

SUB-Committee On Public Housing

Date	6/18/08
Start Time	
Finish Time	

TESTIMONY BY NYCHA DEPUTY GENERAL MANAGER FELIX LAM
CITY COUNCIL HEARING ON NYCHA'S PAYMENTS TO THE CITY
SUB-COMMITTEE ON PUBLIC HOUSING
WEDNESDAY, JUNE 18, 2008, 10:00 AM
CITY COUNCIL HEARING ROOM, 250 BROADWAY, 14TH FLOOR

CHAIR MENDEZ, AND MEMBERS OF THE CITY COUNCIL — GOOD MORNING. I AM FELIX LAM, DEPUTY GENERAL MANAGER FOR FINANCE FOR THE NEW YORK CITY HOUSING AUTHORITY (NYCHA). JOINING ME THIS MORNING IS CARLOS SERRANO, NYCHA'S DIRECTOR OF BUDGET AND FINANCIAL PLANNING. WE ARE HERE TO PROVIDE YOU WITH AN OVERVIEW OF NYCHA'S PAYMENTS TO CITY AGENCIES.

NYCHA'S MISSION

AS YOU KNOW, NYCHA PROVIDES HOUSING AND COMMUNITY AND SOCIAL SERVICES FOR OVER 408,000 LOW- AND MODERATE-INCOME NEW YORKERS. WE MANAGE OVER 178,000 APARTMENTS IN 343 DEVELOPMENTS THROUGHOUT THE FIVE BOROUGHES.

PAYMENTS TO OTHER AGENCIES

BECAUSE NYCHA IS AN AUTHORITY, AND THEREFORE NOT SUBJECT TO MUNICIPAL PROPERTY TAXES, WE MAKE PILOT PAYMENTS TO THE CITY OF

NEW YORK, OR PAYMENTS IN LIEU OF TAXES, TO COVER CERTAIN BASIC SERVICES. THESE PAYMENTS ARE MADE TO THE CITY'S DEPARTMENT OF FINANCE.

NYCHA ALSO MAKES PAYMENTS TO FOUR ADDITIONAL CITY AGENICES FOR SERVICES PROVIDED:

- **THE POLICE DEPARTMENT;**
- **THE DEPARTMENT FOR THE AGING;**
- **THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, AND...**
- **THE DEPARTMENT OF SANITATION.**

THE TOTAL AMOUNT FOR ALL PAYMENTS TO THE CITY MADE BY NYCHA IN 2007 WAS APPROXIMATELY \$210 MILLION. I WILL NOW PROVIDE DETAIL REGARDING EACH OF THESE PAYMENTS.

PAYMENTS IN LIEU OF TAXES (PILOT)

AS I MENTIONED, NYCHA MAKES PILOT PAYMENTS TO THE CITY TO COVER BASIC MUNICIPAL SERVICES WHICH BENEFIT RESIDENTS. THESE INCLUDE: POLICE, FIRE, HEALTH, EDUCATIONAL SERVICES, COLLECTION AND DISPOSAL OF TRASH, STREET-LIGHTING.

NYCHA'S PILOT PAYMENTS ARE BASED ON MULTIPLE AGREEMENTS GOING BACK TO 1949. THE AMOUNT PAID IS PRIMARILY CALCULATED BASED ON A PERCENTAGE OF THE NET RENT THE HOUSING AUTHORITY COLLECTS, MINUS THE UTILITY COSTS NYCHA PAYS.

IN 2007, OUR PILOT AMOUNT WAS \$18 MILLION.

PAYMENTS TO THE NYPD

IN 2007, NYCHA PAID THE NEW YORK CITY POLICE DEPARTMENT \$66 MILLION FOR SERVICES PROVIDED BY THE HOUSING BUREAU, WHICH, AS YOU KNOW, IS DEDICATED SOLELY TO THE RESIDENTS OF PUBLIC HOUSING.

THE AMOUNT NYCHA PAYS, AND THE SERVICES PROVIDED, ARE BASED ON A MEMORANDUM OF UNDERSTANDING THAT WAS ESTABLISHED BETWEEN THE HOUSING AUTHORITY AND THE CITY IN 1994, WHEN THE HOUSING AND TRANSIT BUREAUS MERGED WITH THE NYPD.

IN RETURN, NYCHA RESIDENTS RECEIVE AN ADDITIONAL LEVEL OF POLICE SERVICE, WHICH IS

ESSENTIAL TO MAINTAINING THE LEVEL OF SAFETY IN OUR DEVELOPMENTS.

PAYMENTS MADE TO DFTA

IN AN EFFORT TO ASSIST THE CITY IN ITS RECOVERY FROM THE WORLD TRADE CENTER ATTACKS, NYCHA BEGAN MAKING PAYMENTS TO THE CITY'S DEPARTMENT FOR THE AGING IN 2002 TO SUPPORT THE OPERATIONS OF SENIOR CENTERS LOCATED IN NYCHA DEVELOPMENTS. THESE PAYMENTS BEGAN AT A TIME WHEN THE HOUSING AUTHORITY WAS NOT FEELING THE IMPACT OF CHRONIC FEDERAL UNDERFUNDING. LAST YEAR, THE AMOUNT NYCHA PAID TO DFTA WAS APPROXIMATELY \$29 MILLION TO SUPPORT SENIOR CENTERS CITYWIDE.

PAYMENTS FOR WATER AND SANITATION

IN ADDITION, NYCHA PAYS THE DEPARTMENT OF ENVIRONMENTAL PROTECTION WATER BOARD FOR WATER USAGE. LAST YEAR, NYCHA PAID \$95 MILLION FOR WATER USAGE.

THE AMOUNT WE PAY IS BASED ON AN ESTIMATE DETERMINED BY THE SIZE OF A BUILDING AND ITS NUMBER OF WATER FIXTURES. PURSUANT TO NEW REQUIREMENTS TO MEASURE THE ACTUAL WATER CONSUMPTION FOR A GIVEN BUILDING, NYCHA HAS BEGUN INSTALLING WATER METERS IN OUR DEVELOPMENTS. TO DATE, 855 BUILDING-WIDE WATER METERS HAVE BEEN INSTALLED. NYCHA EXPECTS TO HAVE WATER METERS INSTALLED IN ALL OF ITS BUILDINGS BY 2012.

LASTLY, NYCHA PAYS THE DEPARTMENT OF SANITATION FOR AN EXTRA PICK-UP EACH WEEK AT 30 LOCATIONS WHERE BAGGED REFUSE IS PICKED UP AT CURBSIDE, AS OPPOSED TO SITES WITH LARGE REFUSE CONTAINERS. THE AMOUNT PAID TO THE SANITATION DEPARTMENT WAS APPROXIMATELY \$1 MILLION LAST YEAR.

CONCLUSION

THIS CONCLUDES MY TESTIMONY OF THE KEY CATEGORIES OF PAYMENTS NYCHA MAKES TO THE CITY. THANK YOU FOR THIS OPPORTUNITY TO TESTIFY. I

**AM PLEASED TO ANSWER ANY QUESTIONS YOU MAY
HAVE.**

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www.unhny.org

Testimony of United Neighborhood Houses

To the Subcommittee on Public Housing

Honorable Rosie Mendez, Chair

Hearing on Oversight of NYCHA's Payments to the City

June 18, 2008

Good morning. I am grateful for the opportunity to testify at this hearing on this important issue. My name is Gregory Brender and I serve as a Policy Analyst for United Neighborhood Houses on whose behalf I am speaking today. UNH has also joined with UJA Federation of New York, Federation of Protestant Welfare Agencies, Council of Senior Centers and Services and Human Service Council in submitting written testimony for the record that echoes the concerns in this testimony. UNH, founded in 1919, is the membership organization of New York City settlement houses and community centers. Rooted in the history and values of the settlement house movement, UNH promotes and strengthens the neighborhood-based, multi-service approach to improving the lives of New Yorkers in need and the communities in which they live. UNH's membership comprises one of the largest human service systems in New York City, with 35 agencies working at more than 400 sites to provide high quality services and activities to a half million New Yorkers each year. UNH supports its members through policy development, advocacy and capacity-building activities. Services provided by our members include: early childhood education, after-school programs, teen centers, English for Speakers of Other Languages (ESOL) classes, immigration legal services, GED classes, job training, tutoring, recreation, meals and supportive services for the elderly, mental health counseling, drug prevention, and art, music and drama programs. Over half of UNH's member agencies operate programs in NYCHA facilities. Through these partnerships with NYCHA, UNH members have been able to effectively meet the needs of New York City public housing residents and their neighbors.

New York City must support and sustain quality housing and services for low-income New Yorkers. The New York City Housing Authority remains the City's primary provider of affordable low-income housing serving over 180,000 families, 500,000 residents in 340 developments across the city. Moreover, NYCHA has demonstrated that it is committed to providing low-income New Yorkers with safe, quality communities and not solely a roof over their heads. Working with the City and with non-profits, including many of UNH's member agencies, NYCHA has strived to ensure that human services are readily available to their tenants. Early childhood education programs, operated in space provided for free or for sub-market rates, have nurtured and educated young children during their crucial early years and given their parents' the opportunity to work and

pursue education. After school programs have given young New Yorkers a positive and healthy environment. Senior centers run by nonprofits and by NYCHA itself, have ensured that older New Yorkers have a place to socialize and participate in activities. We must not lose these and other programs which serve the vulnerable population that lives in public housing.

NYCHA is to be commended for its commitment to sustaining quality housing as well as human services particularly in light of the financial challenges that it has faced. NYCHA has already learned to do more with less. Even as the city and the country's housing crisis, has made the need for NYCHA's work more apparent, Federal support of NYCHA's operating costs has dropped precipitously. Since 2001, decreasing Congressional appropriations have cost NYCHA \$611 million in federal operating subsidies. Furthermore, the State and the City no longer contribute operating subsidies for the developments which they have constructed requiring NYCHA to spread out the dollars earned from rent and Federal subsidies even more. In fact, NYCHA pays \$25 million in PILOT payments, \$73 million to the Police Department and \$30 million to the Department for the Aging. With this daunting financial outlook, it is not a surprise that NYCHA has reported an unsustainable structural deficit of nearly \$195 million.

NYCHA's deficit combined with its financial obligations such as the aforementioned PILOT payments will force NYCHA to make painful changes to how it operates. The City and public housing residents will likely suffer if the City does not step in to sustain the human service programs which serve public housing residents. NYCHA budget cuts could lead to the closure of:

- 146 Senior Centers (100 operated by non-profits in contracts with Department for the Aging, 46 operated by NYCHA.)
- 136 Community Centers operated by NYCHA and community service partners.
- 10 Naturally Occurring Retirement Community's Social Support Programs

Similarly, programs which operate in NYCHA sites may be forced to pay rent and utilities thus jeopardizing the service providers' ability to continue their programs. The include

- 117 childcare and Head Start programs
- 37 Out of School Time comprehensive after-school programs

It is incumbent upon the City to ensue that public housing residents do not fall victim to such drastic service reductions. UNH is coordinating a coalition of more than forty social service providers and advocacy organizations to call upon the city to act in order to save these needed services. The City must commit the funding necessary to support DFTA's senior center's and NORC's, space for after school and child care programs and community center programs. Furthermore, the city should waive the PILOT payments that NYCHA currently pays for city services. Lastly, we urge the City to convene a task force to recommend changes in the funding agreement between NYCHA and the City so that NYCHA can eliminate its structural budget deficit and maintain services.

Thank you again for the opportunity to testify. I am grateful to the Subcommittee and to Councilmember Mendez for calling this hearing and for advocating on behalf on NYCHA residents. UNH remains committed to working with City leaders, social service providers, NYCHA and others to ensure that public housing residents have access to needed social services.

Call to Action: Save Human Services for Public Housing Residents

We believe that New York City must support and sustain quality housing and services for public housing residents. The New York City Housing Authority (NYCHA) is the City's primary provider of affordable low-income housing—over 180,000 families, 500,000 residents, in 340 developments across the five boroughs. As affordable housing grows even scarcer, it is essential to protect and strengthen New York City's public housing.

NYCHA faces a grim fiscal outlook with an unsustainable structural deficit totaling \$195 million, resulting from decreased operating subsidies from the Federal Government (\$150 million shortfall in operating subsidies) and the State and City's failure to provide operating subsidies for NYCHA developments they constructed.

NYCHA's funding crisis has jeopardized human services provided for public housing residents. If the City does not act, public housing residents may lose senior services, community centers, child care programs and after school activities.

We urge the City to:

1. Commit funding necessary to support
 - DFTA's senior centers and NORCs (\$30 million)
 - Space for after school and child care programs
 - Community center programming
2. Waive the \$25 million NYCHA PILOT payments (payment in lieu of property taxes) to the City since most nonprofits receive property tax exemptions.
3. Create a Task Force to recommend changes in the funding agreement between NYCHA and the City so that it can eliminate its structural budget deficit and maintain services.

Organizational Endorsers: *Black Equity Alliance, Child Care Inc., Children's Aid Society, Citizens Advice Bureau, Citizens' Committee for Children, Coalition for Asian American Children and Families, Coalition of Behavioral Health Agencies, Community Board 7 Manhattan, Community Services Society of New York, Community Voices Heard, Council of Senior Centers and Services, Day Care Council, East Side House Settlement, The Educational Alliance, Federation of Protestant Welfare Agencies, Claremont Neighborhood Centers, The Geriatric Mental Health Alliance of New York, Goddard Riverside Community Center, Good Old Lower East Side (GOLES), Grand Street Settlement, Greenwich House, Hamilton-Madison House, Hudson Guild, Human Services Council, Lenox Hill Neighborhood House, Lincoln Square Neighborhood Center, Neighborhood Family Services Coalition, New York City NORC Coalition, New York Employment and Training Coalition, New York Housing Conference, One Stop Senior Services, Public Housing Residents of the Lower East Side (PHROLES), Queens Community House, Settlement Housing Fund, Supportive Housing Network, Pratt Center for Community Development, St. Nicholas Neighborhood Preservation Corporation, Southeast Bronx Neighborhood Centers, Inc., Stanley Isaacs Neighborhood Center, Union Settlement Association, United Neighborhood Houses, UJA-Federation of New York, University Settlement Society, Visiting Nurse Service of New York*

(To endorse this call to action, contact Gregory Brender at United Neighborhood Houses at Gbrender@unhny.org or (212) 967-0322 ext. 330)

The New York City Council Subcommittee on Public Housing will be holding a hearing about NYCHA's payments to the City June 18 at 10 am at 250 Broadway 14th Floor. Please attend and express your support for sustaining social services for public housing residents.

Human Services at Stake

Given NYCHA's current budget crisis, all "non-core" services are at risk of closing.

NYCHA-funded programs which could close are:

- 146 Senior Centers (100 operated by DFTA, 46 operated by NYCHA)
- 136 Community Centers, operated by NYCHA and community service partners
- 10 Naturally Occurring Retirement Community's Social Support Programs (NORC SSPs)

Programs operating in NYCHA sites may be forced to pay rent and utilities that could jeopardize these services:

- 117 childcare and Head Start programs
- 37 Out of School Time (OST) comprehensive after-school programs, operated by DYCD

These programs currently provide services to children and adults:

- 7,500 children are served in childcare and Head Start programs
- 7,300 older adults attend DFTA senior centers
- 3,500 youth and teens participate in after-school programs

These programs may be unable to operate without NYCHA program funding and subsidized space. Lease renegotiations will affect many organizations that historically paid little or no rental fees and now face charges that could amount to \$10 per square foot.

The City must pledge to support these vital human services for public housing residents!

2008 JUN 18

Keith Massey's Testimony Given at City Council Hearing
NYCHA payments to the city
June, 18th 2008
250 Broadway

Good Morning/Afternoon ladies and gentlemen, my name is Keith Massey; I have been a resident of Lincoln Houses for over 30 years. I am also a member and leader of Community Voices Heard an organizing group that brings residents together to fight against policies that negatively affect them.

From the beginning of my residency in NYCHA, I noticed that there were many great things about public housing. There was a joy of being able to live there. The buildings were clean, repairs were made in a timely manner, the rent was affordable and there were numerous community programs for both the youth and seniors to participate in. During this time residents showed this "joy" in many ways. Residents had a greater sense of community even on the smallest level of just saying hello on the elevator. We would get to know each other at family days and even take care of each other's kids when needed. Nowadays, all of that has changed there is not much "joy" left. The buildings are not as clean as they should be because of a lack of maintenance men along with the fact that there are not many programs for the youth to get involved in. As far as rent..... With the increases in charges it is now less affordable. And let's not talk about repairs, first off we have to wait for weeks before someone actually shows up to do it after you have already missed 3 or more days of work. When they do get there and if they do get the job done you are then charged for the work that is done.

I understand that NYCHA is in an operating budget deficit, which makes it hard to cover all of the costs for these programs. I understand that this is the reason that they have added these fees and raised rents. I also understand that NYCHA is planning to close most if not all of its community and senior center's. So I guess residents of public housing will foot the bill again!

The crazy thing is, while NYCHA is in this deficit and planning to close these centers and cut these programs, they are not getting the \$30 million a year from New York City that the city is responsible to pay in order to run the developments it created. Not only that, but, NYCHA is actually paying the City! As of now NYCHA pays almost \$130 million dollars to New York City for services that all other New Yorker's receive for free! To my understanding the New York Police Department is supposed to protect the residents of New York City, what, is NYCHA its own town? This is unfair! I

feel that instead of all of these crazy cuts, instead, we should deal with the issue of public housing responsibly meaning, NYC should do its part by funding NYCHA with the \$30 million a year for the developments it built. Also, NYC should stop milking NYCHA and treat it like it's a part of this great city.....because guess what. WE ARE a part of this great city!

**Testimony by The Legal Aid Society, and Legal Services NYC before the Sub
Committee on Public Housing on The New York City Housing Authority's
Payments to the City of New York on June 18, 2008**

Interest and Expertise of the Legal Aid Society and Legal Services New York City

The Legal Aid Society is the oldest and largest providers of legal assistance to the poor in the United States. The Society's Civil Practice operates 14 neighborhood offices and city-wide units serving residents of all five boroughs of New York City, providing comprehensive legal assistance in housing, public assistance, and other civil areas of primary concern to the poor. The Society is counsel on numerous class-action cases concerning the rights of public housing residents and is counsel to the New York City Public Housing Resident Alliance. We work closely with the Community Service Society and Public Housing Residents of the Lower East Side on public housing issues. The New York City Public Housing Resident Alliance seeks to inform and network with residents, so that they can have a strong and effective voice and secure greater accountability in local, state and federal policy decisions that affect public housing in New York City.

Legal Services NYC is the largest provider of free civil legal services in the country. The nineteen neighborhood offices of Legal Services NYC throughout the City represent thousands of low-income tenants annually in disputes involving tenants' rights to remain in their homes. Manhattan Legal Services is the neighborhood office serving low-income tenants in the borough of Manhattan.

We appreciate the opportunity to testify before the Subcommittee on Public Housing. We have major concerns regarding the Housing Authority's payments to the City of New York, and how these payments continue to drive NYCHA further into debt threatening its mission to provide safe and affordable housing to low-income New Yorkers.

BACKGROUND:

When public housing was created seventy (70) years ago, the federal government provided only the capital for construction. Tenant rents were supposed to cover month-to-month operating costs---for labor, fuel, electricity, etc. By the late 1960s, operating costs were rising faster than resident incomes. Resident rents were no longer enough to cover operations. To fill the gap, Washington created operating subsidies. New York State and City followed suit, providing operating subsidies for New York City Housing Authority (NYCHA) developments they built without federal aid. NYCHA receives only 86 percent of what it is estimated to need under the HUD formula for operating subsidies—a shortfall of over \$100 million annually. The federal government's chronic under funding of public housing has been a formidable hurdle for NYCHA, however the federal government is not the only cause of NYCHA's calamitous budget deficit of \$195 million. The City of New York is a key contributor to NYCHA's current budget crisis.

NYCHA'S PAYMENTS TO THE CITY:

NYCHA pays to the City of New York about \$118 million dollars a year. These payments account for nearly two thirds of NYCHA's deficit.

Payment to the City for Special Police Services:

Each year NYCHA pays to the New York City Police Department (NYPD) \$73 million for "special police services" pursuant to a standing agreement between the parties. Safety is a vital concern for all New Yorkers, accordingly the NYPD should be properly funded to ensure that they may continue to provide protection for all New Yorkers. However, NYCHA should not be forced to pay a fee for police services which all New Yorkers have a right to. Other large housing developments for low and moderate income working New Yorkers such as Co-Op City,

Starrett City, Lefrak City, and Rochdale Village, which collectively house more than 200,000 New Yorkers, are not made to pay the City for police services. The City's practice of making NYCHA pay for police services for its residents while other comparable developments (which are also partially subsidized with public funds) are not charged for police services is not in sync with the City's dedication to preserving affordable housing. This fee that has been summarily leveled upon NYCHA is plunging NYCHA further into debt.

Payments to Department for the Aging for Senior Services:

NYCHA pays the City of New York's Department for the Aging (DFTA) \$30 million a year for "senior services". The senior centers located in NYCHA developments do not exclusively provide services for NYCHA residents rather, they are also open to seniors in the neighboring community. Yet, only NYCHA is forced to pay DFTA for services that all senior citizens residing in New York City have a right to access.

Payments In Lieu of Taxes (PILOT):

NYCHA pays the City \$25 million a year for PILOT payments (instead of property taxes) under a standing agreement. NYCHA is a non-profit agency, and should be exempt from property taxes.

CITY'S FAILURE TO SUPPORT DEVELOPMENTS IT CREATED:

The City of New York created six (6) City developments throughout the five boroughs consisting of more than 6,000 units. NYCHA operates these 6,000 City-financed units which are not eligible for federal operating subsidies. Since 2003, Mayor Bloomberg and the City Council have eliminated city operating subsidies. This year the City budget includes no money for operation of NYCHA's City-built public housing. These 6,000 units which NYCHA operates

without any fiscal resources from the City generate an operating deficit of close to \$30 million a year.

THE RESULT:

In response to the budget crisis NYCHA has proposed several actions that may cut spending. Each of these proposed actions are detrimental to NYCHA's residents and to low-moderate income New Yorkers who seek safe habitable affordable housing

Rent Increases:

NYCHA has proposed a rent hike of 5% to 15% on a portion of its residents. NYCHA seeks to make government's failure to adequately fund public housing on the backs of hard-working low income New Yorkers.

Hoarding NYCHA Apartments for Section 8 Recipients:

NYCHA's Section 8 voluntary conversion plan proposes to give vacant units in its 21 State and City Developments to Section 8 recipients not public housing applicants. These developments are not eligible for federal funding, and as the City and State have consistently failed to finance the developments it created NYCHA seeks to use the income it receives from the Section 8 vouchers to ameliorate the burden of operating these unfunded buildings. If this plan is fully implemented families who have languished for years on NYCHA's waiting list will have to wait even longer as they will now have fewer options for public housing. The loss of these 21 City and State developments (consisting of more than 20,000 units) to public housing applicants decreases New Yorkers access to safe affordable housing.

Closing Senior and Community Centers:

NYCHA has moved to close all of its senior and community centers as it can no longer afford to operate them due to the deficit crisis. There are 135 Senior Centers in NYCHA developments. These senior centers serve NYCHA seniors as well as seniors in the surrounding community providing nutritious meals as well as other critical services. NYCHA also has 136

community centers in its developments, which provide NYCHA residents and their neighbors in the community with programs for youth, as well as career and educational training. If closed these centers will leave a tangible void for NYCHA residents, and New Yorkers living in neighboring communities who count on the invaluable services these centers provide.

SUGGESTED SOLUTIONS:

(a) The City of New York should waive the \$73 million NYCHA pays for police services, and \$30 million for senior services.

(b) The City should baseline \$30 million in the budget to allow NYCHA to properly operate the developments the City created.

(c) The City should waive NYCHA's PILOT payments.

CONCLUSION:

Thank you again for the opportunity to testify before the Subcommittee on Public Housing.

Respectfully Submitted:

Steven Banks, Attorney in Charge
Adriene Holder, Attorney in Charge Civil Practice
Scott Rosenberg, Supervising Attorney Law Reform Unit-Civil
Judith Goldiner, Supervising Attorney
Afua Atta-Mensah, Staff Attorney
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Edward Josephson, Esq.
David Robinson, Esq.
Edward Simon
Manhattan Legal Services
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PRESS CONFERENCE ON WEDNESDAY JUNE 18TH 9:30 AM
@ 250 BROADWAY NEW YORK ACROSS FROM CITY HALL

CITY - WIDE COUNCIL OF PRESIDENTS PRESS RELEASE MEDIA ADVISORY

For Immediate Release to All Media and Press Representatives

Contact Person: R. H. Bowman: 347-731-4351 718-385-2729 ReginaldHBowman@aol.com

PUBLIC HOUSING RESIDENTS DEMAND THE CITY:

STOP TAKING \$130 MILLION ANNUALLY FROM THE NYC HOUSING AUTHORITY
START PROVIDING OPERATING SUPPORT FOR CITY-FINANCED DEVELOPMENTS.

**PUBLIC HOUSING RESIDENTS ACROSS NEW YORK CITY BELIEVE THAT
NYC IS RESPONSIBLE FOR MUCH OF THE \$195 MILLION NYCHA DEFICIT!!**

**RESIDENT LEADERS AND ADVOCATES ARE MOBILIZED TO TESTIFY AT THE OVERSIGHT
HEARINGS ON NYCHA PAYMENTS TO THE CITY, TO BE HELD BY THE COUNCIL SUBCOMMITTEE
ON PUBLIC HOUSING, ON WEDNESDAY JUNE 18TH AT 10 AM IN THE 14TH FLOOR HEARING
ROOM AT 250 BROADWAY. PRESS AND MEDIA SHOULD MAKE EVERY EFFORT TO ATTEND.**

NEW YORK CITY IS TURNING ITS BACK ON ITS PUBLIC HOUSING! Resident Leaders and advocates demand that the City Council budget \$30 million to cover the operating shortfall for 6,000 units in Public Housing Developments originally built by the City, which are not eligible for federal operating subsidies. In addition, NYCHA is required under outdated agreements to pay NYC over \$130 million annually for police, senior, and other services that NYC should provide to all residents, whether or not they live in NYCHA housing.

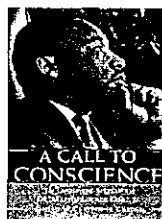
Recent news reports detail the extraordinary service and budget cuts that NYCHA has made that will ultimately shut down repairs and vital human services to seniors, youth and the families of the NYCHA developments. Yet the Mayor's proposed budget provided no operating support that would reduce NYCHA's burden.

Resident leaders are urging the Speaker and all members of the City Council to implement their recommendations to resume city operating support for city-financed public housing and to renegotiate NYCHA payments. Residents and advocates vow to wage a diligent fight to make sure that the City does its fair share to address the NYCHA deficit.

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Attachment

PRESS CONFERENCE ON WEDNESDAY JUNE 18TH 9:30 AM
@ 250 BROADWAY NEW YORK ACROSS FROM CITY HALL



CITYWIDE COUNCIL OF PRESIDENTS
NEW YORK CITY HOUSING AUTHORITY
180 POWELL STREET # 2B
BROOKLYN, NEW YORK 11212-8115
COUNCILOFPRESIDENTSBE@YAHOO.COM

Reginald H. Bowman, President

June 6, 2008

TIME IS RUNNING OUT TO PROVIDE ADEQUATE FUNDING
FOR PUBLIC HOUSING PROGRAMS IN NEW YORK CITY

Honorable Christine Quinn, Speaker
New York City Council

Dear Speaker Quinn:

On behalf of the residents of Public Housing of the City Of New York we are asking that you join in the movement and give your support to restore the funds for Public Housing. We are asking you in your capacity as the Speaker and Members of the New York City Council to Restore Funding in this year's budget. We have attached documentation to this letter that details the amount of funding necessary to restore the funds to the New York City Housing Authority Budget. This attachment details the course of action that we would like the New York City Council to take in refunding the Public Housing of the City Of New York.

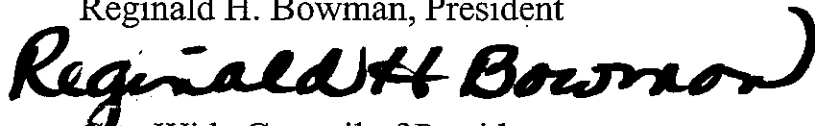
As you are aware NYCHA has endured years of cuts in critical funds. The City no longer funds NYCHA in its annual budget. This has caused the Agency to resort to drastic cuts in personnel and services. In order to cope with these cuts in funding, The New York City Housing Authority is cutting security and social services, delaying or forgoing routine maintenance, and putting off major repairs and improvements. These cuts will also cause the closing of community and senior centers at all housing complexes city wide, and affect thousands of our Seniors, Families, and youth that depend on these vital programs and services. Full funding for these public housing programs will prevent this disruption of services and allow the public housing authorities to continue operating their projects and vital community service operations in a safe and affordable manner.

Therefore, on behalf of the thousands of residents of public housing that we represent, we are asking that you, and the members New York City Council, join in supporting the thousands of New Yorkers who are residents of public housing by restoring funding for the NYCHA developments and end the devastating effects of the budget deficit that thousands of New York City Housing Authority Residents must now endure.

If you have any questions, please contact me at 347-731-4351.

Sincerely,

Reginald H. Bowman, President

A handwritten signature in black ink that reads "Reginald H. Bowman". The signature is written in a cursive style with a large, sweeping "R" and a distinct "H".

City Wide Council of Presidents
New York City Housing Authority

Cc: All Members of the New York City Council
Members of The City Wide Council of Presidents

The New York City Housing Authority (NYCHA) is the city's PRIMARY provider of affordable low-income housing. NYCHA houses over 500,000 residents.

NYCHA faces an annual structural deficit of \$195 million it cannot sustain!!
6,000 of NYCHA's units were created by the City of New York and are NOT eligible for federal funding. Since 2003, the city has eliminated operating subsidies for the very public housing units it created. City units generate an operating deficit of \$25 million a year!

All Levels of Government MUST Respond...But the City has a Special Role to play:

EACH YEAR NYCHA PAYS THE CITY

\$ 73 million for NYC Police Department services.

\$ 30 million for senior services from NYC Department for the Aging (DFTA).

\$ 25 million for PILOT (Payments In Lieu Of Property Taxes).

= \$128 million in payments from NYCHA to the CITY

THESE PAYMENTS EQUAL TWO THIRDS OF NYCHA'S DEFICIT!!!!



**WE ARE ASKING THE SPEAKER AND MEMBERS OF THE CITY COUNCIL
TO TAKE THE FOLLOWING ACTIONS:**

1) Waive the \$25 million PILOT payments to the City.

Most nonprofit houses receive total property tax exemptions.

2) Waive the \$73 million NYCHA pays to the NYPD

NYPD should be adequately funded to provide these services to all residents, whether or not they live in NYCHA housing. NYCHA is providing property in Brooklyn to the NYPD for its auxiliary officers **FREE OF CHARGE!** YET, NYCHA is forced to pay millions for police services all NYC residents are entitled to.

3) Waive the \$30 million NYCHA pays to the City for Senior Services.

Every year NYCHA pays \$30 million to the City for service services. Like all seniors across the city, NYCHA seniors are eligible for these services without NYCHA paying for them.

4) Pay \$30 million to NYCHA to fund City Developments.

The 6,000 units created by NYC are not eligible for federal funding. The city has failed to provide **ANY** funding for these units for too long.

WHAT THE CITY COUNCIL CAN DO:

- 1) Waive the \$25 million NYCHA PILOT payments to the City.**

Most nonprofit houses receive total property tax exemptions.

- 2) Baseline an annual budget line of \$30 million in operating subsidies for NYCHA City-Financed Developments.**

The 6,000 units created by NYC are not eligible for federal operating subsidies.

- 3) Renegotiate the NYCHA \$73 million annual payment for city police services.**

NYPD should be adequately funded to provide these services to all residents, whether or not they live in NYCHA housing. Despite its deficit, NYCHA is providing space in Brooklyn to the NYPD for auxiliary officers **FREE OF CHARGE**.

- 4) NYC should fund Department for the Aging to replace NYCHA payments to the Agency to sustain Senior Services.**

Every year NYCHA pays \$30 million to DFTA for senior services. Like all seniors across the city, NYCHA seniors are eligible for these services without NYCHA paying for them.

NEW YORK CITY IS TURNING ITS BACK ON ITS PUBLIC HOUSING!!

\$70M from Mayor Bloomberg can halt Housing Authority cuts

Monday, June 16th 2008, 7:30 PM



Erik Martin Dilan

Be Our Guest: Erik Martin Dilan, Councilman

The New York City Housing Authority (NYCHA) should reconsider its position to slash hundreds of housing services. It would be a wrong move during these tough economic times to shut down community centers and cut programs that offer job training, senior enrichment activities and health care assistance.

Last month, the chairman of the NYCHA testified before the New York City Council's Housing and Buildings Committee and announced that the agency will have to eliminate all funding related to so-called "noncore services," which includes senior, health and day care facilities.

These cuts to "noncore services" will directly affect some 400 community facilities in the city and would impact 7,500 children and thousands more senior citizens.

Granted, city government is responsible for practicing sound fiscal management, but not at the expense of important quality-of-life services to thousands of taxpayers.

NYCHA is in this budget crisis primarily because of the Bush administration's massive cuts to federal housing assistance - forcing it, as the agency argues, to increase renter's fees, reduce services and delay major capital improvements to buildings that are decades old. Since 2001, the agency has used \$370 million in capital dollars to close looming budget cuts and has postponed 100 capital projects that would repair dilapidated buildings.

But even though the federal government has reneged on its initial commitment of millions of dollars owed to New York City for the creation of new housing services, there's no reason why our city housing agency should relinquish its core responsibility to make available programs to thousands of city residents.

NYCHA is the largest public housing agency in North America, overseeing close to 3,000 buildings throughout the city with nearly 200,000 apartments, for over 400,000 occupants.

One in 12 New Yorkers receives housing assistance from the NYCHA - a whopping 38% of public residents are young people under 21, 35% are over 62, and 34% of families are headed by someone who is disabled.

There are currently 12,400 employees at the NYCHA; and since 2002, they have reduced their head count by 2,500.

With the NYCHA's budget deficit reaching well over \$195 million and the current demand for housing and services far exceeding the supply, our city and state government can no longer afford to offer billions in property tax breaks and other subsidies to certain corporations without also focusing on making up for the enormous public housing cuts with long-anticipated sources of funding.

The governor's Shelter Allowance Bill for about \$47 million in public housing assistance to NYCHA - to be fully phased in by 2010 - is a move in the right direction, but more needs be done to help prevent further NYCHA cuts to services.

That is why my colleagues in the City Council are calling on the mayor to set aside roughly \$70 million in fiscal year 2009 to protect senior and youth programs and form an emergency interagency task force to resolve the NYCHA's long-term fiscal problems. With this, we can help the NYCHA create a stable financial plan for the years ahead and preserve all "noncore", as well as all-core, services to city residents.

Council Member Erik Martin Dilan (D-Brooklyn) is the chairman of New York City Council's Housing and Buildings Committee.

June 17, 2008

Public Housing Residents Face Loss of Their Community Centers

By MANNY FERNANDEZ

The community center at Parkside Houses, a public housing complex in the Bronx, has one floor, four rooms and many uses.

Adults work on their résumés on one of 10 computers or play Scrabble on Friday nights. Teenagers congregate around the pool tables in the game room or train for competition as part of the Parkside Knights track and field team. But the center, on the ground floor of a red-brick building across from a wooded stretch of the Bronx River Parkway, is really a children's place.

After school on Thursday, about a dozen children sat in the multipurpose room making Father's Day cards out of construction paper and buttons while several boys and girls played chess and video games down the hall. They ate turkey and cheese sandwiches. They got help with their homework.

Andre and Giovani Delgado spend their afternoons at the center, waiting for their mother, Ruth Delgado, to pick them up at about 5:30 p.m. Ms. Delgado, a building custodian and single mother, said she trusted the staff and liked the price: \$80 a year to enroll Andre, 9, and Giovani, 11, in the center's after-school program.

But Ms. Delgado and other parents are worried about the fate of the center. The city's public housing agency, the New York City Housing Authority, announced last month that budget problems could force it to close Parkside and hundreds of other community centers, senior centers and recreational, job-training and educational programs throughout the five boroughs.

Ms. Delgado said that she made \$11.10 an hour and could not afford to hire a baby sitter. She would be left with one option if the center closed: "I'm going to have to get my oldest one a key so they can be home by themselves," she said, shaking her head.

The proposed cuts would affect hundreds of thousands of children, adults and older people who live in the city's 343 public housing complexes, as well as thousands of others who are not residents but regularly use the centers. The plan has outraged tenants, public housing advocates and City Council members, focusing renewed attention on the New York City Housing Authority's budget shortfall and its financial dealings with the city.

For the authority, the move to cut the centers and programs illustrates the severity of its financial crisis, threatening to reshape an agency that built its national reputation on providing low-income families with not only bricks-and-mortar shelter but also quality-of-life services. For tenants, it would simply mean less: fewer activities and fewer places to socialize and take their children.

The controversy over the agency's plan has not played out in typical New York fashion. Tenants and their supporters are sympathetic for the most part to the agency's financial troubles and place much of the blame on the city, state and federal governments, which they say have been cutting financing for public housing for years.

"They basically have no other choice," Councilman Erik Martin Dilan of Brooklyn, chairman of the Council's Housing and Buildings Committee, said of the agency's plan.

Still, there have been questions about whether the authority — the city's biggest landlord, with a \$2.8 billion operating budget — has done all it could to tighten its finances before cutting popular and important programs.

Asked that question by Councilman Robert Jackson of Manhattan at a recent hearing, Tino Hernandez, the agency's chairman, said, "I don't go with hat in hand to the federal government, to the state, the City Council, the mayor, if we have not put our house in order."

The public housing population is made up of predominantly low-income and moderate-income families. The average household income is \$22,119, and the average monthly rent for a one-bedroom unit is \$281. Many residents live in neighborhoods where resources and services are scarce: A City Council report last month found that nearly three of every four public housing developments are closer to check-cashing stores than to bank branches.

Some residents fear that closing the centers would rob elderly tenants of a vital social network and would give young people nowhere to go, leading them into mischief, vandalism or worse. "What are they going to do?" said Lisa Kenner, 49, a longtime resident of the Van Dyke Houses in Brooklyn and the president of the resident association there. "They're going to get into trouble. At least the center keeps them out of trouble."

The agency's community centers come in all shapes, sizes and conditions. Some are more popular than others. Fifteen that were identified as underutilized have already been closed, and four others are in the process of closing for the same reason. But many have functioned as neighborhood hubs — emergency cooling centers during heat waves, halls that people rent for birthday parties or wedding receptions.

"They're anchors to the community," said Hugh B. Spence, the Housing Authority's deputy general manager for community operations.

Since 1995, the agency has invested \$200 million in expanding, renovating and building community centers. At the Parkside center, an average of 200 residents and nonresidents of all ages visit daily. In 2003, Mayor Michael R. Bloomberg toured the center and even held a staff

meeting there. On Thursday, Jonnae Rhodes, 6, applied Elmer's glue to her Father's Day card and said she would miss the center if it closed.

"I'd be sad," Jonnae said. "I made a lot of friends."

The Housing Authority, the largest public housing system in the country, is facing a \$195 million deficit in its operating budget this year. It expects that gap to grow to \$207 million in 2012. The primary cause, authority officials said, is dwindling financial support from the federal government. Since 2001, the agency has lost a total of \$611 million in federal dollars, money it qualified for under a federal spending formula but did not receive because of shortfalls in Congressional appropriations.

Agency officials said that without increased government financing, they would shutter all of the 94 community centers that they operate, along with 140 senior centers operated by the agency or the city's Department for the Aging and dozens of resident programs. An additional 135 day care and Head Start programs and 48 centers sponsored by community groups are also at risk, as the authority considers increasing the cost of using its facilities.

Social services that the agency provides to mentally disabled tenants, domestic violence victims and others are not part of the proposed cuts, officials said.

The cuts threaten the future of the holiday toy drive and the resident art show, an annual display of tenants' paintings, sculptures and other works of art on the Lower East Side. The New York City Housing Authority Youth Chorus, which performed at the mayor's first inauguration, and the annual basketball tournament, one of the largest in the city, with about 250 teams and 3,000 youths, would lose financial support from the agency, officials said.

The authority has said that the closing of centers and programs could start as soon as July 1. At a rally on Wednesday at City Hall, council members said they were working with the mayor's office to secure at least \$70 million to keep the centers and programs open. The agency has said that the cuts would save it \$76 million annually.

Jason Post, a spokesman for the mayor, said in a statement that "while difficult budget times mean difficult decisions for all of city government, we will continue to do what we can, and to work with our partners in the City Council, to provide support and services to residents of public housing."

Council members said they wanted to take a closer look at the more than \$200 million a year that the city charges the Housing Authority for police, sanitation and other services. "Those are services that other landlords in the city do not pay for," said Councilwoman Rosie Mendez, the chairwoman of the Council's Public Housing Subcommittee. "We're treating the Housing Authority differently from private landlords who are making profits."

Council members and tenants also criticized the city and state for what they described as "shortchanging" public housing. The Housing Authority spends millions of dollars a year operating 21,000 units that the city and the state built. But the agency no longer receives regular

financing from the city or the state for those units. To pay for the upkeep of the units and to trim costs overall, the agency has eliminated hundreds of jobs, deferred or cut 100 capital projects and is considering raising the rents on its highest-income households.

Agnes Rivera, 57, a resident of the Wagner Houses in East Harlem and a member of the grass-roots group Community Voices Heard, disrupted the Council hearing at City Hall last month by storming out with other chanting tenants. She said she was angry not with the Housing Authority, but with city, state and federal politicians. "If it was their parents living in those complexes and their parents partaking in those senior centers," Ms. Rivera said, "would they attack them so fast, or would they provide the money?"

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~~I've been meaning to comment on Gary Nash.
Red, White & Black. The book was expensive
and not impressive to me.~~

I've found some errors in the Gary Nash book,
White, Red and Black.