

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

SUBCOMMITTEE ON PUBLIC HOUSING

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September 26, 2008
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HELD AT: Council Chambers
City Hall

B E F O R E:
ROSIE MENDEZ
Chairperson

COUNCIL MEMBERS:
None

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

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Gloria Finkelman
Assistant Deputy General Manager of Operations for
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Gregory Kern
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Lisa Burris
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Joseph Garber
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Taylor White Consolidated

CHAIRPERSON MENDEZ: This hearing will come to order. Good morning. My name is Rosie Mendez and I'm the Chair of the sub-committee on public housing for the New York City council. And today's oversight hearing will focus on the transition of Section 8 vouchers into NYCHA buildings. The federal Section 8 program provides the needed subsidy for working class New Yorkers to be able to live in this great city. The sub-committee is interested in exploring how NYCHA plans to use the Section 8 as the funding source for the 21 city and state projects as outlined in their seven-point plan to preserve public housing.

As everyone should well know at this point, the 21 developments created by the city and state receive no funding from the city or the state and receives no federal funding. So NYCHA's seven-point plan has been one of the methods they are using to try to preserve those units in this city as affordable housing. In light of the preliminary approval that was granted to the Housing Authority in December of 2007 for the transition of Section 8 vouchers. And the approval of 447 state built units at the Bay View

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2 project in Brooklyn. It is imperative that NYCHA
3 provide this committee with an update on this and
4 any other plans.

5 I have remained concerned about the
6 use of Section 8 vouchers in NYCHA buildings but
7 after struggling for the past few years to get
8 more subsidies to the Housing Authority,
9 particularly for these 21 developments, I don't
10 see any other way of preserving these units. I
11 look forward to a productive hearing and anyone
12 who's here who would like to testify, please see
13 the Sergeant of arms to fill out one of these
14 little forms. I would like to thank NYCHA,
15 residents, the advocates who are all here today.

16 And with no further delay, we have
17 Gloria Finkelman, Felix Lam, and Greg Kern here to
18 testify on behalf of the Authority. If I could
19 just remind, whenever you are speaking, just to
20 identify yourself for the record. Thank you.

21 FELIX LAM: Thank you and good
22 morning. Chair Mendez and members of the City
23 Council, good morning. I am Felix Lam, New York
24 City Housing Authority's Deputy General Manager
25 for Finance. Joining me this morning are Gloria

Finkelman to my right, Assistant Deputy General Manager of Operations for Management and Section 8 Director Gregory Kern to her right. We are here to announce HUD's approval of our proposal to transition up to 8,400 units in our 21 city and state built developments to Section 8 assistance and to describe the implementation process and its impact on NYCHA's budget.

As is widely known, NYCHA provides housing and social services for over 406,000 New Yorkers in our 343 public housing developments. We also oversee the nation's largest Section 8 program that serves about 270,000 New Yorkers, using about 90,000 vouchers to rent apartments in the private housing market. We have approximately 32,000 participating building owners. Under Section 8, voucher holders pay 30% of their household income in rent while the program pays the remainder of the reasonable rent approved by NYCHA up to the limits of the fair market rent established for New York City by the U.S. Department of Housing and Urban Development.

Section 8 vouchers are portable and can be used anywhere in the United States or the

1
2 U.S. Territories. For the past six years the
3 Authority has seen a loss of federal funding from
4 the federal government now totaling over \$611
5 million. This chronic federal under funding has
6 led to a \$177 million deficit for NYCHA for the
7 2009 fiscal year.

8 As you are also aware, 21 NYCHA
9 developments consisting of over 20,000 apartments
10 that were built by the city and the state do not
11 receive a subsidy from any government source to
12 support operations. These developments operate at
13 a deficit of approximately \$93 million per year,
14 which represents over half of NYCHA's budget
15 shortfall. This means that NYCHA must stretch its
16 already inadequate federal operating dollars to
17 cover the cost of these developments.

18 To address our structural budget
19 deficit in 2006, NYCHA Chairman Tina Hernandez
20 announced the seven-point plan to preserve public
21 housing to bring fiscal stability to NYCHA and to
22 ensure the continuation of public housing for the
23 future. As part of the plan NYCHA sought approval
24 from HUD to transition up to 8,400 units in our 21
25 city/state developments to Section 8 over a period

of three years. The application process included meetings at each of the city and state developments as well as borough based meetings through our annual plan process.

Under the proposed Section 8 Voluntary Transition program, Section 8 funding would provide a source of permanent revenue to support to operating costs of not only the 8,400 units but also the remaining units in the city and state built developments, ensuring their preservation. NYCHA will continue to own and operate the properties, maintaining them as affordable housing for low income New Yorkers. I am pleased to say that just last week HUD gave its final approval for the transition. This is a multi-year effort, whereby the additional revenue NYCHA expects to receive will commence in 2009 at \$17 million growing to \$75 million by 2011, when fully implemented.

Units will be converted to Section 8 as they become vacant or as current residents volunteer. Therefore it is difficult to predict timing and the number of units that will convert in the coming years. It is important to note that

our financial plan already assumes the approval of this program. Therefore its implementation allows us to achieve already budgeted savings but does not mitigate our current or future deficits.

Then we describe how NYCHA will implement this Section 8 Voluntary Transition program. Two groups of New Yorkers are eligible for this Section 8 Voluntary Transition program. Group one are those interested Section 8 voucher holders who are currently in the housing search process. And the second group are residents of the city/state developments. NYCHA has worked diligently to keep residents apprised of the plan and to seek volunteers. Section 8 vouchers, up to the HUD approved level, will be issued to interested Section 8 voucher holders and current residents of city and state developments on a first come, first served basis.

Starting summer 2006 NYCHA staff visited all 21 city and state development to describe the proposal and to explain the available options to residents currently living in these developments. At that time, staff made a commitment to return. And now that we have final

1
2 HUD approval we are currently scheduling return
3 visits to review and explain the transition
4 program to residents. Participation in the
5 program is completely voluntary.

6 A resident who lives in one of the
7 21 developments has a number of options. They can
8 remain in place as a public housing resident.
9 Accept a Section 8 voucher and remain in their
10 current apartment as long as they are in a right
11 size unit for the size of their family pursuant to
12 Section 8 occupancy standards or transferred at
13 NYCHA's expense to a federal development with the
14 highest relocation priority as a public housing
15 resident, if they so choose. Or finally accept a
16 Section 8 voucher and move to private housing in a
17 neighborhood of their choice or anywhere in the
18 United States or its territories.

19 Early next week NYCHA will send out
20 approximately 18,000 letters to all Section 8
21 voucher holders who are actively looking for an
22 apartment, offering them an opportunity to
23 register for a city/state unit. We have set up a
24 special section on our web site where they can
25 register or they can contact us by telephone. Let

me close by saying the following.

In the absence of adequate funding to support operations, innovative efforts to generate revenue such as the Voluntary Section 8 Transition program must be put in place in order to preserve public housing. HUD's approval of this plan is truly historic, representing the first time that federal funds have been dedicated to the city/state built developments. As part of our ongoing efforts under the plan to preserve public housing, NYCHA will continue to advocate for needed funding from all levels of government to ensure the long term preservation of this invaluable affordable housing resource.

Thank you for this opportunity to testify this morning. We are pleased to answer any question that you might have.

CHAIRPERSON MENDEZ: Thank you very much. So you received approval last week to now transition and move forward with the transition of the 8,400 vouchers? Is that correct?

MR. LAM: That is correct.

CHAIRPERSON MENDEZ: And can you tell me a little bit more about what's happening

specifically in Bay View since that was approved beforehand?

MR. LAM: Bay View was the first development that HUD gave approval to convert. But that approval was contingent on the local office approving a specific management plan, not only for that development but for all the 21 city and state developments. The approval of that was finally granted last week by HUD is for NYCHA specific plan to convert all 8,400 units at all developments. So it's not just Bay View, it's all the 21 city and state developments.

CHAIRPERSON MENDEZ: So currently at Bay View no one has used a voucher to move in. And you're going to start that implementation now there in addition to the other 20 developments. Is that correct?

MR. LAM: That is correct.

CHAIRPERSON MENDEZ: Thank you. Let me ask you. Will the tenants who opt to participate in the program experience a rent increase pursuant to their program participation?

GLORIA FINKELMAN: I'm Gloria Finkelman. Each individual resident who is

interested in transitioning to this program will not pay more than 30% of their income in rent.

They will have to go into management office, speak to the housing assistant and right there at the interview we will be able to estimate what their rent will be. It all depends on what there is.

CHAIRPERSON MENDEZ: How will this plan affect residents who want to transfer or move within their development?

MS. FINKELMAN: Residents that accept the Section 8 voucher and choose to transition into the program will be able to transfer--either stay in their current apartment or if they don't meet the Section 8 occupancy standards, be able to transfer either within their development if we have the appropriate sized apartment or to any other city/state development in NYCHA. The ones that choose to stay or would like to go to a federal development and not participate will have one of the highest priorities to transfer to another development.

CHAIRPERSON MENDEZ: So currently the Housing Authority's priorities are for domestic violence victims and working families so

1
2 this will be another priority or this will have
3 the top priority?

4 MS. FINKELMAN: This will be
5 another priority.

6 CHAIRPERSON MENDEZ: This will be
7 another priority. Let's say I am residing in a
8 city and state development and I qualify for the
9 Section 8 voucher. It is my choice if I want to
10 take the voucher or not and I can remain in that
11 development as a regular public housing tenant or
12 choose to be a public housing tenant with a
13 Section 8 voucher, is that correct?

14 MS. FINKELMAN: Well you wouldn't
15 be a public housing resident within the Section 8
16 voucher, you would be a section 8 voucher holder
17 residing in one of these city or state
18 developments. Or like you said, you can remain
19 there as a public housing resident, do absolutely
20 nothing, remain there as is as the public housing
21 resident. Or what we call poured out and choose
22 to find an apartment on your own in New York City,
23 any state in the United States or U.S. territory.

24 CHAIRPERSON MENDEZ: Let's say I'm
25 in an inappropriate sized apartment for my family

size, could I get a transfer more quickly to another federal development.

MS. FINKELMAN: Correct. That would be one of the highest priorities.

CHAIRPERSON MENDEZ: But if I was in an appropriate sized apartment, I would not get a priority to transfer into federal development or would I?

MS. FINKELMAN: Yes, you would get that same priority if you choose to transfer to a federal development and not take the option of transitioning.

CHAIRPERSON MENDEZ: Ms. Finkelman, you said that if I chose to remain in my city or state development and take this Section 8 voucher, I would not be a public housing tenant with a Section 8 voucher. I would be a Section 8 vouchee. I don't know what we call it. That to me means that there are different rights for the Section 8 tenants than for public housing tenants.

MS. FINKELMAN: No, absolutely not. You would be a Section 8 voucher holder residing in a city/state development and you would have the same rules, regulations and rights of any public

housing resident.

CHAIRPERSON MENDEZ: Okay. So then the only problem would be if, as a working person, as I start to make more money I could possibly not qualify for the Section 8 voucher at some point, is that correct?

MS. FINKELMAN: As you make more money, you may have to pay up to the contract rent for that apartment. If you don't qualify anymore because it goes higher than that amount then you could remain in that apartment but pay the contract rent.

CHAIRPERSON MENDEZ: As my income would go up, so would my contract rent? My percentage of what I pay towards the rent would go up based on the income?

MS. FINKELMAN: Correct, your share of the rent.

CHAIRPERSON MENDEZ: Can you explain how a current resident, if a current resident can accept a Section 8 voucher now or later and switch back to regular public housing?

MS. FINKELMAN: Once a current resident accepts a Section 8 voucher and

transitions into this program, they can no longer go back to the public housing program.

CHAIRPERSON MENDEZ: So it's either or.

MS. FINKELMAN: Correct.

CHAIRPERSON MENDEZ: So tenants are being informed. Well then this next round of informative sessions, which you say are being scheduled. And in the previous ones you were informing tenants that once you accept it, that's it. You're now in a new program and you can't go back.

MS. FINKELMAN: Correct. And as you indicated we have tenant association meetings scheduled at the 21 developments. They're also receiving a letter some time next week with questions and answers attached to that letter. And individual appointments will be scheduled with the Housing Assistance to review the entire program and all of their options.

CHAIRPERSON MENDEZ: If you could just tell me again, if I am no longer eligible, I make too much money, I can still stay residing with my Section 8 voucher as long as I pay the

maximum Section 8 contract rent?

MS. FINKELMAN: If you are no longer eligible for the Section 8 voucher program, you no longer will have that Section 8 voucher. But you can remain in that apartment at that contract rent.

CHAIRPERSON MENDEZ: So I would have the option of staying and then my voucher, I guess, would be given to another eligible individual?

GREG KERN: I'm Greg Kern. Yes, that's correct. If you lose your eligibility we then have to terminate you from the Section 8 program. The voucher is then recycled to others.

CHAIRPERSON MENDEZ: I would be then a public housing tenant, right? So then if I lost my job and my rent went down, my rent would be based on the 30% again.

MR. KERN: There is the potential to be restored to the Section 8 program. So in your example, if your income goes up you then become ineligible and we have to terminate you from the program. If you are terminated from the program but then your income goes back down again,

so that at that point your 30% rent share is less than the contract rent, you can be restored to the Section 8 program and get the voucher back.

CHAIRPERSON MENDEZ: And you will have enough vouchers transitioning back and forth, even if my voucher was then recycled and given to someone else in the program. If I should, six months later, lose my job you would find a voucher for me to put me back into the Section 8 program then?

MR. KERN: Yes, we always have enough of a balance of vouchers for that kind of thing.

CHAIRPERSON MENDEZ: Can you explain to me what options are available to families who are currently on the waiting list for public housing, whether it's a city or state development or a federal development with the transitioning of these vouchers?

MS. FINKELMAN: Our original plan that we submitted to HUD was to select applicants from the public housing waiting list.

Unfortunately that was not approved by HUD. What was approved is a waiting list from current

Section 8 voucher holders. So any resident that's on the public housing waiting list will be selected for any federal developments when their referral is selected.

CHAIRPERSON MENDEZ: If you could just please clarify. Let's say I'm on the waiting list, I choose one of the city or state developments as my first choice and then I choose a federal development as my second choice. Then let's switch it and say I choose a federal development as my first choice and a city and state development as my second choice. What does that mean?

MS. FINKELMAN: Any applicant who is currently on our public housing waiting list is only eligible for federal developments. They are not eligible for any of the city or state developments. Letters have been sent to them if they were previously on that list to let them know that these developments are no longer available and they can select another development. So the people that we are selecting for these 8,400 city and state vouchers are either current residents or current Section 8 voucher holders who are actively

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2 searching for an apartment. It's two different
3 waiting lists.

4 CHAIRPERSON MENDEZ: I get you. So
5 I'm on the waiting list, I have the city or state
6 development as my first choice and a federal
7 development as my second choice. I'm now being
8 told my first choice will not be granted as a
9 public housing tenant. You go down to my next
10 preferences.

11 MS. FINKELMAN: Right.

12 CHAIRPERSON MENDEZ: Because those
13 are no longer available.?

14 MS. FINKELMAN: Correct. If you
15 are currently a public housing applicant; there's
16 a difference between the public housing applicant
17 and the Section 8 applicant.

18 CHAIRPERSON MENDEZ: The current
19 city and state tenants who are residing in city
20 and state developments, I'm assuming many of them
21 might qualify for these Section 8 vouchers. Are
22 you allowed to look at your current tenants and
23 provide them with vouchers if they so choose under
24 whatever HUD approved?

25 MS. FINKELMAN: Only residents

living in city and state developments are eligible for this program. If they qualify we will make them eligible and they will become a Section 8 voucher holder in any of the 21 city and state developments.

CHAIRPERSON MENDEZ: So these informational meetings that you're having there is to identify those tenants who would qualify and then those tenants who would want to make the change to the Section 8 program? Is that correct?

MS. FINKELMAN: The tenant association meetings will give them all their options and then they will come into the management office and meet with the staff in the management office. Again, review the options and at that time tell them if they will be eligible.

CHAIRPERSON MENDEZ: Has NYCHA developed any written materials for the tenants about the portability options and procedures?

MS. FINKELMAN: Management is mailing out a letter next week to all of the residents in the 21 city and state developments. Attached to it is a question and answer. And as indicated before we will also make a presentation

and part of the presentation and on the question and answer is the information about the portability of the Section 8 vouchers.

CHAIRPERSON MENDEZ: I'm assuming you're going to make that available in several languages for your tenants?

MS. FINKELMAN: Yes.

CHAIRPERSON MENDEZ: And can you provide this committee with a copy of that letter and the questions and answers on there?

MS. FINKELMAN: Yes.

CHAIRPERSON MENDEZ: Thank you very much. Would you happen to know how many vacant apartments you currently have within your 21 developments?

MS. FINKELMAN: We currently have about 1,000 vacant apartments.

CHAIRPERSON MENDEZ: Between I think the almost 21,000 units you have about 1,000 apartments?

MS. FINKELMAN: Yes, about 20,000 units and there are up towards 1,000 apartments ready and available for the Section 8 voucher holders who are interested.

CHAIRPERSON MENDEZ: Okay. Thank you very much. Transition, this year I can't recall in your testimony, you're getting \$17 million as a result? That will be your additional revenue this year?

MR. LAM: The \$17 million would begin in NYCHA's fiscal year 2009, which begins January the 1st.

CHAIRPERSON MENDEZ: Then in three years you would fully implement up to \$75 million and get the additional \$75 million in revenues?

MR. LAM: Yes, ma'am. That's the plan.

CHAIRPERSON MENDEZ: And can you tell me where we're at with the shelter allowance? How much additional revenues you expect because that's being phased in? How much additional revenues you'd be getting from the shelter allowance in the fiscal year 2009?

MR. LAM: When the shelter allowance is fully implemented that will bring in approximately \$45 million additional dollars to the Housing Authority.

CHAIRPERSON MENDEZ: I think this

past year it was about \$7 million or \$9 million in additional revenues.

MR. LAM: Right.

CHAIRPERSON MENDEZ: Do you know how much it would be in 2009?

MR. LAM: It's approximately \$17 million. It's a three year phase in up to the maximum. So the request to the state has already been sent for the first of the three years of the phase in, going up to the maximum for shelter allowance.

CHAIRPERSON MENDEZ: Those revenues are already anticipated in your budget?

MR. LAM: Yes.

CHAIRPERSON MENDEZ: So it wouldn't affect your overall deficit at this point?

MR. LAM: That's right.

CHAIRPERSON MENDEZ: As well as the \$17 million from the transition was already accounted for in your budgets?

MR. LAM: Yes.

CHAIRPERSON MENDEZ: So your overall deficit still remains the same, is that correct?

MR. LAM: Yes.

CHAIRPERSON MENDEZ: And in order to obtain the \$17 million, how many apartments would be transitioned in fiscal year 2009?

MR. LAM: The estimate that was made by the Housing Authority was 4,700 units would need to transition by the end of the third quarter of next year.

CHAIRPERSON MENDEZ: So by September of 2009.

MR. LAM: September of 2009.

CHAIRPERSON MENDEZ: 4,700?

MR. LAM: Yes. With an additional 3,700 planned for transition the following year for a total of 8,400.

CHAIRPERSON MENDEZ: Okay. Thank you for your testimony. We will be starting the public session now.

MR. LAM: Thank you.

MS. FINKELMAN: Thank you.

CHAIRPERSON MENDEZ: Victor Bach from the Community Services Society, Afua Atta-Mensah from the Legal Aid Society and Joseph Garber a resident of public housing. If anyone

else would like to testify, those are the only three individuals who have signed up to speak, you can go see the Sergeant of arms and I can put you on the next panel. Whenever you're ready, who ever would like to start.

AFUA ATTA-MENSAH: Good morning. Thank you for the opportunity to testify here this morning. Madam Chair I want to just issue a special thank you. You've always been a staunch ally for public housing residents. The Legal Aid Society and CSS, in a partnership that we work with with several other community based organizations and Resident Alliance for NYCHA, are opposed to the voluntary conversion plan.

Specifically we're very concerned about the 8,400 families who are currently waiting, hoping for public housing to become available so that they could have a chance at safe, affordable housing. Potentially we feel that this voluntary program will knock out even more than 8,400 units to be available for families waiting for public housing.

For example, as you just heard from NYCHA people who want to transfer out of these 21

city and state development will have one of the highest priorities. So potentially if one of these people would like to go into a federally funded development, they may even be able to take a vacant unit over someone else who is on the waiting list. So we know at the very least it will affect 8,400 people but with the opportunity to affect even more New Yorkers who count on NYCHA for a chance for affordable housing.

Specifically there are several issues that this transition program will raise that have not been addressed by NYCHA. For example, how long will they allow vacant units in these city and state development to wait in case Section 8 voucher recipients do not want to use them? How long will they be allowed to just sit there in hopes that these voucher recipients will want to come in?

What happens if and when the city and state begin to fully or partially fund these units? Will those vacant units or the units, which people use a Section 8 voucher in, will they return back to the public housing stocker? What protections will be put in place for tenants

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2 during what will prove to be an extremely
3 difficult transition period?

4 I think it's important that I note
5 that when NYCHA was first conditionally approved
6 by HUD for this, they had to allege three things.
7 One of them of course was that the developments
8 were in need of money, which I think everyone can
9 see. But more importantly that this program will
10 not harm the community, it will not limit the
11 access to affordable housing for the community,
12 which are two things that we all know that this
13 program will do. It will harm the communities in
14 which they're going to be implemented and it will
15 severely limit low and moderate income New Yorkers
16 availability to safe, affordable housing.

17 Specifically the Legal Aid Society
18 in connection with CSS issued a request pursuant
19 to the Freedom of Information Act, asking for all
20 of the information that NYCHA had provided to HUD
21 to support these allegations and seeking the
22 further information that NYCHA sent to HUD to get
23 a final approval. Almost six months later we've
24 gotten nothing; none of those documents requested
25 pursuant to the Freedom of Information request.

1
2 And now we're just hearing today that they're
3 already approved for the full 8,400.

4 We are renewing that request and
5 they will be getting a formal written request as
6 soon as I get back to the office. I think that's
7 extremely troubling that we don't know what the
8 data is based on that NYCHA is alleging to HUD
9 that these vouchers will not affect the
10 communities availability to affordable housing
11 when we all know that is not true.

12 CHAIRPERSON MENDEZ: Afua you
13 forgot to identify yourself for the record.

14 MS. ATTA-MENSAH: I'm sorry. Afua
15 Atta-Mensah, I'm a staff attorney with the Legal
16 Aid Society.

17 CHAIRPERSON MENDEZ: Thank you very
18 much.

19 MS. ATTA-MENSAH: Sorry, please
20 excuse me.

21 VICTOR BACH: I am Victor Bach,
22 Community Service Society. I think we all
23 understand why NYCHA has to resort to the Section
24 8 conversion given its huge deficit. That assumes
25 a number of givens and I'd just like to list some

of them. It's inevitable that this will happen given the fact that the city has not paid for the \$30 million shortfall in city public housing. That the state has not paid for the \$65 million shortfall in operating subsidies for state units; that the federal government is short changing NYCHA on operating subsidies; that the city extracts \$100 million to \$200 million in payments for services for NYCHA each year and that the city prefers to do other things with its funds.

One of my favorite examples is the \$400 Homeowner Rebate that I think will be going out this year at a cost to the city of \$250 million. So given all of those kinds of factors, this Section 8 conversion program is inevitable. The objection that Legal Aid and we have had to the program from its start has been the fact that there are losers.

Despite the increased funding to NYCHA, there are losers. Section 8 vouchers and public housing operating subsidies represent two separate parallel funding streams from Washington. This, of course, brings them together. Initially the losers would be the families on the Section 8

1
2 waiting list because the converted issues wouldn't
3 go to households on the public housing waiting
4 list. Now the losers will be households on the
5 public housing waiting list who have to wait
6 longer and have fewer units; they will now only
7 have the federal units to choose from.

8 So basically given the fact that
9 all three levels of government are turning their
10 backs on NYCHA, the burden falls on the backs of
11 waiting list families and that's been our
12 fundamental objection to what's happened. Given
13 where things are, there is something we hope that
14 the Council will ask for--I hope the lights aren't
15 being shut off on me.

16 CHAIRPERSON MENDEZ: You see that
17 was someone from the Mayor's side turned off the
18 lights on you, Vic.

19 MS. BURRIS: I think the Council
20 should work out some sort of agreement with NYCHA
21 because it will take a long time for the 8,400
22 units to be rented up with the vouchers, I think
23 NYCHA says three years. We did ask NYCHA are the
24 same households on the Section 8 waiting list
25 similar to the ones on the NYCHA waiting list. In

fact, only I think roughly 20%, if I remember what NYCHA said are on both waiting lists. Most have a strong preference for one or the other.

Should the world turn around, should we solve our economic problems quickly it's possible that NYCHA will receive more operating subsidies from Washington. It's possible they can press the state for the \$65 million they're refusing to provide in operating subsidies or press the city to take less money or increase operating subsidies for NYCHA. If so, I would like an understanding that the 8,400 units that are going to be vouchers will be reduced and that there will be more vouchers available in the open rental market, which was initially what they were intended for.

They weren't intended for supporting operating support of public housing, as important as that is. They were intended to enable low income families to find suitable housing in the open market. Thank you.

CHAIRPERSON MENDEZ: I think this is a first. I don't think I have a question for either one of you. I think your testimony is very

1
2 clear. I'm looking at my experts here on the side
3 and they don't have a question either. Thank you
4 very much for your testimony. Lisa Burris from
5 Frels, is she available? Were you able to find
6 out about...thank you.

7 LISA BURRIS: Hello, how are you
8 doing everyone? I'm happy to have this
9 opportunity to testify about our concerns with
10 NYCHA's initiatives to transition 8,400 Section 8
11 vouchers so that they can support city and state
12 developments that should be actually supported by
13 our local governments.

14 I don't want to repeat anything
15 that anyone else has said in terms of NYCHA's
16 deficit and the root causes of it. But what has
17 become alarming is NYCHA's responses to the
18 deficit.

19 CHAIRPERSON MENDEZ: Excuse me, can
20 you please identify yourself for the record.

21 MS. BURRIS: Oh, I'm sorry. I'm
22 Lisa Burris. I'm the director of organizing for
23 public housing residents of the lower east side.
24 We service over 21 developments located on the
25 lower east side. We do direct service, we do

1
2 grass roots organizing and we have grave concerns
3 about the adverse effects that this transition
4 could have on the future of public housing and the
5 future of the affordable housing stock as we know
6 it.

7 Everyone knows there is a huge
8 housing crisis. And when the government has huge
9 disinvestment in America's staple of affordable
10 housing we should be concerned. When we want to
11 use Section 8 vouchers from another federal
12 government program to sustain another federal
13 program of affordable housing, that's not the
14 direction we should head in terms of preserving
15 affordable housing in perpetuity. You're robbing
16 Peter to pay Paul.

17 I'm here to testify about the
18 effects it's going to have on the residents.
19 Currently residents are confused about whether or
20 not the Section 8 vouchers behoove them and NYCHA
21 has made a concerted effort to only target
22 residents that it will benefit. However we have
23 concerns about residents that might be interested
24 in applying and their income might change and
25 increase and therefore making the apartment fair

market rate.

We also have concerns about the transfers. While this initiative is addressing the deficit, it's not addressing NYCHA's current housing issues. A lot of residents are overcrowded. So currently we have residents that are applying for the transfers to such city and state developments and they're told they can't transfer to that development because that development is only taking now Section 8 vouchers. This is not addressing NYCHA's current issue.

It was also mentioned that or I assume that once these units are transitioned they are going to be permanently taken off the housing stock. That's basically changing the face of affordable housing as we know it. So we are hoping that the city and state could step up to the plate so that way the Housing Authority doesn't have to resort to these measures. We hope that the city would push to fund public housing adequately so that way we don't have to go in this direction.

CHAIRPERSON MENDEZ: Ms. Burris, do you have any city or state developments within

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2 your catchment area?

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MS. BURRIS: Yes, we have Rutgers.

4

We have a Rutgers development. Rutgers has 721

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units and currently another corollary of NYCHA

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waiting for HUD to approve the transition of these

7

developments is that they're keeping a lot of

8

units vacant. Residents right now are over

9

crowded in that development and there are a lot of

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vacant units. Residents have expressed a huge

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grievance about that, specifically in that

12

development, that there's vacant apartments and

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that they're waiting for a transfer but that they

14

can't get it.

15

CHAIRPERSON MENDEZ: Based on your

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knowledge or information, how many vacant units

17

are there approximately right now at Rutgers

18

Houses?

19

MS. BURRIS: I couldn't say off

20

hand but when there's outreach, we're keeping

21

record of the developments. If the wind is

22

blowing under the door, it's empty or there are a

23

lot of circulars sitting in front of the door,

24

we're keeping track of them. But we haven't

25

recorded all of the data, we haven't collected it.

But when there's outreach, residents do come back, members do come back and say that there are vacant apartments in Rutgers.

CHAIRPERSON MENDEZ: Based on this outreach, have they told you how long these apartments have been vacant? Is this recent; last few months, a year or two?

MS. BURRIS: I'm not sure but I do recall late last year Gloria Finkelman from New York City Housing Authority mentioned at a tenant association meeting, when residents expressed concerns about the vacant apartments, she explained that they were keeping them empty so that they can transition those 8,400 vouchers and that they were waiting. That was about between October and December. I can't recall because I go to a lot of Rutgers tenant association meetings.

CHAIRPERSON MENDEZ: December of 2007, 2006?

MS. BURRIS: Yes, 2007.

CHAIRPERSON MENDEZ: That was when the preliminary approval happened.

MS. BURRIS: Correct. Yes, the preliminary approval happened in Bay View.

CHAIRPERSON MENDEZ: Mr. Burris there are 277 apartments that are slated to transition at Rutgers Houses. Do you put the estimate of vacant apartments that high or much less?

MS. BURRIS: No, I don't see it that high. I don't think it's that high. I'm really not in a position to say because we haven't really collected all of the data.

CHAIRPERSON MENDEZ: I don't know if you were here. The Housing Authority did tell us there was approximately 1,000 apartments empty in the 21 city and state developments currently. Thank you for your testimony. Mr. Garber.

MS. BURRIS: Thank you.

CHAIRPERSON MENDEZ: We've been waiting for you to make your way across from the other side of City Hall.

JOSEPH GARBER: Good morning. My name is Joseph Garber. I'm a long time resident of New York City Housing Authority. First of all I want apologize for being late. I serve as a coordinator and a poll worker at the various elections and there was a very important oversight

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2 hearing on the September 9th primary, which I'm
3 scheduled to testify there also. Before I start
4 the prepared issue at hand, the issue of a Section
5 8 conversion for public housing and the whole
6 issue for vacant apartments, I want to, for the
7 record, state that in all my years of attending
8 oversight hearings, Council hearings, etc. this
9 hearing today was the most confused and
10 convoluted.

11 I want to go on the record on
12 September 11, 2008 I received a letter signed by
13 the Legislation Counsel Gary Aldman stating that
14 on the 23rd there is going to be a meeting on the
15 elevator crisis situation. Unfortunately, I live
16 in Taylor White Consolidated and the great tragedy
17 of August 19th occurred at 70 Climber Street. So
18 in order to ensure that there is a broad
19 representation of residents, I photocopied this
20 letter, gave it out to every apartment at Taylor
21 White Consolidated at 70 Climber, another building
22 at Taylor White, two buildings at Independence
23 Towers and some other selected developments in
24 close proximity, to have a large showing of
25 residents.

Two or three days before this hearing, I received a call from Mr. Goodman who stated that the hearing was canceled. Now no way could I have dis-informed all those residents that I notified. He told me there was going to be the hearing today on the potential lay off of New York City Housing Authority workers. So I prepared some brief research of what I know. In order to lay off people you have to hire people. I was going to discuss the concept of hiring. Whom you hire, what salaries and where you assign them and then how layoffs works being I'm the Director of the Civil Service Merit Council. I'm concerned about laying off provisionals, notwithstanding the long reached decision even before the long reached decision and making sure that the workers are treated properly.

Then when I go to the City Council legislative office, I see there are two conflicting notices hanging on their bulletin board stating that on September 26th you were going to have maintenance and inspection of elevators crossed out by oversight potential layoffs. And then potential layoffs crossed out

1
2 saying on the Section 8. So I want to put this on
3 the record. I feel, in all fairness of proper
4 management of City Council hearings, I will
5 surface this to the proper authority in and
6 without the City Council.

7 Now let me discuss the--

8 CHAIRPERSON MENDEZ: [] Mr. Garber,
9 if you can give me a second to respond because I
10 know you're going to be on for a while.

11 MR. GARBER: Yes.

12 CHAIRPERSON MENDEZ: Your
13 frustration is just as great as everybody else's.
14 My apologies in my opening when I forgot to
15 address this issue; unfortunately while we had
16 chosen the topic on elevators because there is a
17 lawsuit, I was asked to delay the hearing until
18 next month or the month after. I've been in
19 hearings where there are lawsuits pending and we
20 just sit there and the administration says we can
21 not answer, it's under investigation and that's
22 all that goes back and forth. I thought it was in
23 the best interest of this committee and of the
24 public to delay that hearing.

25 Then my topic for potential

1 layoffs, which I expect that there will be in the
2 near future since the Housing Authority has not
3 been fully funded by the city or state for some of
4 the requests that have been put in by me and my
5 colleagues. Was too short of a notice for the
6 Housing Authority so on our end we did not provide
7 them with sufficient time. I threw out a couple
8 of subjects to have the hearing anyway in a timely
9 manner even though the Housing Authority did not
10 have the sufficient legal requisite time to
11 prepare and we agreed. They were accommodated
12 this topic, which I think is also very important
13 in lieu of the budget crisis.
14

15 I understand your frustration, I
16 empathize with it and I hope we will never have to
17 go through this again. I want to thank the
18 Housing Authority for accommodating us on short
19 notice for a topic to move forward on this hearing
20 today. Mr. Garber, you can continue.

21 MR. GARBER: Before I continue with
22 my testimony, I just want to glean what you just
23 stated. Did Mr. Aldman on or about September 11,
24 2008 know of the lawsuit? Because if this was
25 written on September 11th, did he have knowledge

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2 of the law suit was filed? I have to ask that
3 question. I didn't--I think you can answer--

4 CHAIRPERSON MENDEZ: [] I can not
5 answer that question because Mr. Aldman is not
6 here. But subjects are submitted by me and it
7 goes up a pecking order. I don't know at what
8 point in the pecking order it was flagged so once
9 again my apologies.

10 MR. GARBER: Thank you. The topic
11 of discussion today is the proposed conversion of
12 8,400 units scattered amongst the 21 state and
13 city developments to a Section 8 conversion in
14 order to meet the financial budgetary needs. This
15 was first proposed in the seven-point plan to
16 preserve public housing.

17 When this proposal was made, many
18 residents questions why this is going on since
19 years ago the Public Environmental Research Group
20 of CUNY did a study on funding and balances
21 between city and state developments and the
22 federal developments. So the issue of not
23 fundability of city and state developments is very
24 critical. What the Housing Authority was doing
25 was trying to rob Peter to pay Paul, which is not

1
2 the best idea. It's no question, we're not being
3 funded properly.

4 Many of the residents felt there
5 was some hidden narrative of what might occur with
6 those residents who applied for a Section 8
7 voucher to go to a federal development. They felt
8 there was a hidden agenda, which I have not been
9 able to figure out if there is or there isn't.

10 In the briefing paper that NYCHA
11 gave out but I came here earlier before I went
12 across the street, I read that NYCHA is quite
13 concerned about the rents. They're not having
14 enough money. Now I'm going to say something.
15 I'm curious how many of these 8,400 unit vouchers
16 that will be given for those residents who select
17 an apartment that the Housing Authority think
18 they're empty but in reality they're being
19 squatters or illegal occupants.

20 If you're going to go back to this
21 again, and this is what we need a hearing on, I
22 want you to deal with all the legal residents. I
23 can go through Taylor White, Independence before
24 it was consolidated, after it was consolidated. I
25 see people every day in my building 120 on Wilson

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2 Street and I followed one person surreptitiously.
3 And he went into an apartment that the person is
4 deceased for eight years. The name is still on
5 the mail directory. I'm not going to go to the IG
6 with every case because I'm questioning how
7 legitimate is the IG. If I can spot them and they
8 can't spot them, I'm doing some other things which
9 I can not disclose here but this is a disgrace.

10 We're losing money not only because
11 we're burning the lights in the day time and I
12 will not stop talking about it. But we're not
13 collecting proper rents from people who have died
14 or moved out and didn't let NYCHA know. My aunt's
15 apartment at 190 Marcey Avenue, Apartment 7B is
16 still not settled. This department was three or
17 four years ago, I recall it was in Staten Island.
18 It was a Staten Island Tunnel meeting that said it
19 was settled. It was not settled. In fact, the
20 name of the new person is not on the mail
21 directory so this is open corruption and we have
22 to deal with this.

23 We're losing money. NYCHA is
24 losing money. If you want to have illegal people,
25 that's a shame. You're not only violating the

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2 Mayor's Executive Order 16, you're violating
3 federal regulations. Now that is not NYCHA and I
4 will not tolerate this. If the NYCHA staff
5 doesn't believe in going after illegal residents
6 then shame, shame, shame they should be fired.
7 But this is a problem. NYCHA is losing money for
8 various reasons.

9 The conversion of vouchers, I feel
10 is a problem, is a very serious problem what the
11 end result will be. Now one of the things you're
12 discussing is I saw you're going to send to
13 notices to people who are on the Section 8 waiting
14 list and tell them they can apply to NYCHA
15 developments. I have a case, which I'm working
16 now for the last five months with this lady.

17 It goes from one prospective
18 Section 8 landlord to another. And because her
19 landlord brought her to court on a civil suit
20 which was dismissed, she can't get an apartment.
21 I even went up to--while Mr. Kern was on vacation.
22 I didn't know he was on vacation, I went up to the
23 ninth floor at 90 Church Street and I had Miss
24 Rios try to look up this case and she also said
25 this case is a very bizarre case. So if you are

in sincerity going to offer these 18,000 people apartments in NYCHA you better make sure everything is done up and up.

While I was up on the ninth floor-- I have to mention this. How can we take care and manage 343 developments if the ninth floor telephone directory has people that have left 90 Church for years and their name is still up there with an extension number. That is unacceptable. I'm showing you how bad is stuff.

We're dealing here piece meal with NYCHA issues since you became Chair and your previous Chair. However, NYCHA has to be handled as Frank Serpico and David Dirk exposed police corruption in the last 60s, early 70s; it has to be handled as a total problem. The whole of NYCHA has to be reviewed. Therefore had we spoken about workforce hiring, etc, again I say you have to look at the upper echelon and do an organizational review. Get a copy of directory of NYCHA departments, go through every name and you will find just by name function, duplicative functions.

Now we're over burdened in staff, regardless of what people say that we reduced

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2 staff. Let me tell you how bad it is. Last year
3 Mr. Richard Green, Director of Resident Support
4 Services--

5 CHAIRPERSON MENDEZ: [] Mr. Garber
6 can you limit your testimony to the city and state
7 developments and the Section 8 vouchers.

8 MR. GARBER: Okay fine but I have
9 to show you a broader picture. What you're doing
10 is fine but you can't deal with NYCHA on a
11 piecemeal; somebody's got to look at NYCHA at the
12 total NYCHA. City and state developments, there
13 is no question we're not getting proper services.
14 We're not getting proper services. I haven't had
15 a chance to study the budget lines but the
16 consolidation is not working. You consolidate
17 with me, Independence Towers which is a state
18 development with Taylor White Houses which is a
19 federal development. So right away you have a
20 clash.

21 It would have been more prudent to
22 consolidate Jonathan Williams Plaza which is three
23 blocks away from Independence Towers and
24 Independence Towers. Reasons I heard for not
25 consolidating that is really not substantiative

1 [phonetic]. Anyway I want to go slow on what
2 you're going to do with conversions. You have to
3 watch out; there may be a hidden agenda. But
4 first let's get rid of all the illegal people
5 living in state and city developments, you'll have
6 more apartments. If you don't do that you're only
7 cheating--NYCHA is cheating them self. Why would
8 NYCHA would not want to collect proper rent from a
9 resident?
10

11 If I'd be a landlord I'd want to
12 collect and I'm extremely conservative on
13 management. So that's a disgrace, that's a
14 disgrace. You're losing your own money. I would
15 hold those people accountable for failure to go
16 after illegal people, that's my testimony. Thank
17 you.

18 CHAIRPERSON MENDEZ: Thank you very
19 much Mr. Garber. I will make one last
20 announcement. If anyone wants to testify, you can
21 stand up now. The Sergeant of arms will give you
22 paper and we will take your testimony. In my two
23 and a half years as Chair of this committee, I
24 think this is the shortest hearing I've had. No
25 doubt to the change in topic that's happened over

the last several weeks.

I'd just like to end this hearing by saying I have major concerns about the transitioning of the vouchers and have opposed the transitioning of the vouchers. But as an elected official who has been frustrated about how to get money that NYCHA sorely needs and that I believe we owe to them, I'm not quite sure what remedies are left and how we maintain these units affordable otherwise. As I see in other cities throughout the country, other public housing authorities are selling off their housing stock or destroying those units.

So while this is not a popular plan or a preferred plan, it's preferable than seeing these 21 city and state developments going up for sale. I will continue to be in contact with the Housing Authority and look forward to being invited to one of these tenant presentations at one of the city and state developments. I have one of those developments in my district and we'll certainly be there the day you come into my district.

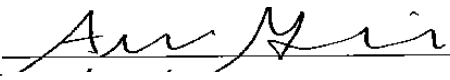
With that, I thank everyone for

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showing up and testifying and I look forward to
seeing you all at the next hearing. This hearing
is coming to a close. Thank you.

C E R T I F I C A T E

I, Amber Gibson, certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature _____  _____

Date _____ February 10, 2009 _____