 2019 Budget projects \$3.51
14 billion in revenues and \$3.48 billion in expenses. We
15 have budgeted conservatively an estimate—a small
16 surplus of \$33 million at year end. NYCHA receives
17 two-thirds of its revenue from federal sources. The
18 Budget assumes a proration factor of 92.5% for the
19 Public Housing Operating Subsidy based largely on
20 historic trends. This is approximately \$77 million
21 less than what NYCHA is eligible for. The \$3.51
22 billion in revenues includes \$1.17 billion for
23 Section 8 Vouchers; \$944 million in federal subsidy
24 for public housing; \$1.05 billion in rent from
25 residents; and 20--\$288 million in city funds. Our

1 largest expense is the \$1.03 billion payment to
2 private landlords through Section 8 funds. The other
3 expenses include \$777 million in salaries; \$569
4 million in employee health and pension benefits; \$543
5 million in utilities; \$375 million in contracts; and
6 \$187 million in other—other than personnel services.
7 For example supplies, vehicles, equipment. A
8 significant portion of our expenses are,
9 quote/unquote “Uncontrollable” such as utilities and
10 employee benefits making cuts in federal
11 appropriations particularly difficult to absorb. As
12 you know, the federal government has consistently
13 underfunded traditional public housing. If we are
14 eligible for \$100 per unit, we only receive \$93 per
15 unit. Year after year this amounts to \$1.4 billion
16 federal operating funding since 2001 that should have
17 been spend to improving the lives of NYCHA residents.
18 On the other hand, the federal government has fully
19 funded Section 8 and the subsidy to private
20 landlords. As with prior years, we do not project
21 deficits in the Section 8 program. The past year has
22 been one of transformation at NYCHA from improved
23 responses to residents’ needs to a ground breaking
24 agreement to provide staff coverage seven days a
25

1 week. NYCHA embarked on several innovative ways to
2 deliver repairs and services faster and make us a
3 better landlord. NYCHA took an aggressive approach
4 to tackling heat outages this season by proactively
5 monitoring heating infrastructure and quickly
6 deploying staff to address interruptions. This
7 included the establishment of a heating team
8 dedicated to resolve service interruptions 24/7.
9 During periods of anticipated extreme cold NYCHA also
10 increased its heating response teams, added more
11 staff at the Customer Contact Center, and activated
12 the Situation Room to coordinate the responses to
13 interruptions and mobilize—mobilization of resources
14 in real time. These efforts helped bring down the
15 time it takes to resolve heat and hot water outages
16 from 29 hours on average last season to 10 hours this
17 season. Thanks to an historic agreement with our
18 union partner Teamsters Local 237, NYCHA is launching
19 Alternative Work Schedule. For the first time in
20 about 50 years, we will have caretakers and their
21 supervisors working at our development from 6:00 a.m.
22 to 7:00 p.m. 7 days a week through five staggered
23 schedules. This is an important and fundamental
24 change in the way we staff our developments and it
25

1 will have a significant positive impact on our
2 delivery of services allowing us to do everything
3 from moving the compact—the garbage to the compacter
4 efficiently, to cleaning elevator rails daily to
5 ensuring we are mopping common areas. AWS will
6 launch in April at 13 consolidated developments, and
7 we expect to roll it out to all of our developments
8 within the next year. To bring repairs to residents
9 faster, NYCHA is conducting Saturday Work Blitzes.
10 Scheduling work on Saturday is particularly helpful
11 for residents with a traditional work schedule who
12 can't be home Monday through Friday. Since the
13 program's launch in December 2018, NYCHA staff worked
14 on weekends and have completed nearly 800-8,800
15 repairs at 57 developments. In addition, we opened
16 the Management offices to help residents complete
17 more than 1,800 annual re-certifications on the
18 weekend. In consort the Saturday Work Blitzes, the
19 NYCHA Cares Initiative is bringing down the backlog
20 of skilled trade repairs. NYCHA skilled trade
21 workers including plumbers, electricians, plasterers,
22 carpenters and painters have closed more than 21,000
23 skilled trade work orders at nine developments across
24 the five boroughs. With an integrated pest
25

2 management approach, NYCHA is investing in reducing
3 the rat population by concreting dirt basements,
4 installing door sweeps, installing new compactors and
5 bulk crushers, and hiring 20 new exterminators and an
6 expert in pest in pest control. At 57 developments,
7 DOHMH inspections have seen a 35% decline in rat
8 boroughs. NYCHA recently reported to the Southern
9 District of New York that as of March 2nd NYCHA had
10 corrected presumed lead paint failures in 2,144
11 apartments with a child under six, and attempted to
12 remediate 343 apartments. We continue to work with
13 our tenants to gain access and make the corrections,
14 but NYCHA is going beyond what any other public
15 housing authority or private landlord is required to
16 do. We are testing over 135 apartments built before
17 1978 for lead based paint, and developing plans not
18 just to stabilize the paint, but to abate it.

19 Earlier this year NYCHA announce the expansion of
20 Mold Busters to combat mold at developments citywide.
21 Building upon a pilot program initiated in 2017, Mold
22 Busters involves an updated mold inspection protocol
23 and new and comprehensive standard remediation
24 procedure, new hands-on training for staff including
25 on the root causes of mold and new tools for staff to

3 effectively and efficiently identify and remediate
4 mold. The program requires staff to document the
5 response to mold work orders prompting
6 accountability. It incorporates faster timelines for
7 repairs and remediation as well as follow-up
8 inspections after work is completed to ensure that
9 there has been no reoccurrence. We are also
10 partnering with other city agencies and health
11 partners to educate residents on how to identify
12 and report mold conditions and help us prevent mold
13 from reoccurring. As of March 15th, more than a
14 thousand staff have been trained on the new tools and
15 procedures, and we expect all 2,700 applicable staff
16 will be trained by the end of 2019. Our Capital
17 Budget includes four sources of funding, federal
18 funding from HUD, federal FEMA funding, city funding
19 and state funding. In recent years, HUD has provided
20 NYCHA with about \$300 million annually in federal
21 capital dollars. In 2018, that increased to \$528
22 million. In 2019, federal budget—the federal budget
23 adopted after the shutdown we believe NYCHA will be
24 awarded \$533 million in capital funds, which have not
25 yet be confirmed. In our 2019 budget we allocated
this money for building envelopes, building systems,

3 including plant and elevator replacements, and
4 interior renovations. While the federal capital
5 funding we receive is far from enough to meet our
6 building's vast capital needs, we have declined by a
7 cumulative of \$1.3 billion since 2001. We're using
8 the money we do receive as quickly and as efficiently
9 as possible to improve residents' quality of life.
10 More than a billion dollars of construction work is
11 currently underway across the Authority. Over the
12 next several years we're going to replace 314
13 boilers, 390 elevators. NYCHA's goal is to obligate
14 90% of its capital funding within 16 to 18 months.
15 This is ahead of HUD's 24-month obligation deadline.
16 In 2018, NYCHA obligated the prior year's
17 construction funding in 15 months. We expended our
18 last four federal capital grants within an average
19 of 29 months, 19 months ahead of HUD's 48-month
20 expenditure deadline. By the end of 2018, we awarded
21 \$2.4 billion Sandy recovery projects, two-thirds of
22 our FEMA Funding and have completed \$1.3 billion of
23 work providing residents with new roofs, electrical
24 systems and boilers, back-up power and flood
25 protection, hiring about 400 NYCHA residents in the
process. In 2019, over \$880 million is scheduled to

3 be spent. We are addressing some of our building's
4 most critical infrastructure issues thanks to Mayor
5 de Blasio's support. He has committed an
6 unprecedented level of resources to the Authority,
7 \$6.5 billion including \$1.3 billion to fix nearly a
8 thousand roofs, and \$200 million to replace boilers
9 and upgrade heating systems. Two weeks ago we
10 announced the selection of seven contractors to begin
11 construction on nine boiler plants serving 24,000
12 residents. We replaced the roof of 86 billion-
13 buildings and have expedited the schedule to reduce
14 the overall timeframe for roof replacements by six
15 years. I'd like to acknowledge the partnership of
16 Assemblymember Steven Cymbrowitz and State Senator
17 Brian Kavanaugh in helping to bring attention to the
18 significant needs of this organization. Their
19 leadership is paving the way for a renewed commitment
20 from the state government. This year both the
21 Assembly and the state proposed significant capital
22 resources to address the needs of NYCHA residents.
23 We are hopeful that that funding passes in the final
24 budget next week. This is in addition to the \$450
25 million we are working with the state to release for
additional heating plants and elevator. Considering

2 the general decline in federal capital dollars, NYCHA
3 must pursue innovative ways to fund the building and
4 apartment upgrades that residents deserve. Launched
5 in late 2018, NYCHA 2.0 is the Authority's
6 comprehensive strategic road map. It is a
7 comprehensive 10-year plan to address \$24 billion in
8 vital repairs that our buildings desperately need.
9 NYCHA 2.0 will deliver complete apartment renovations
10 for 175,000 residents, fund essential capital repairs
11 across the rest of NYCHA's portfolio and launch
12 aggressive new repairs to tackle lead paint, mold,
13 heat, elevators and pests. Through NYCHA 2.0, we are
14 expanding the permanent affordability commitment
15 together, Preservation Initiative significantly.
16 Building on the success of our first Section 8
17 conversion under the Rental Assistance Demonstration,
18 1,400 apartments at Ocean Bay Bayside in the
19 Rockaways in 2016 followed by the conversion of
20 another 2,500 apartments currently under construction
21 in the Bronx in 2018. Another 5,600 apartments are
22 in the process of being converted to Section 8
23 through PACT's public/private partnerships. Over the
24 next nine years, we will convert a total of 62,000
25 apartments, about 7,500 per year bringing nearly \$13

3 billion in repairs for 140,000 residents. By
4 building new affordable and market rate housing on
5 underutilized land and transferring a portion of the
6 Authority's unused air rights, NYCHA will generate
7 another \$3 billion for major repairs to our
8 developments. Additionally, NYCHA and the city
9 remain committed to creating 10,000 new affordable
10 homes including for seniors as part of the Housing
11 New York 2.0 Plan. The agreements that NYCHA and the
12 city signed with the federal government establishes a
13 solid foundation for building upon our progress over
14 the past year. In addition, its action plans set
15 objectives to significantly improve on the five high
16 priority areas I mentioned: Lead paint, mold, heat,
17 elevators and pests. As we carry out the plans and
18 steadily improve conditions, the agreement provides
19 an opportunity for NYCHA to work with a monitor
20 appointed by the federal government to make changes
21 that will benefit our residents. With 2.0 as our
22 guide, we are transforming our organization and
23 improving the quality of life for our residents. We
24 look forward to collaborating with the monitor as
25 well as the residents, the Council and other partners
on the ground. We're tackling health and safety

3 issues, and making improvements across the board, but
4 we need financial support from every level of
5 government. We must continue advocating for D.C. to
6 step up, and provide additional funding, and grant
7 the regulatory relief that will enable us to work
8 faster. With a renewed focus on residents' needs and
9 how they will be addressed we will overcome the
10 challenges and make a real difference for NYCHA
11 residents. Thank you for your support as we strive
12 to better serve them each and every day. We are
13 happy to answer any questions my might have.

14 CHAIRPERSON AMPRY-SAMUEL: Thank you,
15 Chair. So, as we just jump right into it, about \$2.1
16 billion or 60% of NYCHA's Operating Budget for 2019
17 is supported by federal funds. Because future
18 funding levels are—remain highly uncertain, the
19 committee continues to be concerned about potential
20 budget cuts for essential housing programs especially
21 in light of the President's Budget request for 2020,
22 which would reduce or eliminate federal funding for
23 vital housing programs by 16%. So, my question is
24 what is the estimated impact of the current
25 President's Budget request on NYCHA's Section 8
Program?

2 KATHERINE GARCIA: So, I want to put—I
3 want to—I want to sort of set the table. I think
4 that, you know, we are—we are living in an
5 interesting time with this current president at the
6 moment, but one thing that's true is the last two
7 fiscal years he basically did the same thing, and
8 zeroed it out, and in both of those actual final
9 budgets, NYCHA actually did historically better than
10 it had done in the last few years before that on the
11 capital side. So, while we are very cognizant of the
12 fact that we need to be on our guard against what is
13 happening in Washington, and I believe we are setting
14 up time to go down there in the next two weeks as we
15 have been advocating up in Albany during the prior
16 few weeks to make sure that we are bringing the
17 needed money to them. But it would have significant
18 impacts, and I think that—let me just get the actuals
19 on what we think the impact is because we are working
20 both—it impacts both us and HPD obviously. Do I not
21 have sections in here? [background comments/pause]
22 Ah, I knew I had some piece of paper somewhere that I
23 had read. So, it would probably make—it would be a
24 cut of 16.4% compared to the 28. It eliminates CBG
25 and home investment partnerships. So, nationally the

2 program on Public Housing would cut about \$4.6
3 billion. So, it's not only about New York City.
4 This would be across the country, and would
5 extraordinarily significant for all of the public
6 housing in the--in the country.

7 CHAIRPERSON AMPRY-SAMUEL: So, can you
8 just give us some examples of what that looks like
9 for NYCHA here in New York City? Just some examples
10 like any like specific programs or just something--

11 KATHERINE GARCIA: [interposing] So, we
12 would be unable to pay the private landlords for
13 Section 8. We would be if--if you're talking about
14 cuts of traditional public we would have less
15 operating money. So, if that ended up coming to
16 fruition, we would not have as many staff. I mean
17 that is where our money pays for--primarily for
18 employees because we cannot pay our Con-Ed bill or
19 something like that. So, if you look at what we
20 spend our funding on, which is salaries and our
21 utility bills, and some other contracts it would have
22 a direct impact on the services that residents
23 receive.

24 CHAIRPERSON AMPRY-SAMUEL: So because
25 this is a threat every year, but in the end the money

2 is actually put in place, do you ever come up with a
3 plan as to what it would look like if you didn't get
4 it and what the--what is possible or what you--like
5 other ways to be able to make up for what is not
6 coming in.

7 KATHERINE GARCIA: So, I mean I think
8 that while we are always very concerned about whether
9 or not we will have challenges for NDC, the city of
10 New York in order to stay here can we backstop the
11 federal government if they walk away from their
12 responsibilities. We have to make sure that we are
13 advocating and putting a human face on what their
14 cuts do to people. Obviously, we maintain a reserve
15 for our operating budget. So, when they have trouble
16 agreeing on what their federal budget is, we have
17 some time before there's a significant impact, but I
18 always want to be clear. We do not have enough money
19 to backstop the federal government's obligations.

20 CHAIRPERSON AMPRY-SAMUEL: Okay, so wit
21 that being said and we've been joined by Majority
22 Leader Cumbo and Council Member Rosenthal. With that
23 being said, as we're talking about the funding that's
24 not coming in from the federal level, and you are now
25 in agreement with HUD and now there's a federal

2 monitor, and the city is on the hook for paying for
3 the federal monitor last month with this appointment.
4 What is the total budget and the total budgeted
5 headcount in 2019 for the federal monitor and any
6 related staff?

7 KATHERINE GARCIA: So, that actually is
8 no on NYCHA's budget.

9 CHAIRPERSON AMPRY-SAMUEL: Okay.

10 KATHERINE GARCIA: That is on the Law
11 Department's Budget, and so I don't actually have
12 that number of what the have finalized in terms of
13 his entire staff. We have met some of them, but I
14 have not—I think I have not met all of them yet. I
15 don't think his whole team is stood up at the moment.
16 I think he's still actively recruiting other members
17 for this team. So, we have met some, but I suspect
18 it will grow. [background comments]

19 CHAIRPERSON AMPRY-SAMUEL: Okay, alright.
20 While the 2019 Adopted Operating Plan reflects a
21 surplus in the immediate term, NYCHA's 2018 Year-End
22 Operating Plan reflects a deficit of \$25 million.
23 This is the first year-end deficit in the past five
24 years. Can you provide additional details on the
25 major drivers contributing to this operating deficit?

2 KATHERINE GARCIA: Absolutely. So, the
3 major driver there as we were anticipating revenue
4 coming from HRA as part of the Homeless Vacancy
5 Program. We have agreement on that, and then it with
6 the Law Department at that moment—at the moment. So,
7 that was a piece of why we saw the revenues go down.
8 On the other hand we actually did get a higher
9 operating subsidy than we had budgeted form, and so
10 it wasn't as low as we had anticipated if we had not
11 gotten any of it.

12 CHAIRPERSON AMPRY-SAMUEL: Okay, and what
13 is NYCHA's plan to address out-year deficits
14 beginning with a \$67 million deficit in 2020?

15 KATHERINE GARCIA: So, we have budgeted
16 very conservatively, and so we think that we will be
17 able to make some changes operationally and control
18 things like overtime moving forward to ensure that we
19 are ending the year. As we anticipate right now, it
20 would be positive going into 2020, but we are also in
21 a state of transition at the moment with the
22 beginning of being under a monitorship, and exactly
23 what those implications will be. But I think that we
24 have had a very stable hand for the Authority on our
25

2 financials, and we will continue to move forward that
3 way.

4 CHAIRPERSON AMPRY-SAMUEL: Okay, you've
5 mentioned overtime, and I'm going to ask the question
6 about the Weekend Blitz and the overtime--

7 KATHERINE GARCIA: Uh-hm.

8 CHAIRPERSON AMPRY-SAMUEL: --costs
9 associated with that, and after this question, then
10 I'm going to turn it over to my Co-Chair and then
11 come back. Does the recently announced labor
12 agreement with Teamsters Local 237, which allows for
13 evening and weekend shifts apply to all caretaker
14 workers within that union?

15 KATHERINE GARCIA: Yes.

16 CHAIRPERSON AMPRY-SAMUEL: And where are
17 these new work shifts being implemented? Is it
18 across all developments, or is like targeted in
19 certain areas?

20 KATHERINE GARCIA: So, we are rolling it
21 out in phases, and we anticipate being done by the
22 end of the year at all developments, but what we do
23 when we're moving to the new shifts is we allow them
24 to pick via seniority like—and we actually created an
25 app so they can do it at home and talk to their

2 families about what works for them. Whether or not a
3 6:00 a.m. shift works for them or they need the
4 traditional shift, and so those have been filed for
5 the first development, and we will continue going
6 through that process as we move forward. So, the
7 first kickoff and shift will start on April 1st.

8 CHAIRPERSON AMPRY-SAMUEL: So, with-with
9 that is all Local 237 and those are shifts and it's
10 accounted for. Can you speak to the overtime or how
11 many of those particular Weekend Blitz require
12 individuals who are not part of Local 237 and part of
13 the skilled trades or that requires skilled trades to
14 be there as well?

15 KATHERINE GARCIA: So, I'm going to
16 actually split it because the Weekend Blitzes are
17 237, but they are the maintenance workers. They are
18 not the caretakers. We are in negotiations with the
19 maintenance workers to implement alternative work
20 schedules, but that has not been concluded, and so
21 those are the ones who are doing the Weekend Blitzes.
22 The NYCHA Cares is the skilled trades that we have
23 been doing as sort of teams of skilled trades going
24 into apartments. But so the one where we are
25 completed with the Labor Agreement is the Caretaker.

2 So, it's going to be things like garbage, mopping,
3 elevator cleaning so more of the janitorial and
4 landscaping.

5 CHAIRPERSON AMPRY-SAMUEL: So they do not
6 overlap at all?

7 KATHERINE GARCIA: They don't overlap.
8 The Caretakers don't go in and fix anything inside
9 the apartment. They're not going to go fix your
10 plumbing.

11 CHAIRPERSON AMPRY-SAMUEL: Well, I-I know
12 that part.

13 KATHERINE GARCIA: Okay.

14 CHAIRPERSON AMPRY-SAMUEL: And just like
15 if there's a--?

16 KATHERINE GARCIA: So, there is a little
17 bit of overlap in the NYCHA Cares Program when if
18 they go into an apartment a skilled trade goes into
19 an apartment and there are maintenance work orders,
20 those will get taken care of at the same time.

21 CHAIRPERSON AMPRY-SAMUEL: Okay. So that
22 was my question.

23 KATHERINE GARCIA: Okay.

24 CHAIRPERSON AMPRY-SAMUEL: Are there--
25 okay.

2 KATHERINE GARCIA: I'm sorry if I didn't
3 get to it until the end. [laughs]

4 CHAIRPERSON AMPRY-SAMUEL: Okay, okay.
5 So do you have an account for the—how much is spent
6 in overtime related and associated to the skilled
7 trades during the NYCHA Cares that was rolled out?

8 KATHERINE GARCIA: So, as you know, the
9 Mayor gave us about \$20 million in this—and—and \$10
10 million in this fiscal year and \$10 million in the
11 next fiscal year. We also added \$35 million in this
12 calendar year from NYCHA's budget because we think
13 it's so effective, and we are moving very quickly to
14 continue to expand that program and we've asked the
15 Mayor for more money. So, I'm not sure if I answered
16 enough of your questions so the—it is a multi-million
17 program when we have the trades on overtime, and so
18 that is what we have gone through so far is we have
19 the \$10 million budgeted in each of the fiscal years
20 from the city funding and then we have \$35 million in
21 this calendar year and next for under NYCHA's
22 funding.

23 CHAIRPERSON AMPRY-SAMUEL: Okay.
24 Alright, I'm sure we'll come back to the overtime--

25 KATHERINE GARCIA: Okay.

2 CHAIRPERSON AMPRY-SAMUEL: --issue in a
3 minute, but I'm going to turn it over to Council
4 Member Gibson.

5 CHAIRPERSON GIBSON: Thank you, Chair.
6 Good afternoon, Chair and everyone here at NYCHA.
7 Thank you for being here. I'm going to go through
8 just a couple of questions very quickly, and allow my
9 colleagues who are here to ask questions, and then
10 we'll circle back. The Chair talked about NYCHA
11 Cares and the Saturday Work Blitzes--

12 KATHERINE GARCIA: Uh-hm.

13 CHAIRPERSON GIBSON: --and I guess I
14 understand the mechanism and the dynamics behind it.
15 I can just tell you from my own view representing 12
16 different NYCHA developments in the Bronx, my
17 criticism is the communication, and information
18 that's shared among the development that NYCHA is
19 planning to come to on a Saturday when residents
20 could make themselves available to be home if they
21 were aware. My second criticism is the type of work
22 that's being done by the skilled trade workers.
23 Residents have said they have emergencies in their
24 apartments, and because this program is very defined,
25 that work is not covered, and I guess the third

2 criticism is letting the Council Members and the
3 resident leaders know when NYCHA is coming. I've
4 only seen maybe one or two examples of flyers
5 actually posted at the particular development, and
6 once I learned that NYCHA was at one of my
7 developments. I went to the development and asked
8 tenants if anyone had seen extra workers, and no one
9 could confirm. So, I guess with all of that, and as
10 this program continues, what are the areas that it
11 can be improved, and what is the rate of completion
12 that workers are actually reaching tenants home on a
13 Saturday afternoon for the NYCHA Cares Program?

14 KATHERINE GARCIA: So, all I can tell you
15 is that we have closed 8,800 work orders in—in the
16 work blitzes on the weekends. I want to say I take
17 your feedback very importantly. It's not terribly
18 useful if we don't get the message out that we should
19 be having people tell us what they need to have
20 repaired. I know that when I was out at one of the
21 weekend events, a tenant had gone down and said, I
22 need this fixed, and it was taken care of that day.
23 It does sometimes vary by development. I know that
24 there was a development I think this past weekend
25 where 400 work orders got closed, but we certainly

2 will take back that feedback. We want to make sure
3 that we're serving the needs of residents, and if
4 we're not doing it, it's not very helpful.

5 CHAIRPERSON GIBSON: Okay, I appreciate
6 that as the program continues and certainly the City
7 Council has always been a partner. We can be
8 helpful. Many of us need to add tenant leaders and
9 tenants everyday. They reach out on a myriad of
10 issues, and if we are aware of a Saturday Blitz, we
11 can certainly do a lot of advocacy if we're given
12 sufficient notice not the day before, not the day of,
13 but certainly with a few days in advance notice. I
14 would implore and encourage you to work with us so
15 that we can help this program continue its success.

16 KATHERINE GARCIA: Absolutely. You know,
17 we like to leverage the Council Members in the
18 districts that have a lot of buildings.

19 CHAIRPERSON GIBSON: Absolutely, and you
20 have members up here to represent most of the
21 portfolio of NYCHA today. I wanted to ask about the
22 Ten-Year Capital Strategy. It's something that my
23 subcommittee has been working very hard on. The
24 strategy from 2020 through 2029 is about \$3 billion
25 for NYCHA in support of its capital goals from 2020

2 through 2029, and a large portion of the funds, about
3 \$1.95 billion are additions under the January
4 executed HUD Agreement with the Southern District,
5 NYCHA and the City. So, I want to ask is there an
6 actual spending plan under this agreement that has
7 been already defined and, if so, can you tell me
8 where some of the priorities are as it relates to
9 some of the more hazardous conditions that we're
10 facing and what kind of timeline should we expect?

11 KATHERINE GARCIA: So, as you know, we
12 are very appreciative of the fact that the city put
13 in the \$2.2--it's some of the monies in this current
14 fiscal year--for the primary focus areas. So, that
15 funding is going to be going to--a lot of it to
16 abatement work for presumed lead paint after we do
17 the XRFs but as for boilers and for elevators, and
18 that was actually outlined in the agreement exactly
19 the sort of numbers we needed to hit going forward.

20 CHAIRPERSON GIBSON: Does it overlap at
21 all with P&A where I specified that the majority of
22 the P&A recognizes interior work as a priority over
23 exterior? Is that recognize?

24 KATHERINE GARCIA: So, obviously, we are
25 doing the exterior first for a variety of reasons

2 because it doesn't really help to beautify an
3 apartment if it floods every time it rains--

4 CHAIRPERSON GIBSON: I agree. Uh-hm.

5 KATHERINE GARCIA: --but it is allowing
6 us to free up more money to do interior work, and in
7 addition, this is why we are very focused on NYCHA
8 2.0 and the PACT Program so that we can get more than
9 100,000 apartment renovations done within the next
10 few years.

11 CHAIRPERSON GIBSON: The spending details
12 in the plan that you're describing has that been made
13 available to the City Council?

14 KATHERINE GARCIA: The spending for the
15 NYCHA 2.0?

16 CHAIRPERSON GIBSON: No, just overall for
17 the HUD Agreement that--

18 KATHERINE GARCIA: [interposing] We have
19 not documented out exactly what is going to be done
20 in each fiscal year for that. No, because in part we
21 don't have specifics on what the abatement is going
22 to be under the HUD agreement because we do not know
23 yet until we do the XRF testing where the lead paint
24 is.

2 CHAIRPERSON GIBSON: Okay and what's the
3 mechanism by which you will define how projects are
4 prioritized? Is there an assessment done on the
5 developments to determine who's most in need? You
6 can't get to all at the same time. So, in terms of a
7 timeline, how do you assess who is most in need?

8 KATHERINE GARCIA: So, in terms of some
9 of the—of the basic structures, whether or not that's
10 boilers or roofs, those are all ranked, and I think
11 we've provided you the list and the tranches of who's
12 going first and in what order, and if you don't have
13 that we can provide it. I have it with me. I can
14 find it and go through it, but in addition to that in
15 terms of who is going to be tested first for presumed
16 lead paint, we are looking—we did first a cut of
17 where is the pre-1978 buildings, and then a cut of
18 where are the most children under six has been the
19 first two cuts in terms of how we are prioritizing
20 going forward and where there is not currently an
21 exemption to do visuals.

22 CHAIRPERSON GIBSON: Okay. I want to ask
23 about the capital commitment rate that NYCHA has for
24 city dollars. It has been about 28% over the past
25 five years. What is the plan. I know there are

2 different spending guidelines and timelines for
3 federal dollars versus city dollars. Federal dollars
4 have a timeline, and NYCHA tends to use federal
5 dollars a lot more. City dollars do not have a
6 timeline, and I don't know if that is the reason why
7 they commitment rate is at 28%, but what is the plan
8 to bring that capital commitment rate more in line
9 with the citywide rate, which is about 80%. I know
10 that's a big margin, but is there a plan to get us
11 beyond 28%?

12 KATHERINE GARCIA: Yes. I mean I think
13 that one of the things that I think has been
14 challenging for NYCHA is how capital money is
15 recognized in budgets, which is very different
16 between the federal and the city. The federal
17 recognizes when it is given to you, which meant that
18 if you say that the city is giving me, they would
19 recognize—the feds would recognize all of it in this
20 year, and the city money usually in—when I have been
21 in other agencies recognizes when we anticipate
22 obligating it. So, we actually need to do some
23 recasting of the capital budget on the city side to
24 make sure we are being realistic about when we think
25 those projects will get over to the Comptroller's

2 Office and be registered. But we are putting in
3 place not only investments into our internal team,
4 but also trying to figure out how we can leverage
5 other mechanisms for getting work out the door,
6 whether or not that's working for the Dormitory
7 Authority or the Power Authority of the contractors
8 to make sure that we can get the capital work out the
9 door and get it built.

10 CHAIRPERSON GIBSON: Okay and speaking of
11 which how we expedite work with city dollars, I
12 wanted to ask about the Capital Division and this is
13 not a question I've never asked before, but I wanted
14 to understand the budgeted headcount in our Capital
15 Division in terms of architects, designers where we
16 have vacancies. I know in the past we have struggled
17 with retention. We have hired and then we have lost
18 some of our Capital Division staff to other agencies.
19 So, can you give us an update on where we are within
20 the Capital Division of NYCHA?

21 KATHERINE GARCIA: So, I mean I'm going
22 to frame it and then I'm going to turn it over to
23 Deborah to answer the specifics on her headcount? I
24 would say that all of us who are doing capital
25 construction whether or not it's NYCHA or the

2 Department of Design and Construction, or the
3 Department of Sanitation or the Department of
4 Environmental Protection, the market for engineers
5 and architects is tight, and so, you know, we are
6 definitely competing with one another and with the
7 Port Authority and with the private sector for this
8 headcount, but I'm going to turn it over to Deborah
9 to specific—give you specifics on what her headcount
10 currently is.

11 CHAIRPERSON GIBSON: Okay. Hello.

12 DEBORAH GODDARD: Hi, there. Good
13 morning or good afternoon. My headcount is 357. I do
14 have vacancies in design. We do have trouble
15 competing with the market in terms of salaries. I
16 will say that turnover in Design has been no more or
17 less than other parts of my department, and we do see
18 this is throughout the department that people move
19 from one city agency to another. Frankly, it's a way
20 that they bid up their salaries, but there's nothing
21 unusual about what's going in the Design Department.
22 We do have design augmenters. I've been very clear
23 with my own staff. I think I've said this before
24 here because our workload is up and down and our
25 money is up and down, generally up right now, we do

2 some contracting rather than bringing on a full-time
3 permanent staff, and it's actually less expensive for
4 us.

5 CHAIRPERSON GIBSON: Okay, and NYCHA
6 actively recruits and—and attempts to hire more
7 staff?

8 DEBORAH GODDARD: Absolutely.

9 CHAIRPERSON GIBSON: Okay.

10 DEBORAH GODDARD: When we recruit out, I
11 actually send letters to things like the Engineer
12 Society, AIA, whatever the appropriate trade groups
13 are.

14 CHAIRPERSON GIBSON: Okay, my last
15 question for this season is something that my
16 colleague Council Member Margaret Chin would really
17 appreciate because this City Council has been pushing
18 and supporting year after year the maintenance of 14
19 NYCHA senior centers throughout the city of New York
20 through the end of each fiscal year, and we are once
21 again upon the season where we are looking to find a
22 long-term plan for these NYCHA senior centers in
23 terms of operations, but also in terms of capital
24 renovations. These are centers that are small in
25 nature, but a lot of potential and opportunity. They

2 don't have food programs, and lack services. So,
3 again, my question I know NYCHA works closely with
4 DFTA and OMB, but is there a plan or is there any
5 discussion of what we are doing with these 14 senior
6 centers that we have been struggling with for years?

7 KATHERINE GARCIA: There are ongoing
8 conversations. I would say that one of the
9 challenges is the year-by-year nature of the funding.
10 Obviously you know they did not get funded in the
11 city's 2020 budget. We are advocating to make sure
12 they do get funded both for their immediate needs and
13 for their long-term needs.

14 CHAIRPERSON GIBSON: Okay. Well, we have
15 to do more. We've had ongoing conversations for a
16 while, Chair. With all due respect, before you go
17 there, we've still been talking about it and we all—I
18 represent two, the Chair represents two. I mean we
19 have to do something. We want to be supportive and
20 we want to be helpful, but we also need NYCHA to take
21 leadership and develop a real plan, and work with
22 DFTA and figure out a long-term plan for these senior
23 centers for seniors in NYCHA that deserve access to a
24 quality senior center on their own development.

2 KATHERINE GARCIA: No. I mean I think
3 that we agree with you, but the question is whether
4 or not we will get support on funding that, and that
5 has been the ongoing challenge.

6 CHAIRPERSON GIBSON: Okay, thank you.
7 I'll turn it back over to our Chair.

8 CHAIRPERSON AMPRY-SAMUEL: Before I turn
9 it over to my colleagues, I just have a follow up to
10 that question about the senior centers and the like
11 childcare centers the community spaces, the community
12 centers that are no longer operated by NYCHA, but are
13 contracted out to community based organizations or
14 operated through DFTA and DYCD, is there a certain-as
15 specific unit within NYCHA that liaise between the
16 operating staff-operation staff and to these
17 organizations in order to address work orders and
18 repairs and different things?

19 KATHERINE GARCIA: [background comments]

20 VITO MUSTACIUOLO: Hi. Good afternoon.
21 So, we do have an individual who has been
22 coordinating those activities, but also more recently
23 my office has taken a lead role in that as well.

24 CHAIRPERSON GIBSON: You said and
25 individual.

2 VITO MUSTACIUOLO: Yes.

3 CHAIRPERSON GIBSON: So, one person.

4 VITO MUSTACIUOLO: Correct.

5 CHAIRPERSON GIBSON: And how many centers
6 are we talking about? Is that like the 225 centers
7 overall?

8 VITO MUSTACIUOLO: Approximately, yes.

9 CHAIRPERSON GIBSON: So, we knew—we know
10 that there's a-a lot of needs between the different
11 developments because we hear it all the time, and I'm
12 just thinking about the image that Council Member
13 Salamanca provided during one of our hearings of a
14 community center/senior center that was leaking from
15 the roof. I think the—and it put a lot of the senior
16 citizens in a dangerous situation. With that, we
17 constantly hear this. So, it's one person that is
18 managing the work orders and issues that are related
19 to the 225?

20 VITO MUSTACIUOLO: So, again, it's--

21 CHAIRPERSON GIBSON: [interposing] I mean
22 is this person like in need of a staff at all or, you
23 know, like administrative person to assist with the
24 tracking of the work orders, and is that person in
25 need of like direct contact with supervisors or--

2 KATHERINE GARCIA: So--so I mean I just
3 want to put it a little--I don't think it is an issue
4 of not being able to manage what is coming in, and
5 clearly, we know what the work orders are. We have a
6 lot of work across all of the developments that we
7 are not getting to. I mean so I don't want to put it
8 on any individual office for not having completed it
9 or that that's a challenge. I think that there is an
10 ongoing--for this particular area and ongoing funding
11 need for those repairs that is somewhat different
12 than what apartment repairs are.

13 CHAIRPERSON GIBSON: Uh-hm.

14 KATHERINE GARCIA: I don't know if you
15 have anything--

16 CHAIRPERSON GIBSON: So, is there a plan
17 to hire more staff at all to work with this one
18 individual?

19 VITO MUSTACIUOLO: So, again, my-my
20 office have been assisting with the coordination and
21 we have had ongoing meetings with our sister
22 agencies. Obviously, again, that's where really the--
23 the--we have to improve on the coordination efforts.
24 And so we have had ongoing meetings with agencies
25

2 such as DFTA and DYCD and my office has been involved
3 in each of those meetings.

4 KATHERINE GARCIA: So, was there a plan
5 at all to hire another person.

6 VITO MUSTACIUOLO: We will—we will
7 provide the necessary staffing as needed, but then
8 right now we're supplementing that individual, and I
9 feel comfortable that we are addressing the issues,
10 and again as the Chair indicated, we're—we're
11 competing for the same resources, right. So, it dose
12 present challenges at times.

13 CHAIRPERSON GIBSON: And I'm asking that
14 question because as you are looking at your-like just
15 everything in your budget, and you're looking at how
16 to staff and I read in the report where, you know, \$2
17 million is going towards a new Compliance Department
18 and Health and Safety and Security Department and,
19 you know, there's always changes, I would think that
20 you would have some kind of a plan to assist because
21 this is an urgent need. We hear it all the time from
22 the community based organizations, and I hear the
23 frustration in them, and where we do contact NYCHA to
24 assist and be that liaison between the agencies and
25 NYCHA, we're faced with, you know, it's—it's how do

2 you compete with the priorities within the
3 apartments, but at the same time people are going to
4 these centers for services. So, you know, we hear it
5 all the time, and so I was hoping that I would hear
6 that there was some kind of plan in place to-to
7 address that as well as you are spending and focused
8 on staffing up in certain areas.

9 KATHERINE GARCIA: No, you're quite
10 correct. Our focus has been on the areas that were
11 covered under the HUD Agreement primarily.

12 CHAIRPERSON GIBSON: Okay thank you.
13 Council Member Torres.

14 COUNCIL MEMBER TORRES: Thank you, Madam
15 Chairwoman and thank you, Madam Chair. Your budget--
16 your budget projects a \$33 million surplus. Is that
17 correct?

18 KATHERINE GARCIA: That is correct.

19 COUNCIL MEMBER TORRES: And the \$33
20 million projection is based on a--if I read your
21 testimony correctly, a proration factor of 92.5%?

22 KATHERINE GARCIA: Yes.

23 COUNCIL MEMBER TORRES: At what level--at
24 what proration level are you presently receiving
25 funding?

2 KATHERINE GARCIA: I will find out.

3 [background comments/pause] Right. So, last year in
4 '18 it was \$94.7 so that we've budgeted the \$92. It
5 could be higher, it could be lower. We are—are
6 hopeful that it will be higher.

7 COUNCIL MEMBER TORRES: But—but HUD—my
8 understanding back when I was—when I was the Chair of
9 the Public Housing Committee is that it's done on a
10 month-to-month basis HUD will adjust your funding
11 levels and adjust the proration levels from month to
12 month. Do we know what the proration level is at the
13 moment for March?

14 KATHERINE GARCIA: We have not gotten
15 notified by HUD of the proration level yet for the
16 Fiscal 19 money.

17 COUNCIL MEMBER TORRES: Right because I
18 have a—I found a document on HUD's website that
19 reads: Based on the funding received under the
20 continuing resolution, the department will be
21 providing operating funds at an 88% pro ration from
22 March, April and May. Is-is--?

23 KATHERINE GARCIA: That is correct.

24 COUNCIL MEMBER TORRES: So, it's 88
25 proration, 88% proration

2 KATHERINE GARCIA: Yes, because I got
3 handed a card.

4 COUNCIL MEMBER TORRES: Okay. So it's
5 88%. Okay, so 88 is different from 92. So, if we
6 assumed that 88% proration, what would be your
7 surplus?

8 KATHERINE GARCIA: Well, now we would
9 have—we would probably have a deficit then.

10 COUNCIL MEMBER TORRES: We'd have a
11 deficit?

12 KATHERINE GARCIA: Yes, and like so we
13 are—we are--

14 COUNCIL MEMBER TORRES: [interposing] For
15 instance, 1% is roughly \$10 million?

16 KATHERINE GARCIA: Yes

17 COUNCIL MEMBER TORRES: So, the
18 difference between 88 and 92 proration--

19 KATHERINE GARCIA: About 4%.

20 COUNCIL MEMBER TORRES: --is the
21 difference between the deficit and the surplus

22 KATHERINE GARCIA: [interposing] Yeah.

23 COUNCIL MEMBER TORRES: --and a
24 difference--

2 KATHERINE GARCIA: No, these—that's what
3 I'm explaining. (sic)

4 COUNCIL MEMBER TORRES: [interposing] Of
5 \$40 million?

6 KATHERINE GARCIA: Yes.

7 COUNCIL MEMBER TORRES: Okay.

8 KATHERINE GARCIA: And I mean and that is
9 why like, you know, when we talk about the fact that
10 we are down. When you do a 92.3, it's \$77 million.

11 COUNCIL MEMBER TORRES: But we should be
12 clear that the level at which you're presently
13 receiving funding is less than what you're projecting
14 over the course of the year at \$40 million less. I
15 have a question about the—the Rental Assistance
16 Demonstration Program. Is NYCHA going to receive
17 from the city bond financing for any of the Section 8
18 conversions?

19 KATHERINE GARCIA: So, if you're asking
20 if we are going to get low-income housing tax
21 credits--

22 COUNCIL MEMBER TORRES: [interposing] Not
23 LiTech, bond financing, bond financing.

24 KATHERINE GARCIA: Are we going to be
25 using the city's General Bond Funding?

2 COUNCIL MEMBER TORRES: Yes.

3 KATHERINE GARCIA: I don't believe we are
4 using the city's. Primarily, we are seeing that HDFC
5 will do some take-outs of some of these plans, but we
6 are not—I do not think we are looking at the GO at
7 all, and each one is--

8 COUNCIL MEMBER TORRES: [interposing]

9 Actually, let me correct myself. I'm sorry. I think
10 bond financing is coupled with 4% tax credit. So,
11 I'm asking--

12 KATHERINE GARCIA: [interposing] Whether
13 or not we are doing--

14 COUNCIL MEMBER TORRES: [interposing] Is
15 the city going to allocate?

16 KATHERINE GARCIA: No, no, they are not
17 going to--

18 COUNCIL MEMBER TORRES: [interposing]
19 What percent on--

20 KATHERINE GARCIA: [interposing] They are
21 not planning to allocate the Low-Income Housing Tax
22 Credit.

23 COUNCIL MEMBER TORRES: And not all of
24 the conversions are RAD, right? Some of them are
25 TPV, and some of them are RAD, correct?

2 KATHERINE GARCIA: Right, because the RAD
3 is specific to where there is traditional public
4 housing money. When you make the transition, some of
5 the—as you know, some of the developments do not have
6 that, and so when we are converting them to Section
7 8, it's a different program.

8 COUNCIL MEMBER TORRES: So, you—as I—as I
9 understand, you can convert from Section 9 to Section
10 8 through two means, either through RAD or through
11 what is it? A Section 13?

12 KATHERINE GARCIA: Section 18.

13 COUNCIL MEMBER TORRES: Section 18
14 disposition with the use of TPV Vouchers?

15 KATHERINE GARCIA: Right. So, I mean at
16 the end of the day, the Section 18 is really a
17 process of how you--

18 COUNCIL MEMBER TORRES: Disposition,
19 rate. Yeah.

20 KATHERINE GARCIA: Disposition and how
21 you change the property, but at the end of the day
22 what—whatever program we're using [bell] we are
23 ensuring that the tenants all have the same rights,
24 and we have gotten waivers from HUD as we have made
25

2 these deals to ensure that they are all treated
3 equally once the conversions are made.

4 COUNCIL MEMBER TORRES: And just one
5 quick question: What's the—the difference in rental
6 revenue between RAD and TPV, and what percentages of
7 the conversions are going to be RAD and what
8 percentage of the conversions are going to be TPV?
9 That's my final question.

10 KATHERINE GARCIA: I don't know the
11 answer to all of that, but let me—let me put it in
12 context here. We are—primarily, most of them will be
13 RAD as we move forward past the quote/unquote
14 "unfundeds" which are the most challenging. Those
15 are the ones where we don't have any money to start,
16 and so they'll become part of that, and so we can
17 provide you with the information on exactly what the
18 percentage breakdown is, but not all of them have
19 been identified going forward of which projects will
20 be which and it matters what their current structure
21 is about what happens as they move forward.

22 COUNCIL MEMBER TORRES: Do we know the
23 revenue difference?

24 KATHERINE GARCIA: Each one is a little
25 bit different in terms of what the underlying is. I

2 can tell you what some of the current numbers are,
3 and--

4 COUNCIL MEMBER TORRES: [interposing] My
5 understanding is that TPV is a far more generous
6 revenue stream than that.

7 KATHERINE GARCIA: Oh, no it is and
8 actually RAD does not--

9 COUNCIL MEMBER TORRES: [interposing] Do
10 we know the difference?

11 KATHERINE GARCIA: --Actually RAD--
12 straight RAD does not--

13 COUNCIL MEMBER TORRES: [interposing] Is
14 a straight conversion.

15 KATHERINE GARCIA: Is a straight
16 conversion.

17 COUNCIL MEMBER TORRES: Okay.

18 KATHERINE GARCIA: It does not actually
19 give you additional revenue (sic). So, we've added
20 more to make sure that we are covering the P&A at
21 these developments and ensuring that those apartment
22 renovations are occurring. So, the difference in
23 revenue, you're asking what's the difference in
24 revenue to the developers?

2 COUNCIL MEMBER TORRES: To, yeah, what's
3 the operator—what's the revenue—what's the revenue
4 that you generate? What's the rent—what are the
5 rents that the federal government is going to pay to
6 you with a TPV funded unit as opposed to a RAD unit?

7 KATHERINE GARCIA: It's about twice.

8 COUNCIL MEMBER TORRES: Twice as much?

9 KATHERINE GARCIA: Yes.

10 COUNCIL MEMBER TORRES: So, it could be
11 the difference between \$1,000 and \$2,000?

12 KATHERINE GARCIA: Yes.

13 COUNCIL MEMBER TORRES: That's pretty
14 significant. [pause]

15 CHAIRPERSON AMPRY-SAMUEL: Thank you.
16 Council Member Gjonaj.

17 COUNCIL MEMBER GJONAJ: Thank you, Madam
18 Chairs. Thank you Chair Garcia. Many of my
19 questions have been asked already, but I highlight
20 again the need for our senior centers which are
21 currently being underfunded and under-maintained to a
22 point where seniors are not even participating in the
23 programs, and if that's the intent of the game that
24 we let them dwindle to insignificant programs so we
25 do away with it. I would hope that we are

2 forthcoming in saying that rather than allowing our
3 seniors to go without services. But I want to focus
4 mostly on the repair work orders. NYCHA estimates
5 the cost to complete deferred maintenance and repairs
6 to apartment interiors approximately \$3,000 per unit.
7 As of January 2019, there are approximately 257,000
8 open work orders citywide. This is larger than the
9 Authority's manageable workload of 90,000 work
10 orders. Since 2013, the total headcount has decreased
11 by about 900 positions. By 2023, NYCHA headcount is
12 expected to decrease slightly by 101 positions from
13 10,707 to 10,606. By my counts that's about 25,000
14 work orders a year that are old giving you 65,000 new
15 work orders to deal with. So, we're looking at a 10-
16 year approach to old work orders?

17 KATHERINE GARCIA: So, no. As I think
18 that I testified to we are planning to go in and do
19 major rehabs of many, many, many apartments through
20 the PACT Program. In addition, some of these work
21 orders are actually supposed to be done by vendors.
22 So, they're in our system. There's work to be done.
23 They're actually assigned to a contract and we are
24 expanding that capacity to make sure that we can get
25 done with the work that we need to get done. The

2 other thing I just want you to be clear about is as
3 we are coming into compliance with the HUD Agreement,
4 every inspection generates a new work order. So,
5 when we put the work orders in to do the XRF testing,
6 that will be 135,000 work orders that we will then
7 have to close.

8 COUNCIL MEMBER GJONAJ: Right.

9 KATHERINE GARCIA: I mean and so that's
10 why I think that—and the other thing about the
11 decline of the 900 employees, that primarily was the
12 transfer of NYCHA staff when—when the community
13 centers went to DFTA and went to DYCD.

14 COUNCIL MEMBER GJONAJ: Thank you, Chair.
15 Currently, there are 257,000 open work orders.

16 KATHERINE GARCIA: Yes, that's right.

17 COUNCIL MEMBER GJONAJ: How long before
18 we get to all of those work orders while we are
19 dealing with new work orders that are coming in on a
20 daily basis?

21 KATHERINE GARCIA: I do not have a
22 projection of when all of those will be--

23 COUNCIL MEMBER GJONAJ: [interposing]
24 Based on my math, that's 10 years.

2 KATHERINE GARCIA: I—I have to tell you
3 that many of them will get closed out when we do full
4 renovations within apartments.

5 COUNCIL MEMBER GJONAJ: I continue to cry
6 out privatization, privatization. Clearly, the
7 definition of insanity is doing the same thing over
8 and over again and expecting a different result.
9 We're not capable of managing 177,000 units. We often
10 refer to the federal cuts that may or may not come.
11 For the last two years we've seen an increase. No
12 one even refers to the potential of a recession in
13 New York City, which can reduce revenue and certainly
14 hamper any projections that we have moving forward
15 and any commitments to NYCHA. So, I—we focus on
16 federal dollars. There's a recession on the horizon
17 facing New York City, and none of our projections
18 take into consideration the potential shortcoming of
19 revenue [bell] that this city may be faced with in
20 the future. [pause]

21 CHAIRPERSON AMPRY-SAMUEL: Thank you.
22 Council Member Rosenthal.

23 COUNCIL MEMBER ROSENTHAL: Thank you so
24 much, Chair. You—what's your title?

2 KATHERINE GARCIA: I think today I am the
3 Interim Chair and CEO.

4 COUNCIL MEMBER ROSENTHAL: Okay. Interim
5 Chair and CEO, may I say you have an extraordinary
6 staff, and that—that's got to make it all the much
7 better.

8 KATHERINE GARCIA: They made this giant
9 book for me.

10 COUNCIL MEMBER ROSENTHAL: Wow.
11 [laughter] That's what they can do.

12 KATHERINE GARCIA: Okay.

13 COUNCIL MEMBER ROSENTHAL: So, I'm going
14 to just jump right in with the thing that always
15 confounds me about NYCHA, and that is that it could
16 really benefit from a forensic audit, and let me give
17 you an example. In my district with Amsterdam
18 Houses, I forget how many buildings, 24 buildings.
19 There—during my tenure maybe starting four or five
20 years ago there's roof repair, and which is great
21 they did that, but then someone decided it should be
22 aesthetically pleasing. So, they decided to put in
23 these exceedingly heavy sort of cornices around the
24 top of the building so it would be aesthetically more
25 pleasing, which obviously slowed the job down and

2 made it a lot more expensive. They ended up having a
3 contractor that screwed it up; fired them and had
4 another contractor. I forget how many there were by
5 the end of the job, and the corner-cornices were so
6 heavy that they had to redo the whole roof. Now, the
7 upside of this story is they redid the whole roof and
8 that's—that's actually what needed to be done, but no
9 one was paying attention to the fact that really it
10 doesn't need to be aesthetic. I needs to work, and I
11 would be so curious to know how much extra money was
12 put into that contract in order to do this extra sort
13 of sort cornerstone and, you know, the same was true
14 even on the cameras when we—when my office paid for
15 cameras when I first got in there. You know, we
16 were—I tried to do a forensic audit of what, you
17 know, NYCHA was charging for these things, and it was
18 just funny money. I mean it was as if, you know,
19 yeah, we're talking about millions of dollars or
20 hundreds of thousands of dollars. What's one more
21 zero? I mean no one is really saying no or digging
22 in deep and changing a contract. So, what I would
23 urge you to do with this extraordinary team is just
24 one forensic audit after another whether it be a
25 policy finance or a financial audit, meaning from my

2 perspective, I've been looking for resident
3 engagement in my different—seven different
4 developments that are in my district for six years
5 and you know, it's just never—I've given up trying.
6 I shouldn't have given up, but at some level, you
7 know, we have two buildings now with no resident
8 leader. One, I'm not going to continue, but you get
9 the point.

10 KATHERINE GARCIA: Uh-hm.

11 COUNCIL MEMBER ROSENTHAL: And I would
12 just really urge you to put to use the extraordinary
13 team that you have there to dig in deep, say when you
14 have to say no, and—and demand better performance.
15 [bell] Thank you.

16 KATHERINE GARCIA: Thank you.

17 COUNCIL MEMBER ROSENTHAL: You're welcome
18 to respond if you want.

19 KATHERINE GARCIA: [laughter] We
20 certainly want to make sure that we are using any of
21 our funding efficiently not only for the benefit of
22 the residents, which is sort of obvious. We wanted
23 to go as far as possible, but also because it's a
24 public trust, and we are asking for a lot of money
25 across the board, and if people don't believe we can

2 spend it effectively, but I will take back your
3 comments and task our internal auditors to take a
4 look at some of the projects you have pointed out.
5 It is always hard to ask people to just say no we
6 just want to focus on the thing that looks really
7 boring, but you're not going to really want cut a
8 ribbon on when you do what--

9 COUNCIL MEMBER ROSENTHAL: [interposing]
10 It's not hard. It's not hard.

11 KATHERINE GARCIA: Alright.

12 COUNCIL MEMBER ROSENTHAL: I've go
13 another building in my district where we don't have a
14 good roof. We keep patching it up and saying it's
15 good enough, and-and I would have been happy to cut a
16 ribbon for a boring roof if I could have had another
17 roof at this other development that because it keeps
18 leaking, the elevator, which used to be brand new,
19 goes out every couple of days, and certainly whenever
20 it rains. Now don't--

21 KATHERINE GARCIA: Okay.

22 COUNCIL MEMBER ROSENTHAL: --that's the
23 problem with a blank check and-and, you know people
24 who-who aren't accountable for the dollars they
25 spend. I mean you've got a CFO who knows how to do

2 this stuff and I—I would just ask him to dig in and
3 to say no.

4 KATHERINE GARCIA: We will—we will do
5 that.

6 COUNCIL MEMBER ROSENTHAL: Thank you.

7 CHAIRPERSON AMPRY-SAMUEL: What I
8 appreciate most about these hearings is that I learn
9 something every single time, and I now know what a
10 Cornice is. I actually looked it up. [laughter]
11 Appreciate you. Thank you. I appreciate you.

12 [background comments] Majority Leader Cumbo.

13 MAJORITY LEADER CUMBO: Thank you. Thank
14 you, Chairs Ampry-Samuel and Gibson, and I, too, join
15 with Council Member Rosenthal in wanting to have a
16 blind ribbon cutting within my district. Just wanted
17 to jump right in in terms of issues that have been
18 brought to the table in my district as well. I wanted
19 to know is there a way that you separate out capital
20 requests that come in directly from members versus
21 your own goals and objectives that you want to see
22 achieved? So, for example, if we put in for
23 lighting, cameras, basketball courts, repairs that we
24 are putting in direct Council dollars from our
25 offices as a result of information that's been given

3 to us directly from the members of our community, are
4 those fast tracked or viewed in any different kind of
5 way in terms of completion versus the many other
6 needs that have been identified in the community by
7 NYCHA and otherwise.

8 KATHERINE GARCIA: So they are not
9 prioritized more or less. They are more challenging
10 because we often don't know about them until Exec,
11 and so then you have our cold start on July 1 to get
12 done design and get entered and try and register that
13 construction contract. One of the reasons why we are
14 often challenged with the delivery, and I think
15 disappoint many of the Council Members. So, it is
16 not a lack of priority. It is really, you know, for
17 our, you know, we know what roofs we're going to do
18 next, and so if we—and we have sort of this ongoing
19 rolling list. So if money comes in, we get more
20 money sooner and we can move that forward, but so
21 when we start with a cold start on Council projects
22 that is actually—it's just harder for us to deliver
23 effectively. And so—and so it's not as if there is a
24 different priority. It's just a harder delivery
25 process for us.

2 MAJORITY LEADER CUMBO: I just want to
3 bring that to your attention because when an issue
4 comes to the attention of a Council Member, it's
5 usually because it's come about as a very public
6 process. So, it's a matter of attending the monthly
7 tenant association meetings. It's a matter of going
8 to town hall meetings. It's a matter of people
9 stopping you on the streets. When you go to the
10 Family Day, it's spoken about on the microphone about
11 what we need, and as leaders we're addressing it and
12 saying we have put forth money in the budget. We are
13 putting these resources forward to address the issues
14 whether it's lighting, broken doors in the—in the
15 development, and the first year or two it's well
16 received. By year 3 or 4, it's a like, well, we
17 still ain't seen it yet. So, it's one of those
18 things where our community is speaking directly to us
19 and we are making allocations from our budgets
20 directly for the things that our constituents are
21 saying that they have visualized and vocalized to say
22 we need to see that. So, I would strongly recommend
23 and like to see a shift in terms of the things that
24 we are putting forth as members that are beholden to
25 our communities to understand that we're hearing it,

2 in a different way than you're hearing it because
3 we're hearing it every month when we go to a
4 particular development or a meeting. I just wanted
5 to bring your attention also and to ask you are you
6 aware and I've had discussions with the
7 Administration around the Metro IAF plan in order to
8 build senior housing. It was \$500 million that our
9 seniors, thousands of them represented by different
10 congregations throughout the city of New York have
11 put forth a plan in order to execute [bell] senior
12 housing within our districts and they are growing
13 very challenged and upset as they haven't seen this
14 plan brought forward to their community.

15 KATHERINE GARCIA: And I'm going to try
16 and do this in a way that I don't confuse it because
17 my understanding is there's sort of been more than
18 one commitment with overlapping units for senior
19 housing. So, when NYCHA made the commitment to do
20 10,000 new 100% affordable housing units plus an
21 additional thousand new senior nits, which is our
22 commitment and then there's HPD's commitment is 4,000
23 new senior units through the SRA Program of which
24 1,000 were going to be on—are going to be NYCHA land,
25 which was part of the larger Seniors First

2 Initiative. We are still committed to doing all of
3 those pieces and we announced two last week to move
4 forward.

5 MAJORITY LEADER CUMBO: Okay. Now, let
6 me ask you a question because this is important. So,
7 the programs that you just spoke about everything
8 from the 10,000 units and beyond--

9 KATHERINE GARCIA: Uh-hm.

10 MAJORITY LEADER CUMBO: --when were those
11 commitments made?

12 KATHERINE GARCIA: So, the--the 10,000
13 affordable units was made earlier.

14 MAJORITY LEADER CUMBO: Like what year
15 maybe?

16 KATHERINE GARCIA: I'm sure someone can
17 pass me a note and tell me. I want to give you an
18 answer.

19 MAJORITY LEADER CUMBO: No, I appreciate
20 that. I'm--I'm patient. [pause]

21 KATHERINE GARCIA: I'm just making sure
22 that I'm clear.

23 MAJORITY LEADER CUMBO: Uh-hm.
24
25

2 KATHERINE GARCIA: So, the original
3 portion of senior housing was actually part of Next
4 Gen, which I believe came out in 2015--

5 MAJORITY LEADER CUMBO: That's about
6 right.

7 KATHERINE GARCIA: --and then the Seniors
8 First commitment came out in in October of 2017.

9 MAJORITY LEADER CUMBO: Okay and did you
10 mention another senior housing program? I though you
11 mentioned three.

12 KATHERINE GARCIA: No, I think it's only
13 two.

14 MAJORITY LEADER CUMBO: Okay.

15 KATHERINE GARCIA: Well, it's HPD--

16 MAJORITY LEADER CUMBO: Right.

17 KATHERINE GARCIA: --but we're part of
18 that HPD program--

19 MAJORITY LEADER CUMBO: Okay.

20 KATHERINE GARCIA: --of Seniors First.

21 MAJORITY LEADER CUMBO: Okay, here's
22 where the--

23 KATHERINE GARCIA: [interposing] I said
24 there should be a VIN (sic) diagram, but they were
25 unable to make one for me.

2 MAJORITY LEADER CUMBO: Here's where the
3 challenge lies with the commitment. So, the
4 challenge lies in the commitment in that \$500
5 million was allocated to senior housing in the last
6 budget cycle, right, which means that this year RFPs
7 should be issued. We should start to get moving on
8 this commitment, but now the challenge that we're
9 seeing is that there were commitments made for senior
10 housing prior to this particular announcement of
11 capital resources and what we're seeing happen is
12 that the \$500 million looks like it's just taking the
13 place or looking like it's demonstrating what was
14 already happening versus a brand new commitment to
15 senior housing in a plan that Metro IAF rolled out.
16 So, I'll give you an example of some of the things
17 that Metro IAF wanted to see. The premise behind why
18 these pastors came together was that their,
19 congregations were dwindling, and it wasn't because
20 of the quality of service. It was that their senior
21 population was being displaced. So, they decided we
22 should come together and create a housing plan that
23 would create an put an abundance of senior housing
24 throughout the city in NYCHAs where seniors could
25 stay in place and create a pipeline from seniors

1 living in NYCHA into these additional housing units
2 so that they could free up 2, 3, 4 and 5-bedrooms
3 where maybe just one or two people are living. And
4 so, what we've seen is that what the Administration
5 appears to have done is to have said, We're going to
6 allocate this \$500 million, but it's really what
7 their existing senior housing plan already was, and
8 that there was no new resources or a plan that would
9 also—a plan that would also create a new RFP process
10 through NYCHA Next Gen or otherwise that would
11 incentivize MWBEs, community based not for profits so
12 that the big players don't consistently win the RFPs
13 and continue to hire the same people to do work on
14 NYCHA property where this is a wonderful opportunity
15 for MWBEs as well as for community based not-for-
16 profits in order to finally get some of the business
17 that's happening in New York City. So, for example,
18 I haven't had any communities of color or MWBE
19 developers do any projects in the 35th Council
20 District, which is one of the biggest happening booms
21 in construction in the city.

23 KATHERINE GARCIA: Yes, you have a very
24 busy district. So, I'm going to try and parse this
25 out, and I appreciate what you're saying, and I don't

2 know well enough the whole back story to probably do-
3 give this all justice. We announced developers last
4 week for two senior housing developments at Sotomayor
5 and Bushwick. We also are doing RFPs this year for
6 two other as part of what I-believe those two RFPs
7 are specifically for the program that you are talking
8 about and HPD will be doing four RFPs for that, and
9 then there I think are two for Sotomayor and-and
10 Bushwick, which are pre-commitment to the October 17
11 commitment. So, I think that that is sort of the
12 difference we have right now. In terms of ensuring
13 that we are getting more non-profit developers and
14 smaller developers into sort of both this as well as
15 sort of the larger program for NYCHA 2.0. You know,
16 we are looking at some ways, and we have heard from
17 the Council that some of our-our bundles of projects
18 have too big--

19 MAJORITY LEADER CUMBO: Uh-hm.

20 KATHERINE GARCIA: --and have not been
21 reachable, and so we are working and should have news
22 very, very shortly about what we think we can do to
23 expand the pie because we think it's very important
24 to bring more people into it in part to keep the big
25

2 boys honest, and make sure that we're getting the
3 best ban for our buck moving forward.

4 MAJORITY LEADER CUMBO: I want to keep
5 the big boys honest, but most importantly, I want to
6 get community based developers at the table, and I'm
7 hoping that the NYCHA Next Gen Program 2.0. Whatever
8 these programs are, we have to incentivize community
9 based not-for-profits and MWBEs to be at the table.
10 I'll just close with one additional question. Would
11 you commit to meeting with the pastors throughout New
12 York City who have created the Metro IAF Plan so that
13 they can better inform you of its progress, its plan
14 and its intentions?

15 KATHERINE GARCIA: I, of course, would
16 always be happy to meet with anyone.

17 MAJORITY LEADER CUMBO: Thank you and we
18 look forward to scheduling the meeting. Thank you.

19 KATHERINE GARCIA: No, you've—you've
20 unveiled garbage cans with me on street corners.

21 MAJORITY LEADER CUMBO: Yes, we have. We
22 have done it all. Thank you so much.

23 CHAIRPERSON AMPRY-SAMUEL: Thank you,
24 Majority Leader, and I would love participate and
25 that we'll sit in on that meeting because I have a

2 million questions. So, I just have two more
3 questions before I close out my questions. So, under
4 the Transfer to Preserve Initiative, a component of
5 NYCHA 2.0, the city will transfer a portion of
6 NYCHA's estimated 80 million square feet of unused
7 development rights also known as Air Rights to a
8 adjacent privately owned sites. Where is NYCHA
9 pursuing this strategy, and across what developments
10 and site, and how much revenue do you think would be
11 generated through this type of program, and is there
12 a timing on it?

13 KATHERINE GARCIA: So, we have not
14 developed a list of sites, but as you would
15 anticipate, it's going to be in areas where the value
16 of air rights is high. You know, there's certain
17 locations where we have air right available and
18 nobody wants to buy them, but there are definitely
19 places where there is a lot of value, and we have
20 identified what we think is about a billion dollars
21 worth of value to NYCHA to sell our air rights. But
22 we are coming—working through. It's really about for
23 each development what's the best plan to move it
24 forward, whether or not that's packed, whether or not
25 that's built to preserve or whether or not that's

2 going to be selling air rights, but the concept here
3 because we have menu. Not—you know, not everybody
4 likes everything on the menu, but we're trying to
5 figure out what's the most effective way menu for
6 each development. Each development is a little bit
7 different because we want to make sure we are getting
8 apartments renovated.

9 CHAIRPERSON AMPRY-SAMUEL: So, you don't
10 have any like current deals on the table at all as it
11 relates to air rights?

12 KATHERINE GARCIA: We don't have current
13 deals on the table for air rights at the moment I
14 don't believe. No, we do not. I'm looking at the
15 people who should know if I don't know. We have had
16 people who have expressed interest. We have not
17 engaged in a deal yet.

18 CHAIRPERSON AMPRY-SAMUEL: Okay, alright,
19 and the bill to preserve do you have like currently
20 under the 75/25 are there any deals on the table at
21 all for the bill to preserve?

22 KATHERINE GARCIA: So, we have not done
23 the 70/30. I think is what we—we've planned. We are
24 still working through where that's going to be most
25 effective and how to get the most money out of the—

2 rerun the numbers and get the most money for NYCHA
3 residents.

4 CHAIRPERSON AMPRY-SAMUEL: Okay. I'm not
5 sure if someone is trying to tell you something.

6 KATHERINE GARCIA: Brian knows
7 everything--

8 CHAIRPERSON AMPRY-SAMUEL: I know that's
9 him.

10 KATHERINE GARCIA: --that I've learned.
11 [pause] I don't think that there is.

12 CHAIRPERSON AMPRY-SAMUEL: Okay.

13 KATHERINE GARCIA: No deal.

14 CHAIRPERSON AMPRY-SAMUEL: Okay. and--and
15 my last question is just a follow-up to Council
16 Member Gjonaj.

17 KATHERINE GARCIA: That was just to tell
18 me there was no deal.

19 CHAIRPERSON AMPRY-SAMUEL: Oh, okay,
20 thank you. My last question is a--is a follow-up to
21 Council Member Gjonaj's question about the headcount.
22 Is--what is the targeted headcount reduction for 2019?

23 KATHERINE GARCIA: We are not targeting a
24 head count reduction in 2019.

2 CHAIRPERSON AMPRY-SAMUEL: Okay. Thank
3 you.

4 CHAIRPERSON GIBSON: Thank you, Chair.
5 Just a few more questions I wanted to ask the Chair.
6 For the Fiscal 2019 Budget, we've been working with
7 NYCHA and many other agencies on a number of terms
8 and conditions that have been put forth by many of
9 the Council Members, and so with our agreement with
10 NYCHA there were specific terms and conditions that
11 we agreed to that include reporting that was related
12 to progress on the Mayor's Action Plan, the Roof
13 Repair Program and the removal of sidewalk sheds.
14 So, I want to ask if all of these terms and
15 conditions we agreed to, we've not seen any recent
16 updates for several months now. So, is there a way
17 that we could be provided the information according
18 to the terms and conditions that were agreed up?

19 KATHERINE GARCIA: So, since I don't know
20 what the terms and conditions were, thank you for
21 bringing that to my attention--

22 CHAIRPERSON GIBSON: Sure.

23 KATHERINE GARCIA: --and we will go and
24 make sure that we in compliance and that we are
25 updating that information on a regular basis.

2 CHAIRPERSON GIBSON: Mayor's Action
3 Plan, and I'm very familiar with that when it was
4 rolled out, and the 15 developments that we targeted
5 and we invested an incredible amount of work both
6 capital and expense Cornerstone programs, et cetera,
7 and while I don't know the specific public safety
8 NYPD numbers, right for the PSAs as well as the local
9 precincts, there has been talk about increasing that
10 number so the 15 we targeted a few years ago was for
11 a reason—

12 KATHERINE GARCIA: Uh-hm.

13 CHAIRPERSON GIBSON: --because it covered
14 almost 20% of the crime in New York City, but that
15 doesn't mean that other developments don't account
16 for some level of crime as well, and I've seen that
17 program very successful. There are three in the
18 Bronx: Butler, Castle Hill and Patterson. I
19 represent Butler. So, I've seen myself what we've
20 done within Butler Houses, but also my other
21 neighboring NYCHAs that are literally across the
22 street from Butler Houses are asking about any
23 considerations that we're going to give for the
24 neighborhood MAP Program. So, I wanted to ask if

2 that's a conversation we're having, and do we see any
3 changes being made to the neighborhood MAP Program?

4 KATHERINE GARCIA: So, I am not aware of
5 any expansion of the MAP Program but I do agree with
6 you. I think it's been extremely successful because
7 I think that it really gets at all of the root
8 because of crime not only the infrastructure needs,
9 whether or not that's light or layered access, but
10 also ensuring that there are programs, and I know
11 they continue to work very hard to ensure that—I mean
12 I get the reports of what's happening at the MAP
13 sites. But I do not know of any conversations about
14 expanding them to other developments.

15 CHAIRPERSON GIBSON: Okay, fair enough.
16 The state funding that I mentioned in my opening the
17 State 2020 Executive Budget doesn't re-appropriate
18 any new money, but instead reallocates the \$450
19 million, and just in terms of context so everyone
20 understands, \$200 million was appropriated in Fiscal
21 2018 and then the \$250 million in Fiscal 2019. So,
22 while you recognize that we have not drawn down all
23 that money, I want to recognize the State Assembly
24 and the State Senate who in both of their one house
25 bills last week, are allocating additional funds. But

2 we all know in the last few days of a state budget
3 looming by April 1st that there is no guarantee. So,
4 as a former State Legislator myself knowing how
5 Albany works, have you had conversations with our
6 speaker and Majority Leader and the Governor? Are we
7 going to get the \$450 million, and do you expect to
8 get any additional money from the \$450? Well, not
9 the \$450 but new money?

10 KATHERINE GARCIA: So, on the \$450 we, as
11 you know, the Governor said he wanted to wait until
12 the monitors was appointed before he would release
13 it. Since that's occurred, we have started having
14 conversations with the Governor's Office to get that
15 money freed up. In addition, we are cautiously
16 optimistic about the money that was put in both
17 bills, and we have been in touch with the Chairs of
18 both the Assembly and the Senate as well as we have
19 met with the Speaker. I have not directly talked to
20 the governor. I don't believe you've talked to the
21 governor directly either.

22 CHAIRPERSON GIBSON: And do we have a
23 spending plan for that \$450? I imagine we would
24 because we expected it two years ago.

2 KATHERINE GARCIA: Yes, yes. We're—we're
3 updating it to make sure that it takes into account
4 their—obviously there were some—there were some
5 boilers on there that we had to pull lout and do
6 because they couldn't wait. So, there—and we are
7 updating what all the new estimates are because when
8 you wait two years, you know, there's escalation in
9 terms of the pricing and changes in the market, and
10 making sure that we update all those numbers and send
11 new numbers to the—to the state.

12 CHAIRPERSON GIBSON: Okay, and with that
13 \$450 million, are we—did we already receive Design
14 Build authority for that?

15 KATHERINE GARCIA: We have Design Build
16 authority at least for the nest year.

17 CHAIRPERSON GIBSON: Okay.

18 KATHERINE GARCIA: We need—we need the—we
19 need to be re-opted after that.

20 CHAIRPERSON GIBSON: Right. So, it needs
21 to be reapproved beyond one year?

22 KATHERINE GARCIA: Year.

23 CHAIRPERSON GIBSON: Does that have to
24 happen this fiscal year in Albany?

2 KATHERINE GARCIA: We also need federal
3 approval as Brian is whispering to be protected and
4 always will. (sic)

5 CHAIRPERSON GIBSON: Okay.

6 KATHERINE GARCIA: But so have also
7 requested that from—from HUD and there is a working
8 group on regulatory reform to allow us to move more
9 quickly and get projects out the door. So, we won't
10 continue to meet—we do not need it right at this
11 second, but we will need it if we're going to do
12 these projects and—and get them done as quickly as
13 possible, but we also do need federal approval.

14 CHAIRPERSON GIBSON: Okay and then taking
15 it a step even further back, of the \$100 million that
16 we got in Fiscal '16's enacted Budget, we were
17 provided at some point periodically with updates on
18 how much NYCHA has spent because unlike the \$450
19 million that will come directly to NYCHA, I want to
20 recognize that \$100 million was shifted through DASNY
21 and then through NYCHA, and if I remember correctly,
22 the work was being done by DASNY--

23 KATHERINE GARCIA: Right.

24 CHAIRPERSON GIBSON: --and not by--

3 KATHERINE GARCIA: [interposing] It
4 didn't—it didn't come to us.

5 CHAIRPERSON GIBSON: Oh, okay.

6 KATHERINE GARCIA: It's through DASNY--

7 CHAIRPERSON GIBSON: Okay.

8 KATHERINE GARCIA: --and DASNY is
9 performing--

10 CHAIRPERSON GIBSON: [interposing] the
11 work.

12 KATHERINE GARCIA: --all of that work.

13 CHAIRPERSON GIBSON: Okay. So, do they
14 provide you with updates on the work that's being
15 done and how much they've spent?

16 KATHERINE GARCIA: Certainly. So, so far
17 there has been \$51.5 million for security upgrades;
18 \$20.4 million for appliances, and \$28.2 for quality
19 of life projects. They have completed 111 of the 215
20 originally planned.

21 CHAIRPERSON GIBSON: Okay, what kinds of
22 quality of life projects? Do you have a description?

23 KATHERINE GARCIA: Yes, community center
24 improvement, landscaping, playground upgrades were
25 sort of the types of things that were done.

2 CHAIRPERSON GIBSON: Any chance senior
3 center census are in there? [laughter]

4 KATHERINE GARCIA: They--

5 CHAIRPERSON GIBSON: Are you seeing
6 senior centers?

7 KATHERINE GARCIA: Oh, just so you know.

8 CHAIRPERSON GIBSON: [interposing] No, I
9 have a quality of life.

10 KATHERINE GARCIA: [interposing] I
11 appreciate that, but--

12 CHAIRPERSON GIBSON: [interposing] That
13 is a quality of life.

14 KATHERINE GARCIA: So, most of these were
15 directed by what the state elected--

16 CHAIRPERSON GIBSON: [interposing] The
17 elected officials, I know.

18 KATHERINE GARCIA: --wanted to do. So, we
19 don't have a problem with that if you would like to
20 talk to---

21 CHAIRPERSON GIBSON: [interposing] Okay,

22 KATHERINE GARCIA: --your elected.

23 CHAIRPERSON GIBSON: Yes. Well, I know
24 personally for myself my assembly members used that

2 money for intercom systems and lighting and door
3 replacements.

4 KATHERINE GARCIA: Yeah, those were very
5 important.

6 CHAIRPERSON GIBSON: Yes.

7 KATHERINE GARCIA: So, I mean--

8 CHAIRPERSON GIBSON: Okay.

9 KATHERINE GARCIA: --it's hard when you
10 have tremendous needs across all of the Authority.

11 CHAIRPERSON GIBSON: I agree.

12 KATHERINE GARCIA: Everything is number
13 one.

14 CHAIRPERSON GIBSON: I agree. I wanted
15 to go back as I wrap up on the Local 237 Agreement--

16 KATHERINE GARCIA: Yes.

17 CHAIRPERSON GIBSON: --that relates to
18 caretakers and supervisors.

19 KATHERINE GARCIA: Yep, uh-hm.

20 CHAIRPERSON GIBSON: Do we have a plan or
21 is there a plan to increase the number of skilled
22 workers, the electricians and carpenters because what
23 I have sometimes noticed in my developments is these
24 are not skilled workers that are necessarily on site
25 every day or either on a consistent basis. So, I'm

2 not sure when we tend to have things that are deemed
3 as an emergency. So, I mean Vito know very—and Brian
4 very, very well some of the emergencies I've dealt
5 with where we had cascades of water gushing like
6 Niagara Falls, and it turned out to be a bigger issue
7 that required a contract and more skilled staff to
8 come in, and so when that happened, the skilled
9 workers were not on site. We used the caretakers and
10 other workers on the ground to deal with the
11 emergency of, you know, just stopping the water from
12 flowing, and then we brought in a series of skilled
13 workers. So, what does that workforce look like
14 today, and is there a plan to add more bodies?

15 KATHERINE GARCIA: So, I mean I—I think
16 that, and then I'll just be very honest with you.
17 The skilled trade side is one of the places where we
18 struggle on a management front because of—really
19 around planning and scheduling appropriately. We are
20 taking a look at it. Obviously, the first and most
21 important place to have looked at was what did with
22 the heating staff around changing their shifts and
23 making it so that they could be more responsive, and
24 that includes everything from heating plant
25 technicians to plumbers, and electricians, but we are

2 taking a hard look at other areas of this about
3 whether or not it's more on NYCHA staff or whether or
4 not there needs to be some contracts to support them
5 for sort of even bigger jobs that we sometimes are
6 confronted with particularly when there are
7 emergencies. So, we do not have a plan, but it is
8 something that we have identified as being a weakness
9 that we need to work on.

10 CHAIRPERSON GIBSON: Okay. I appreciate
11 that recognition, and I think that it's always better
12 to be prepared and not have to react when we have an
13 emergency that comes up. With all of the work we're
14 doing with abatement and, you know, different
15 remediation work, we just should assume that we're
16 going to encounter larger issues that will require
17 the work of skilled, you know, skilled trades. And
18 so whatever long-term plan that NYCHA comes up with,
19 we want to be supportive because it's frustrating
20 sometimes. And both Brian and Vito know my
21 circumstances that I've had to deal with when we have
22 had this type of work necessary, we literally have
23 skilled trades that show up at 12:00, 1:00 and 2:00
24 in the afternoon and then by 5:00 they're ready to
25 leave, but the whole day is gone and then we bill

2 them or rather they bill us for a full day and again,
3 no disrespect to people that actually have a job and
4 want to do work, but I also think there are areas of
5 efficiency that we have to look at and how we can
6 maintain these relationships already in place and not
7 wait for some sort of an emergency to occur, and then
8 it usually ends up costing us more down-down the
9 line.

10 KATHERINE GARCIA: I completely agree
11 with you. We need to be much more focused on our
12 preventative maintenance, and-and not reacting as
13 everything as critical maintenance, which is
14 currently where we are.

15 CHAIRPERSON GIBSON: Okay. Thank you so
16 much. I turn it back to our Chair.

17 CHAIRPERSON AMPRY-SAMUEL: If there are
18 no more questions and we have no one who has signed
19 in for public comments so with that being said, this
20 concludes the end of our hearing. I just want to
21 first thank Committee staff. I want to thank Madeba
22 Jenny and Jose Conde, and Ricky as well as Sarah
23 Gastelum. So thank you so much. This concludes our
24 budget hearing for 2019 with NYCHA. [gavel]

C E R T I F I C A T E

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



Date April 25, 2019