

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

SUB-COMMITTEE ON PUBLIC HOUSING

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October 1, 2009

Start: 10:32am

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HELD AT: Council Chambers
City Hall

B E F O R E:

ROSIE MENDEZ
Chairperson

COUNCIL MEMBERS:

Robert Jackson
Letitia James
Melissa Mark-Viverito

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

John Rhea
Chairman
New York City Housing Authority

Margarita Lopez
Commissioner
New York City Housing Authority

Earl Andrews
Vice Chairman
New York City Housing Authority

Victor Bach
Community Service Society

Agnes Rivera
Member
Community Voices Heard

Mitchell Faider
Chapter President
Civil Service Technical Guilds Chapter at the
New York City Housing Authority

Josh Barnett
Architect, Construction Project Manager
Construction Capital Improvements Division at the
New York City Housing Authority

Joseph Garber
Resident, Resident Leader
Public Housing

CHAIRPERSON MENDEZ: Good morning.

This hearing shall come to order. I'm going to start my opening. My name is Rosie Mendez and I am the Chairperson of the sub-committee on Public Housing for the New York City Council. Today's oversight hearing concerns Section 3, the residential employment program and NYCHA's use of the federal stimulus dollars.

Section 3 of the HUD act of 1968 is a means to foster local economic development, neighborhood economic improvement and individual self-sufficiency. Section 3 is a means of providing jobs to public housing and local area residents. Congress created Section 3 to provide employment opportunities to low and very low income persons where federal dollars were being utilized.

This past year under the American Reinvestment and Recovery Act, more commonly known as the stimulus bill, NYCHA is expected to receive \$423 million in capital funding for approximately 70 projects. The purpose of this hearing is to determine how the Authority is implementing Section 3 with the use of the stimulus dollars.

I want to thank everyone for being here today and my colleagues who are here, Robert Jackson from Manhattan to my left and Tish James from Brooklyn to my right. Only on rare occasions is she to my right. And I also want to extend my thank you to everyone and to Chairman Rhea who is making his first appearance here in the City Council as the Chairperson of the New York City Housing authority. I want to thank Commissioner Lopez for being here.

I also want to inform everyone that I had an unexpected family situation and I'm going to have to leave the hearing at some point. My colleagues, I've spoken to and they will be gracious enough to chair the hearing when and if that happens. Since it was unexpected I know they also have other things on the schedule so if per chance we get to a point that no one is here, we may need to close the hearing and finish it on another day.

With that, I will turn it over to the Authority and thank you very much. Representing the Authority again is Chairman Rhea and Commissioner Margarita Lopez.

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2 JOHN RHEA: Thank you. And I'd
3 just like to say I appreciate Chair Rosie Mendez
4 for being here today given her loss in her family.
5 I want to extend my sincerest condolences to you
6 and your family on behalf of all of NYCHA.

7 Good morning, I am John Rhea,
8 Chairman of the New York City Housing Authority.
9 I want to express my appreciation to you, Chair
10 Mendez, and to other members of City Council of
11 the opportunity to appear before you to discuss
12 NYCHA's efforts inducted on the Federal American
13 Recovery and Reinvestment Act of 2009, known as
14 ARRA or stimulus programs as well as to address
15 economic opportunities for the advancement of
16 NYCHA residents.

17 Under the guidance of Mayor Michael
18 R. Bloomberg, NYCHA has ended up taking two
19 critically important programs with different
20 premises and statutory obligations that share the
21 goals of helping to improve and preserve public
22 assets while also providing economic opportunities
23 for our citizens. The first, ARRA, is part of a
24 national effort to stabilize the economy and stave
25 off massive unemployment by investing in the

1
2 nation's infrastructure and increasing economic
3 output and employment in the short term. The
4 second is NYCHA's Section 3 program that seeks to
5 systematically increase NYCHA's residents'
6 economic opportunities to increase training, job
7 readiness and skills development.

8 For decades the Authority has been
9 a powerful force and economic engine, not just for
10 NYCHA residents but for all citizens of New York
11 City. NYCHA's \$3.4 billion annual budget is spent
12 locally and operating and capital. Our spending
13 impacts the local economy through wages for our
14 employees, job creation through contracting,
15 spending by vendors and suppliers and purchases of
16 goods and services. In addition to the infusion
17 of dollars into the current economy through
18 contracting, procurement and wages, NYCHA's
19 committed to using its economic clout to enhance
20 employment opportunities for our constituents,
21 we're a vital part of the fabric of New York City.

22 In February 2009, President Obama
23 signed into law the American Reinvestment and
24 Recovery Act. The President honored his campaign
25 commitments, recognizing the importance of public

housing and provided \$4 billion in capital stimulus funding to the U.S. Department of Housing and Urban Development, HUD, of which \$3 billion was allocated via a formula. With the personal intervention and leadership of Mayor Bloomberg, he ensured that under the formula NYCHA was a direct recipient of \$423 million.

HUD and recipient agencies are charged and mandated to expend their funds in order to achieve the commitment on the projects and activities as quickly as possible. Funding was expressly made contingent on the ability to have shovel ready projects. The Act directs Housing Authorities to give priority to capital projects involving the rehabilitation of vacant units, capital projects that were already under way or included in the Agency's five year capital plan.

ARRA sets an aggressive timeline. All funds allocated are to be obligated by March 17 of 2010, next year. Thereafter, 60% of the allocation is to be expended by March 17 of 2011, with 100% of the Agency's allocation completely expended by March 17 of 2012. Should NYCHA fail

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2 to achieve the various obligation and spending
3 targets, any funding not obligated or expended on
4 schedule will be recaptured by HUD and reallocated
5 to other housing authorities that have met their
6 statutory deadlines.

7 In order to successfully meet the
8 Act's target dates, NYCHA conducted an exhaustive
9 and detailed exercise to identify shovel ready
10 projects based on NYCHA's priorities and our
11 critical needs. The selected projects included a
12 plan we're already designed, deferred projects
13 and/or projects identified in the Authority's five
14 year capital plan pipeline that had be shelved due
15 to insufficient funding.

16 NYCHA has designated 75 projects as
17 stimulus projects. To date, approximately 68% of
18 those projects have been awarded. By the end of
19 October, close to 80% of project funding will be
20 obligated. The work includes badly needed major
21 renovations and repairs to return units to the
22 rent rolls, brick repair and roof replacements,
23 mechanical and electrical system upgrades and
24 critical elevator replacements.

25 Approximately \$209 million of the

\$423 million will be used for critical upgrades to aging infrastructure that will also make NYCHA much more energy efficient. Nearly \$70 million is being dedicated to replace, repair and upgrade elevators. \$87 million will renovate apartments at Brooklyn's Whitman Ingersoll Houses.

As part of the city's oversight on stimulus spending, Mayor Bloomberg established a stimulus tracker web site to which NYCHA and all other city ARRA recipients submit bi-weekly reports on progress and payments for inclusion.

In making the argument for stimulus funding, the initial job creation estimates were derived from the regional input/output modeling system better known as RIMS, this produced by the U.S. Bureau of Economic Analysis. The estimate included construction related positions as well as jobs created by the newly hired construction related employee's spending their earnings. Applying the RIMS formula to NYCHA stimulus funding, it was estimated that 3,000 jobs will be preserved or created. However, this was only a hypothetical benchmark.

The work that will be performed is

varied and it will take some time before the job outcomes can be determined. Most jobs are construction related, union affiliated and will require skilled trades workers to perform the work such as brick layers, electricians, mechanical engineers, elevator mechanics, heating specialists and plumbers.

It can be overemphasized that the urgent nature and tight expenditure deadlines associated with the stimulus funding does not allow sufficient time for workforce development training needed by many of NYCHA's structurally unemployed residents. Moreover, to meet the criteria of being shovel ready, it is essential that contractors be able to begin work immediately, which requires that a large part of their workforce is already in place.

Both of these factors significantly hinder new jobs creation for public housing residents under this funding stream. Nonetheless, contractors awarded stimulus funded projects are expected to comply with the Section 3 requirement that to the greatest extent feasible at least 30% of new hires are public housing residents or other

low income persons. Additionally, NYCHA requires that contractors in receipt of awards greater than \$500,000 are expected to expend 15% of their labor costs on hiring NYCHA residents. These requirements are included in the contract terms and conditions we negotiate.

Section 3 is a provision of a Housing and Urban Development Act of 1968, which requires housing authorities to provide, when opportunities are created, job training employment and contracting possibilities for public housing and low income residents in connection with projects and activities in their neighborhoods. As conceived by Congress, Section 3 is designed to be a starting point for an individual who is challenged in finding employment and wishes to enter the workforce by helping the resident to obtain job training leading to long term employment.

Section 3, an often misunderstood program, does not guarantee employment nor does it ensure that employment gained under the program will be permanent. Consequently, what is measured are the number of new jobs acquired and not

1 ongoing employment. While NYCHA supports the
2 goals of Section 3, it has been a challenge to
3 implement and has long been an unfunded mandate
4 requiring housing authorities to divert
5 increasingly scarce operating resources to
6 administer the program. Economic constraints and
7 local labor conditions make it difficult to
8 enforce and to achieve the goals contemplated by
9 Section 3.
10

11 NYCHA applauds Congresswoman Nydia
12 Velazquez' introduction of legislation known as
13 the Earnings and Living Opportunities Act that
14 will substantially modify the current provisions
15 of Section 3 to provide needed funding for program
16 implementation as well as remedy some of the
17 deficiencies in the current law. We have
18 forwarded recommendations to her and the
19 Congressional Committee that will further
20 strengthen legislation and increase the capacity
21 for NYCHA to carry out Section 3 goals and
22 objectives and monitor contractor compliance.

23 NYCHA's greatest success is that
24 the Authority itself employs over 3,000 residents
25 as full time employees, which constitutes more

than 25% of the Authority's total work force. These residents hold a wide range of positions from central office to field operations at our developments. They include community service workers, clerical and administrative staff, caretakers, groundskeepers, housing assistants and trades personnel. Many of the Authority's most senior managers grew up in public housing and started their careers at NYCHA in entry level positions.

Additional NYCHA residents are hired seasonally to perform work in the areas of grounds and janitorial maintenance from June to October and to work with children attending NYCHA's community center summer programs. Many of those workers go on to full time employment at NYCHA.

Furtherance of the objectives of Section 3 over the last seven years, NYCHA has implemented several new policies and program models as well as instituted additional mandates on its contractors. Prior to contract award and board approval, prospective contractors are required to submit detailed hiring plans to NYCHA

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2 projecting a number of overall new hires,
3 including resident hires. The plans are reviewed
4 and progress is monitored by the Authority's
5 Department of Resident Employment Services.

6 In addition to the previous
7 mentioned contractual obligations, all agency
8 contractors and sub contractors under the
9 construction manager and bill program, referred to
10 as CM/Build, which NYCHA implemented in 2005, are
11 required to create state approved apprenticeship
12 slots. NYCHA also established a pre-
13 apprenticeship training program, which
14 successfully place 229 residents in
15 apprenticeships with a retention rate of almost
16 70%.

17 The Authority is proactively
18 seeking meaningful and more diverse employment
19 opportunities under construction related contracts
20 for non-construction positions the NYCHA residents
21 can perform. This should greatly enhance the
22 ability to create jobs for residents who are
23 interested in other types of employment and who
24 are unable to meet the requisite licenses and
25 skills in time for contracts to be executed and

who would otherwise be precluded from employment.

Recently NYCHA's Section 3 program expanded to also include non-construction service contracts such as security yards and administrative and maintenance workers with private property managed companies.

In addition to the various policy and service enhancements, I am strongly, personally committed to improving program performance. We can and will do better and I am pleased to advise you that we are restructuring our program paradigms and re-focusing our energies to ensure our residents have access to the greatest array of economic opportunities in NYCHA. To this end, I established the new Office of Resident Economic Empowerment and Sustainability, accountable directly to the board with oversight of the Authority's Department of Resident Employment Services and our section 3 efforts.

The Office is charged with assessing and, where appropriate, restructuring our efforts to assist residents to achieve job readiness skills and training, employment placement, and importantly financial literacy.

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2 Among the task are to identify and design programs
3 to address hurdles to employability, develop
4 strategic partnerships with workforce training and
5 employment providers, establish employment
6 pipelines with not for profit and private sector
7 companies and seek funding from philanthropic and
8 government entities.

9 Given that NYCHA is not an
10 employment agency and does not receive funding for
11 such activities, in order to meet the needs of
12 residents and improve services, new and expanded
13 collaborations are being forged with a range of
14 training employment vendors and non profit
15 organizations through both contractual obligations
16 and collaborative partnerships.

17 To allow the Authority to offer a
18 diverse portfolio, we reached out to many of the
19 not for profit and philanthropic institutions in
20 the city who have a long track record of helping
21 train city residents for opportunities.

22 Our most forward thinking and
23 ambitious initiative to address structural
24 unemployment among public housing residents is our
25 green agenda. Under the stewardship and my

1
2 colleague, NYCHA commissioner Margarita Lopez the
3 agenda is a multi faceted template for actions to
4 reduce NYCHA's energy dependency, preserve our
5 natural resources through conservation, preserve
6 public housing for future generations and provide
7 education programs while creating important green
8 collar jobs for the future.

9 To carry out green program
10 objectives and leverage our resources, we have
11 established partnerships with organizations such
12 as the Clinton Climate Initiative, Con Edison,
13 Citibank and HSBC among others. We are in current
14 negotiations to partner with CUNY to develop a
15 solar energy program. The program's plan is to
16 retrofit buildings, upgrade boiler and heating
17 systems with energy efficient devices, upgrade
18 lighting and incorporate energy efficient and
19 environmental friendly standards, where possible,
20 into future construction work.

21 For example, construction of a
22 green roofing system atop a community center to
23 provide insulation and absorb airborne
24 contaminants. A major horticultural gardening
25 initiative to plant thousands of trees at NYCHA's

developments is also a component of the plan, in accordance with Mayor Bloomberg's Million Trees NYC program. All of this activity will produce employment. I want to be clear, this is all about creating jobs while doing the right thing for the environment and for the economy. Sustainable jobs for our residents.

Contractors are expected to hire NYCHA residents and will be held accountable for expending 15% of labor costs to meet this commitment. This is just the beginning; education and training opportunities are under way for residents that will address current impediments to employment and prepare them for forthcoming jobs. These efforts should result in increased earnings, greater self sufficiency with less dependence on federal subsidies and lift many families out of poverty.

I want to thank you again for this opportunity to open a dialogue with you, to address the important measures we're undertaking at NYCHA to deal with structural unemployment and to expend our ARRA funds efficiently. I welcome any questions that you may have.

CHAIRPERSON MENDEZ: Thank you. I usually defer to my colleagues but today I'll ask a few questions before I leave. In your testimony, Chairman Rhea, you indicate that 68% of the projects have been awarded. Have we been able to determine how many Section 3 jobs for those 68% of the projects. How many jobs have actually been created at this point?

MR. RHEA: We have, in each of the contracts we've awarded, we have a requirement that they provide projections potential Section 3 hires. We will go back after awarding of those contracts to monitor whether or not they comply with the actual terms of the contract. So we do have a number of estimated Section 3 hires as part of that and I will give you that. [pause]

We anticipate that 204 of the 214 new jobs that will be created are Section 3. Obviously, there are more jobs created by the total number of contracts we've awarded but many of those jobs are with existing workforce of those contractors. So the new jobs that are created are 214, of which more than 90%, 204 of them are Section 3 related.

CHAIRPERSON MENDEZ: And 68% of the projects would be how many millions of dollars that have been obligated.

MR. RHEA: Of \$423, it's roughly we're approaching \$300 million.

CHAIRPERSON MENDEZ: And Chairman Rhea, would you know prior to the stimulus dollars how many Section 3 jobs the Authority was able to create in the previous years?

MR. RHEA: Yes. In the previous years, in 2008 overall I want to focus on both what we did at the Authority as well as Section 3. Out of the almost 1,400 new hires at NYCHA, 856 of those hires were residents. So a full 62% of NYCHA's new hires have been residents.

Of Section 3, our internal documents say we hired 41 Section 3 hires in 2008. So in addition to the direct match of hires, another 41 were hired on job sites that we register as Section 3 hires. Average wages for those employees was roughly \$17 an hour.

CHAIRPERSON MENDEZ: Currently it is the contractors' responsibility to reach out to residents to employ these Section 3 jobs or are

they working with the Authority and in what way?

MR. RHEA: First of all NYCHA takes a proactive approach to reaching out to our residents. We obviously encourage and develop plans jointly with the contractors but the outreach consists of a number of important initiatives. The first one is for all Section 3 opportunities we do a presentation to residents association leaders, we do a presentation to our borough development management and all of our community operation staff to let them know what the jobs are in terms of the contracted work and where we see opportunities for our residents.

Secondly we do flyer distribution citywide and at targeted developments. We also advertise in the NYCHA Journal, which goes out monthly to make residents aware of the work that will be done. And then we send specific letters to the resident association leadership at the development where the work is going to be contracted and we ask them to provide us with referrals of qualified residents who are seeking employment.

So it is a multi-pronged approach

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2 to ensure that residents are knowledgeable and
3 that they understand exactly the type of work that
4 will be done and the potential opportunities for
5 them, those seeking employment.

6 CHAIRPERSON MENDEZ: Chairman Rhea,
7 as in your testimony you indicated that these jobs
8 that are created through Section 3 aren't always
9 permanent jobs. What kind of outreach is being
10 done to previous Section 3 hires to try to employ
11 them now with the stimulus dollars.

12 MR. RHEA: So we're doing a couple
13 of things. The first one we're doing is for the
14 first time we're implementing an internal NYCHA-
15 wide survey to chronicle the skills and prior
16 employment of many of our residents. So that we
17 can actually have in-house, a real sense of
18 residents that are in the unions, residents that
19 have specific skills training and receive certain
20 certifications like in OSHA and other important
21 training that will make the eligible for jobs so
22 that we have that at our fingertips and can reach
23 out to residents directly. And we can impress
24 upon our contractors that there is a ample supply
25 of talent within NYCHA so we are working on that

as I speak.

Secondly, we've worked with Council Member James and other members of our resident leadership. We have an upcoming job fair in which we are not only inviting NYCHA residents but also members of the surrounding low income communities to participate in that job fair to match them up with potential employers and obviously for NYCHA directly to understand the resumes and skills of our residents. So we are undertaking an exhaustive effort to do outreach, to chronicle who's in our developments, what skills they have and what prior jobs they've held.

Secondly, we obviously know who our prior Section 3 job hires were. We have an ongoing relationship with them through RES, Residential Employment Services, where once they finish a job and are not necessarily permanent employment they continue to work with our Residential Employment Services office. To acquire additional skills and to be made aware of new job opportunities that are being developed directly at the housing authority through our contracting and through the private sector.

Beyond the Section 3 hires that I mentioned in terms of the 41 placements last year, we also placed roughly 308 total job placements so we have, obviously, jobs that we placed our residents in external to NYCHA and external to our Section 3 requirements, as part of that activity.

CHAIRPERSON MENDEZ: With the stimulus dollars that's already been obligated with the contractors, what mechanism is in place and how often does the Authority go back to determine if they're doing due diligence and doing their Section 3 outreach and then trying to hire as many Section 3 residents.

MR. RHEA: So, as I said in my formal testimony, there are certain constraints that were placed on us as it relates to expenditure of stimulus funding that didn't lend itself to what I would call aggressively preparing our residents to be employed in many of the stimulus projects. So for example, because the projects needed to be shovel ready many of them were awarded to contractors that were already had existing contracts with and we expanded the scope of those contracts. As a result, many of those

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2 contractors had existing workforces in place and
3 that work needed to start immediately. So it
4 didn't allow us to develop a pipeline to match up
5 residents, give them the appropriate skills to
6 ensure that they would be in those jobs.

7 Having said that, because we had
8 the original requirements of Section 3 in the
9 initial contracts, we're confident that we will
10 achieve at least the 15% Section 3 requirement on
11 the stimulus projects as we do on all of our
12 projects. But there wasn't an opportunity to do
13 what I would call an organized deployment of
14 residents against this \$423 million in a way we
15 would have been able to do had we had longer lead
16 time and visibility around receiving it.

17 Having said that, we are monitoring
18 every stimulus project that is awarded. We are
19 negotiating the contract to ensure compliance with
20 Section 3 and we're measuring whether or not
21 contractors have indeed met those requirements.
22 If they don't meet those requirements we actually
23 have penalties in place, both in terms of the
24 potential to be awarded future projects as well as
25 a need to report to the Authority why they didn't'

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2 meet those hiring objectives and to give us a plan
3 on how they can meet the obligations that they've
4 contracted with us to achieve.

5 So we are measuring them real time.
6 We have it as part of their contractual
7 obligation. We have teeth in it if they don't
8 meet them and it will impact their current job as
9 well as the potential to be awarded future
10 contracts.

11 CHAIRPERSON MENDEZ: Thank you very
12 much. Council Member James.

13 COUNCIL MEMBER JAMES: Good morning
14 Chairman Rhea.

15 MR. RHEA: Good morning.

16 COUNCIL MEMBER JAMES: Thank you
17 for all of your work in our district addressing
18 the needs of Ingersoll Whitman and Farragut public
19 housing and Atlantic terminal. I look forward to
20 the job fair.

21 My first question has to do with
22 the fact that--who's responsible for monitoring
23 the Section 3 program and/or the CM/Build? Is
24 there one person responsible or a unit within your
25 agency?

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2 MR. RHEA: So both. From here
3 forward, as of July in creating the Resident
4 Economic and Empowerment Team, that responsibility
5 falls directly on the shoulders of Michelle Pinop.
6 And the Department that we folded into that
7 office, Residential Employment Services is
8 responsible for the day to day, working with
9 residents and tracking our outcomes.

10 COUNCIL MEMBER JAMES: How many
11 staff members will be assigned to track and/or
12 work with Michelle?

13 MR. RHEA: Roughly 50.

14 COUNCIL MEMBER JAMES: 50?

15 MR. RHEA: Yes.

16 COUNCIL MEMBER JAMES: And is the
17 resident office off campus or is it within the
18 grounds or on the grounds of NYCHA facility?

19 MR. RHEA: Michelle's office
20 reports directly to the board and is at 250
21 Broadway. The actual work that we do is
22 distributed throughout the city with a very large,
23 for example, office at Adam's Houses in the Bronx.
24 Our workers are out in the developments and a
25 number of central locations.

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2 COUNCIL MEMBER JAMES: It's my
3 understanding that in the borough of Brooklyn, the
4 office is located in Downtown Brooklyn. Is that
5 true?

6 MR. RHEA: That is correct.

7 COUNCIL MEMBER JAMES: Is it
8 possible that we could perhaps move that office
9 within the grounds of the NYCHA facility?

10 MR. RHEA: We would absolutely be
11 happy to look at that.

12 COUNCIL MEMBER JAMES: Thank you.
13 Perhaps we could consider that Auburn office which
14 is now, I believe, a police cadet academy. My
15 recommendation is that we move the office to that
16 site.

17 MR. RHEA: I'd like to speak with
18 you about the objectives there and how we might
19 look at making that a possibility.

20 COUNCIL MEMBER JAMES: Thank you.
21 It's also my understanding that--according to your
22 testimony you employ 3,016 full time NYCHA
23 residents.

24 MR. RHEA: Correct.

25 COUNCIL MEMBER JAMES: Of that

1
2 number, how many are in fact employed as a result
3 of Section 3?

4 MR. RHEA: We don't measure it that
5 way. We have a absolute goal of employing as many
6 of our residents as possible. We have very direct
7 outreach to our residents through our existing
8 employees, through referrals and recommendations
9 as well as through, obviously, the work that the
10 RES team does to place residents in jobs.

11 Quite frankly, our view is to meet
12 our Section 3 obligations through the work we
13 contract. So my citing of those statistics was
14 not to suggest that, that in and of itself
15 relinquishes us or fulfills our responsibility to
16 Section 3. I wanted the Committee to know that
17 NYCHA is leading by example by hiring 25% of our
18 existing employees from our resident population.
19 But we don't measure it as because of the Section
20 3 mandate that we have to hire residents. We
21 aggressively seek to hire residents as often as
22 possible.

23 COUNCIL MEMBER JAMES: Perhaps I
24 missed it, is there a number that you could report
25 here today of how many residents have been

employed as a result of the stimulus dollars?

MR. RHEA: Yes, I said 200 and--

COUNCIL MEMBER JAMES:

[interposing] 229?

MR. RHEA: 204.

COUNCIL MEMBER JAMES: 204, I apologize. My question is why is that number not reported on your web site? Is there a tracking mechanism on your web site? If you go to your web site there's not much information on CM/Build and/or Section 3 and/or the progress that you have made thus far.

MR. RHEA: We will take a look at that but it is not a requirement in terms of the statistics that must be reported. We do report through HUD's web site a number of critical metrics of which our efforts around Section 3 are one of those reportable numbers. But we have not been asked as part of the Mayor's tracking system, which is agency-wide so it's not just NYCHA.

We report our results in compliance with ARRA funding as part of the overall city's tracking of compliance. That is not a metric that the Mayor's office has asked the agencies to track

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2 so for that reason we don't report it on that
3 particular tracking system but we can take a look
4 at that.

5 COUNCIL MEMBER JAMES:

6 Notwithstanding the fact that you have been asked,
7 if you would consider it since the Mayor, I
8 believe it's his position to be more transparent.
9 That would help us track those outcomes.

10 MR. RHEA: One thing I just want to
11 say in my answer to your question about how many
12 of the NYCHA jobs are Section 3. We could take
13 full credit for those jobs. Meaning because they
14 are residents in terms of from a compliance
15 standpoint, HUD looks at those as jobs that
16 residents have acquired "via our Section 3
17 efforts".

18 I could count all 3,016 of them. I
19 just wanted to make it very clear that we look at
20 our obligations both by leading by example in our
21 contract reports.

22 COUNCIL MEMBER JAMES: Has NYCHA
23 hired any consultants to analyze or assess or do a
24 survey of the needs of the residents of public
25 housing? And if so, who is that consultant and

1
2 how much money has been expended towards that?

3 MR. RHEA: I'd like to first of all
4 thank the high quality work of David Jones and Mr.
5 Bach and his team at CSS for providing us with
6 that consulting work free.

7 COUNCIL MEMBER JAMES: Free? Did
8 you say free?

9 MR. RHEA: They did it free. They
10 provided, as many of you are aware, a very
11 exhaustive and quality deep dive study of the
12 employment picture in public housing, in which the
13 data suggests that there are over 20,000
14 unemployed employable residents. Those would be
15 residents who have either been recently in the
16 workforce or who are actively seeking employment.

17 We think that that is a quality
18 piece of work and a pretty good gauge on the
19 challenge we have before us. So we have no
20 intention of hiring and spending NYCHA dollars on
21 consultants to analyze what we know is a problem.
22 What we are focused on, as I described in my
23 testimony, and that I am personally spending a
24 considerable amount of time on is partnering with
25 philanthropic and private sector funders to take

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2 not only a real look at specific populations that
3 are particularly egregious in their lack of
4 employment opportunities. But also to create job
5 training programs and direct jobs and to place
6 people in those jobs.

7 And, again we are not looking to
8 spend money on that, we're looking for them to
9 bring dollars to the table that give additional
10 resources to help NYCHA fund what has been an
11 unfunded mandate from Congress to comply with
12 Section 3. So I am absolutely confident that I
13 can tell you that more money will be targeted at
14 this area but not on NYCHA's P&L but from the
15 great work that many agencies and private sector
16 and philanthropic institutions are already focused
17 on doing. We just want to make sure their work is
18 focused on NYCHA residents.

19 COUNCIL MEMBER JAMES: Consistent
20 with that, one of the elements that appear to
21 missing is the need for education, GED training,
22 job readiness, college preparedness, college prep.
23 Is there any relationship or are we establishing a
24 relationship with the CUNY or any GED programs?

25 MR. RHEA: We have one and we're

1
2 expanding it. I have met directly with the
3 Chancellor and with the Vice Chancellor on
4 multiple occasions. We have teams. They've
5 dedicated specific point people. We dedicated
6 specific point people led by Vice Chairman Andrews
7 with the help of Commissioner Lopez, particularly
8 as it relates to green and then the day to day
9 responsibility falls on Michelle Pinop's shoulders
10 to have. And with the support Hugh Spence, DGM of
11 community operations to meet with them regularly
12 to design a number of job training programs with a
13 particular population that we're focused on.

14 Obviously, our adults who have
15 literacy challenges that with remedial, probably
16 not the right word, but with focused attention
17 around improving their literacy skills will make
18 them eligible for jobs. So we have programs
19 already and we're expanding those programs. It is
20 one of the particular areas that we're focused on.

21 We're also focused on early
22 childhood education because we found that you can
23 actually get a two-fer. You can work obviously on
24 the literacy of children and make them prepared
25 for kindergarten ready. But we're doing it is

1
2 with the family, with the mother often and the
3 father who many times have literacy challenges
4 themselves. By working on both early childhood
5 and with the parent, we're addressing improving
6 literacy within the household. We believe that's
7 going to be a big component of getting progress on
8 this issue for those that don't want to identify
9 themselves as illiterate or literacy challenged.

10 COUNCIL MEMBER JAMES: Right. At
11 some point, I know this is not the time, I'd like
12 to have a discussion with you about expanding what
13 I'm doing with the Department of Education with
14 the Chancellor and creating an educational campus
15 in downtown Brooklyn.

16 MR. RHEA: We are working, and I
17 just don't want to say the name of the
18 philanthropic institution right now because we're
19 working very, very collaboratively to try to pull
20 it off. But we're looking at a significant job
21 training academy that will be in Brooklyn. We've
22 identified Red Hook as the location and we're
23 actively working to try and pull that off. That
24 would be a model that we would look to expand
25 throughout, not only the borough of Brooklyn, but

1
2 throughout the five boroughs.

3 COUNCIL MEMBER JAMES: Red Hook is
4 a really nice development. I'd just like a little
5 clinic offshoot in Fort Green, if that would be
6 appropriate.

7 MR. RHEA: I'd like to make it--
8 where I've already met with Joe Chan, head of
9 obviously the downtown Brooklyn Partnership and we
10 specifically are looking at opportunities not only
11 in Ingersoll and Whitman but as well as in
12 Farragut and the other NYCHA developments located
13 in downtown Brooklyn. So I am pleased to report,
14 Council Member James, that we are not overlooking
15 your district.

16 COUNCIL MEMBER JAMES: I will
17 follow up. The Chair has to ask a question and
18 then I'll come back to the rest of my questions.

19 CHAIRPERSON MENDEZ: Thank you
20 Council Member James. Before I leave I wanted to,
21 one, officially ask Council Member Melissa Mark-
22 Viverito to continue chairing this hearing. I
23 just wanted to ask one question, Mr. Chair, on
24 page 2 you indicate that applying the RIMS formula
25 to NYCHA's stimulus funding, it was estimated that

1
2 3,000 jobs would be preserved or created. If you
3 could explain this a bit more and tell me how much
4 would be preserved and how much would be created.
5 And how that relates to your previous answer of
6 the 204 estimated jobs that are projected to be
7 created with the \$300 million that's currently
8 been obligated?

9 MR. RHEA: So we do not have any
10 way of verifying the RIMS model. It is a off the
11 shelf model that the government uses on
12 input/output. If you spend X millions of dollars
13 we believe it will create X numbers of direct jobs
14 and with the multiplier effect the Y number of
15 additional jobs. Through spending that the total
16 jobs should be 3,000. Just let me finish.

17 CHAIRPERSON MENDEZ: Let me just
18 ask. So the RIMS model is a standard model used
19 by the federal government with all of its agencies
20 and its been in place for how many years?

21 MR. RHEA: I can't tell you but
22 many years. It's not something that NYCHA uses.
23 I can't speak for other agencies. And it's not
24 something that actually is consistent with what
25 we've experienced and practiced. It is a broad

metric that's applied across all spending so it doesn't look at the specific economic environmental considerations. It doesn't look at the type of work that's being performed. So I just--3,000 is the number but we are not going to substantiate that number as our personal experience.

CHAIRPERSON MENDEZ: Take consideration market conditions for different areas?

MR. RHEA: No. It does not.

CHAIRPERSON MENDEZ: It doesn't.

MR. RHEA: I'm sorry, it's a regional model, yes. But it doesn't take New York City versus upstate New York, as an example. And it does not break down the number of preserved versus created. It looks at what I referred to as total employment that should be created as a result of the economic activity. Again, our experience has not been consistent with the numbers that that model--

CHAIRPERSON MENDEZ: [interposing]
Your experience has been that you achieved lower numbers than what the model actually estimates?

1
2 MR. RHEA: In some cases we
3 achieved more. For example, they say six jobs per
4 million dollars spent. In some cases depending on
5 the nature of the contract and the type of work it
6 actually may create more than six jobs. And in
7 other cases it creates significantly less than
8 that so I can't give you a blanket statement other
9 than our experience has been through the varied
10 nature of our project work, through the
11 differences in terms of existing labor force
12 that's in place to perform these functions versus
13 new jobs.

14 For example, green jobs is a
15 completely new industry so we would anticipate
16 that you will create a lot of new jobs and in many
17 cases that it may significantly exceed the RIMS
18 expectations and projections. But in other cases,
19 in more traditional work where employment is
20 relatively stagnant and where there's a strong
21 standing existing labor pool, that the job
22 creation may be less, particularly as it relates
23 to new jobs.

24 CHAIRPERSON MENDEZ: Regarding the
25 \$300 million that's been obligated, how much of

1

2 that has actually...

3

MR. RHEA: Been spent?

4

CHAIRPERSON MENDEZ: Been spent,

5

correct.

6

MR. RHEA: Very little of it.

7

CHAIRPERSON MENDEZ: Very little.

8

MR. RHEA: Yeah.

9

CHAIRPERSON MENDEZ: So of the \$3

10

million that's been obligated, it's projected that

11

204 jobs--

12

MR. RHEA: [interposing] That's

13

correct, that's correct. Minimal.

14

CHAIRPERSON MENDEZ: I'm going to

15

excuse myself right now but if you could tell my

16

colleagues and the committee about this new office

17

that you've established, the Resident Economic

18

Empowerment and Sustainable. If you could tell us

19

a little bit about the creation of that department

20

at NYCHA.

21

MR. RHEA: Yes. AS I'm sure most

22

of you are aware, I was appointed in May, started

23

actively June 1st. One of the first things I

24

identified as one of my personal goals and that

25

was critical for the agency was to reinvest and to

1
2 improve the work that we do in helping our
3 residents achieve economic self sufficiency and
4 sustainability.

5 As I think about the financial
6 challenges that NYCHA faces going forward, the
7 main key to tackling that structurally is to
8 improve the economic productivity of our
9 residents. The more of or residents that are
10 gainfully employed, earning incomes, the more rent
11 we receive because we obviously charge rent as a
12 percent of their earnings. Therefore it's just
13 fundamental; the more we can do to address
14 structural unemployment in NYCHA will immediately
15 go to fix our problems on a sustainable level.

16 I also look at NYCHA as an economic
17 engine. We, as I stated in my testimony, have
18 over \$3.4 billion in operating and capital budgets
19 annually. That is a pretty powerful hammer that
20 we can use to try and ensure that our residents
21 are participating in economic activity across the
22 city. It just was pretty painfully obvious to me
23 that there was a mismatch between our internal
24 capabilities to perform those functions and
25 services and the needs. Both in terms of a lack

1
2 of resources dedicated to it. We spend about \$5
3 million a year in terms of our residential
4 employment services effort on a problem that I
5 just described as probably 20,000 people who are
6 seeking jobs and who have qualifications to
7 perform many important roles in the city.

8 So I wanted to dedicate more
9 resources to that function. I felt that it needed
10 to have the attention of the board. It needed
11 senior sponsorship from the Chairman and from the
12 Vice Chairman, so I appointed Chairman Earl
13 Andrews as the day to day person who has
14 responsibility for overseeing the office. I
15 wanted to make sure that the office had the
16 authority to work cross-functionally, across all
17 departments within NYCHA because it's not just
18 Residential Employment Services responsibility to
19 create jobs and to ensure residents are achieving
20 economic sustainability. But it's everybody in
21 the Authority's job to help make that a reality.
22 So I wanted to make sure that it wasn't just a
23 siloed department but that it was a department
24 that had authority and sponsorship that could cut
25 across community operations, management

1
2 operations, finance, HR and all of the other
3 functional disciplines within the organization to
4 really create new programs.

5 Third, I wanted to personally be
6 involved in negotiating that work to attract
7 partnership of philanthropic institutions that
8 have not only resources but have developed and
9 designed job training programs throughout the city
10 to become our partners in our effort to provide
11 training and skills and pathways to employment.

12 Last, I wanted to make sure that
13 NYCHA was much more integrated with other city
14 agencies that performed these vital functions
15 already. So we've been working, obviously, with
16 Small Business Services and others with the
17 investment board to make sure that we understand
18 the resources and skills that they have and
19 platforms are already in place that we can apply
20 directly to NYCHA residents.

21 So this office is critically
22 important to one of my most important objectives,
23 which is increasing the economic sustainability,
24 self sufficiency and upward mobility of our
25 residents.

CHAIRPERSON MENDEZ: Thank you
Chairman Rhea and welcome and I look forward to
our working together. I want to thank the board
members and I look forward to our continuing to
make public housing better than it currently is,
which is one of the best in the nation. I turn it
back over to Council Member James and thank you to
the rest of my colleagues.

COUNCIL MEMBER JAMES: Thank you
Madam Chair. Our prayers and our thoughts are
with you at this time of your bereavement. Going
back to consultants, it's my understanding that
back in 2005 NYCHA hired a firm by the name of
Parson, Brinkhoff to the tune of \$16 million to do
a needs assessment survey. As of today, as far as
I know, we have not seen any evidence of that
survey and/or the report. There was some concern
with respect to whether or not this was a wise use
of public funds.

Could you please, Mr. Chair, I know
it was before your arrival. Could you indicate
whether or not that report has been completed and
what is your position with respect to this
appropriate of \$16 million to retain the firm of

Parsons Brinkhoff.

MR. RHEA: I don't want to Monday morning quarterback on whether it was or wasn't a wise decision. I do know that it was part of a requirement for us and of other housing authorities across the nation to try to quantify unmet needs in public housing developments. So as it relates to providing that information and making the case nationally for funding of public housing, I don't think there's a dollar that's been spent that wasn't well spent.

I think that making that case has been critically important and it paid off in terms of \$4 billion of the stimulus package being dedicated for capital projects for public housing authorities across the country by President Obama recognizing that that was a good investment in the use of stimulus funds. So I'm sure we spent \$16 million and I'm sure a bunch of other housing authorities spent similar numbers on a pro rata level to basically make the case.

That study basically said that there was about \$20 billion of unmet needs in NYCHA in terms of capital projects and over five

1
2 years, that there was \$6 billion of needs. So the
3 \$423 million is a nice down payment but it doesn't
4 come close, obviously to providing the kinds of
5 additional capital that we need in order to
6 maintain and sustain our developments.

7 COUNCIL MEMBER JAMES: Is that
8 report available, that survey for review?

9 MR. RHEA: I'd have to get back to
10 you on that.

11 COUNCIL MEMBER JAMES: Okay. In
12 your testimony you indicated that \$87 million will
13 renovate apartments at Brooklyn's Whitman
14 Ingersoll. Yes. \$70 million to replace and
15 repair elevators so that totals about 140
16 something so there's 50 somewhat million dollars
17 that's left unaccounted for as a result of the
18 stimulus funds. What are the balance of the funds
19 being used for?

20 MR. RHEA: I delineated the \$70
21 million to replace and repair the elevators and
22 \$87 million on Whitman Ingersoll because those are
23 the two largest categories. With Ingersoll being
24 the single largest development receiving funding
25 and elevators being the largest category.

I also said that roughly \$209 million as we look at things that we believe are energy efficient related projects that enhance energy efficiency like repairing of roofs, like the brick work, sealing our buildings, replacement of windows. Things that obviously allow us to keep heat in and keep the building cool and reduce our expense on energy, which is our second largest line item at \$700 million a year.

The remaining work falls in a range of categories. Brick work is the--if you took brick work as a category, it would be the second largest category. I think it's roughly over \$100 million of brick related work. It's in every category imaginable; we're spending a substantial amount of money on upgrading our [break in audio] systems, replacing boilers and hot water heaters.

Then we took this as an opportunity to substantially front load the replacement of appliances in many of our residences, particularly on energy efficient appliances. So new stoves, new refrigerators that have much higher Star ratings in terms of their energy efficiencies will save NYCHA money but it also, obviously, is

1
2 something that our residents have been pointing
3 out for quite some time, that they hadn't had
4 replacement of appliances that are obviously
5 critically important resources.

6 COUNCIL MEMBER JAMES: I want to
7 thank you. I was at Ingersoll and Whitman and
8 Farragut's tenant association this past week or
9 last week and there was an announcement by one of
10 your managers of a new stove replacements. I was
11 also at the first meeting at Ingersoll, at the
12 opening of the community center which finally
13 opened after, what, 15 years. How many years?
14 How many?

15 MR. RHEA: Almost 10, too long.

16 COUNCIL MEMBER JAMES: Too long but
17 it's open, thank you very much. Hopefully we can
18 have a big ribbon cutting or an event and you can
19 pay for the food, that would be great. I'm
20 willing to join you there. So thank you, it was
21 much, much needed so I really appreciate it. I
22 believe you indicated that all of the systems, the
23 HVAC and all of the equipment will be energy
24 efficient. Are we considering any of the roofs,
25 panels on the roofs perhaps, solar panels? Are we

1

2 at that stage yet or is that to...?

3 MR. RHEA: Commissioner Lopez, can
4 you speak on the efforts of greening?

5 MS. LOPEZ: I want to back track
6 for one minute about the equipment. It was a
7 decision made that it was very important to buy
8 those equipment because that will immediately have
9 a result in reducing our footprint and provider of
10 the green gases that we are putting out there.
11 Just by implementing that immediate policy of
12 changing those thousands and thousands of
13 refrigerators and stoves we have accomplished
14 that. No one should ignore the value of reducing
15 those green gases. It's a big value and it's a
16 contribution...

17 COUNCIL MEMBER JAMES: Without a
18 doubt.

19 MS. LOPEZ: ...of the New York City
20 public housing. Then in regard of where we're
21 going, moving the agenda of the green component,
22 it is important to indicate that under the
23 Chairman's leadership the revamping of the unit of
24 employment opportunity and sustainability. It is
25 a very important component that the Council

Members should take a very good look at this because his idea of revamping this office is directly connected to the way that we should do the employment opportunities.

What that means is that from a policy stand of view, if the Chairman is in charge then the Chairman can project a way in which we're going to prepare the force instead of waiting when the jobs are here and the force is not prepared. That is very important because then what you do is preempted the opportunities of employment. Then this wonderful idea that the Chair has should be applauded, in my opinion. I think it's important for the Council Members to see the intent of the administration to increase jobs for real.

The structurally unemployed is the structurally unemployed because they don't have the skills. But if you prepare the skills first and the job comes second then you accomplish that. The green agenda is on that and the green agenda then is looking at solar panels. Solar panels is going to be the new energy source and other alternatives that are coming down the pipe. But the solar panels are ready and are ready to

1 flourish.

2
3 NYCHA is contemplating the future
4 switching from oil to energy from the sun. That
5 is going to be a new technology, new jobs, jobs
6 that are verging, jobs that don't have unions yet
7 therefore our residents can get in and have those
8 jobs.

9 COUNCIL MEMBER JAMES: So there
10 will be training in the new green economy.

11 MS. LOPEZ: Yes, all of it is
12 predicated on the principal that the new economy
13 that is coming under the green agenda is a new
14 economy that presents an opportunity to train
15 people to develop the skills before the jobs are
16 here.

17 COUNCIL MEMBER JAMES: Does that
18 include window replacement?

19 MS. LOPEZ: Yes.

20 COUNCIL MEMBER JAMES: Thank you.

21 MS. LOPEZ: You're welcome.

22 COUNCIL MEMBER JAMES: Does the
23 stimulus funds also include provisions for
24 surveillance cameras?

25 MR. RHEA: It does not actually.

1
2 We're not replacing or procuring cameras as part
3 of stimulus money.

4 COUNCIL MEMBER JAMES: Okay. So
5 going forward in this year's and next year's
6 budget I want to appropriate some funds for some
7 of my public housing to install some surveillance
8 cameras. I'll have a follow up discussion with
9 you.

10 MR. RHEA: If I can comment on
11 that, at the right time I'd like to work with all
12 of the Council Members on a safety and security
13 initiative. I talked obviously about jobs and job
14 preparation as being one of my important strategic
15 agenda initiatives and safety and security of our
16 developments in another one. I'll be coming back
17 to speak with each of you individually or
18 collectively about how we can work together on
19 that.

20 Obviously, cameras is a component
21 of that from a capital standpoint. But there's
22 more to the agenda to that in the plans. I look
23 forward to that discussion.

24 COUNCIL MEMBER JAMES: Last two
25 questions because my colleagues are making faces

1
2 at me. As Chair of Contracts and as someone who
3 has led the charge on increasing opportunities for
4 women and businesses of color, to what extent are
5 we increasing opportunities for women and
6 businesses of color. I don't like the word
7 minority but majority of color, I believe that
8 that's the answer to addressing some structural
9 employment in communities of color, businesses who
10 tend to reflect the community tend to hire within
11 the community. So to what extent is this office
12 focused on that issue and making it a priority.

13 MR. RHEA: It is an absolutely
14 priority. One of the things, with the help of my
15 colleagues Vice Chairman Andrews and Commissioner
16 Lopez, that we have instituted over the past few
17 months is tracking in each of our contracts, what
18 been awarded to minority and women owned business.

19 And have a running tally of that as
20 a separate item that we receive as part of our
21 board packages. We can not only see it in specific
22 contracts, if it is a woman or minority owned
23 business, but also we can have it in a cumulative
24 running tally.

25 How are we progressing to date?

1
2 That is an important initiative. I met with the
3 team that's responsible both for ensuring our
4 compliance but also in just thinking about part of
5 residential employment services effort and the new
6 highly, how can we actually create businesses for
7 our residents, which often given that 89% of our
8 residents are minority, we can help them create
9 businesses. We're actually going at job creation
10 and economic development and hopefully, some of
11 those entities will be able to compete for
12 contracts at NYCHA.

13 Last year roughly 21% of our spend
14 and contracts awarded were to women and minority
15 run terns. So far, year to date, we are running
16 at a similar clip, so over 20%. We focus on that
17 for our CM/Builds as well. They have a
18 requirement to sub contract out a significantly
19 component of their contract to women and minority
20 owned firms.

21 COUNCIL MEMBER JAMES: Are there
22 any consequences for the failure to meet the goals
23 and objectives of CM/Build or Section 3? Any
24 consequences as a result?

25 MR. RHEA: I'm sorry. Ask the

1

2 question again.

3

4

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COUNCIL MEMBER JAMES: Are there any consequences if NYCHA fails to meet the objective of Section 3 and/or CM/Build?

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MR. RHEA: No.

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COUNCIL MEMBER JAMES: No consequences at all?

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MR. RHEA: There is not. It is a best efforts program and that's why in my formal testimony applauded the proposed legislation by Congresswoman Velazquez that would absolutely put real teeth in [break in audio] compliance with Section 3.

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COUNCIL MEMBER JAMES: And my very last question is, in my testimony you said it was an unfunded mandate. I know recently you announced a round of lay offs. I seems to be, I don't know, there an inherent conflict in laying off individuals and trying to meet the objectives of Section3 and CM/Build.

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23

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MR. RHEA: Unfortunately, the 100 head count reduction that I think you're referring to under the prior interim Chairman's leadership was an unfortunate reality of our budget deficit.

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2 We have a responsibility and a requirement to
3 balance our books. We took a hard look at doing
4 that in ways that didn't impact employment. I
5 think the fact that it was limited to 100 people
6 is a testament to the hard work that the
7 organization went through to minimize that pain.

8 Quite frankly, we've taken 3,000
9 people out of NYCHA's cost structure for peak
10 employment from 15,000 to less than 12,000 today.
11 That has had a significant impact on our ability
12 to serve our residents. We can not continue to
13 reduce the numbers of people who work at NYCHA
14 given that the work that we do is labor intensive.
15 At the end of the day, in terms of maintaining our
16 development. But obviously we're looking at
17 technology and other opportunities to reduce, what
18 I would describe as non front line customer
19 resident focused employees so that we can deploy
20 the resources we do have and the staff that we do
21 have currently on serving residents.

22 So it was unfortunate. It
23 obviously runs counter to creating jobs but
24 unfortunately it is a reality of the sever budget
25 cuts that NYCHA has received from the federal

government, from the state...

COUNCIL MEMBER JAMES: And the city.

MR. RHEA: And the city over an extended period of time. We're trying to reverse that and there's been some positive signals of that but obviously it's been tough.

COUNCIL MEMBER JAMES: Going forward to you anticipate any additional lay offs?

MR. RHEA: We do not.

COUNCIL MEMBER JAMES: I publicly stated at a local town hall meeting that when you were first appointed I was highly critical. I have retracted that statement and publicly apologized and again want to apologize. You have worked with the residents in the NYCHA developments that I represent. You've been highly responsible, creative and I look forward to working with you to create additional opportunities for growth and sustainable. Thank you Chairman Rhea.

MR. RHEA: Very gracious of you but not necessary. I appreciate that. Thank you.

COUNCIL MEMBER MARK-VIVERITO:

1
2 Thank you Council Member James for your thorough
3 and extensive line of questioning and I know that
4 our colleague, Mr. Jackson has been patiently
5 waiting so he's the next Council Member to ask
6 questions. Council Member Jackson.

7 COUNCIL MEMBER JACKSON: Thank you
8 Madam Chair. To my colleague, I was not making
9 any faces and refer to your colleagues. She said
10 colleagues, plural.

11 COUNCIL MEMBER MARK-VIVERITO: I
12 'fess up. I don't have a problem. Keep in line.
13 Go ahead.

14 COUNCIL MEMBER JACKSON: Chairman
15 Rhea, let me thank you for your testimony and
16 welcome you and other members and your staff at
17 this very important hearing. I was critical of
18 Mayor Bloomberg and not effectively communicating
19 with appropriate people and institutions and
20 especially this body and the leader of this
21 particular committee about your appointment. That
22 does not go well as far as I'm concerned from a
23 process point of view. That has nothing to do
24 with you as an individual but that process leads a
25 lot to be desired, especially in today's world

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2 where inclusiveness is supposed to be the term
3 that's used.

4 But let me welcome you. I didn't
5 come to talk about that process. This is a
6 hearing about the monies, the stimulus monies and
7 you indicated there's \$423 million, I believe,
8 that's been designated for New York City Housing
9 Authority. My colleague touched on a lot of
10 different things and I'm going to try to touch on
11 a few because I want to hear from advocates, union
12 leaders, residents and hear what they have to say.

13 You mentioned the NYCHA job fair,
14 when is that taking place?

15 MR. RHEA: November 12th.

16 COUNCIL MEMBER JACKSON: And
17 where's that at?

18 MR. RHEA: Downtown Brooklyn.
19 We're determining the site as we speak.

20 COUNCIL MEMBER JACKSON: Brooklyn
21 is a big borough but it's not the center of New
22 York City.

23 MR. RHEA: Don't tell Brooklynites
24 that.

25 COUNCIL MEMBER JACKSON: Mr.

1
2 Chairman, what has been done with respects to
3 communicating. You talked about the stimulus
4 money and about resident employment and reaching
5 out to all of the leaders. I assume then that the
6 resident association leadership both individual
7 leadership and citywide, that you and the board
8 have been in constant contact with them in getting
9 their input as far as the needs, what the needs
10 are in each one of their developments. Is that
11 correct?

12 MR. RHEA: Let me, I guess, start
13 at the top. Because it does start at the top so I
14 have personally been visiting developments. I
15 have personally been meeting with resident
16 association leaders, starting at the top with
17 Reggie Bowman who is president of the citywide
18 council of presidents and working with other
19 members of cop chairs, like Rose Bergen from
20 Manhattan and others from across the city to
21 understand directly from them what they view as
22 the critical needs in their development.
23 Employment, obviously, is one of those topics that
24 we discussed often.

25 But as I stated in my testimony or

1
2 in my follow up commentary, we have very explicit
3 and opportunities methods of communicating the job
4 opportunities and the training opportunities that
5 we offer to residents and prospective job
6 applicants. We're increasing that. We are
7 meeting with the workforce investment board, as I
8 mentioned. We're meeting with HRA and others
9 within the city agencies. To ensure that the
10 method and means that they have in place for job
11 training and job placement are avail to NYCHA
12 residents and that those opportunities are
13 communicated.

14 So that's what RES is about; the
15 Residential Employment Services team that reports
16 directly with Michelle Pinop is all about ensuring
17 that we have better programs and that those
18 programs were widely understood. We also have a
19 new chief communications officers at NYCHA, Lynn
20 Godfrey who is here today as well. And one of the
21 things that she's very focused on is enhancing the
22 Journal, enhancing our web site and enhancing our
23 communication mediums to make sure that residents
24 are aware of the opportunities and of the success
25 stories so they can felt hat NYCHA's efforts are

1 really credible. That it is a place to seek skill
2 training and job placement.
3

4 We have a challenge there. There
5 have been programs in the past that haven't worked
6 as well as we like that has made some residents,
7 obviously, cynical about whether or not the NYCHA
8 programs "work" or don't work. And we have to go
9 after that very systematically.

10 Lastly, of those 20,000 unemployed
11 employable people, many of them don't come through
12 NYCHA for access to jobs. They use other
13 traditional methods of finding employment. What
14 we need to focus our attention on is helping the
15 structurally unemployed get the skills and get
16 into more traditional pathways of finding jobs so
17 that's our intention.

18 COUNCIL MEMBER JACKSON: Yeah, I
19 saw that in your statement you mentioned about the
20 fact that under the stimulus program, because you
21 have to basically spend the money within a certain
22 period of time. If not you lose it in essence; it
23 goes to someone else. The projects that the money
24 is going to be spent on are basically shovel ready
25 projects. As a result of the timeframes here,

1
2 training of NYCHA residents that may not have the
3 skills, that this monies may not be able to do
4 that within the timeframes.

5 But in my opinion, there is going
6 to have to be more stimulus money down the road.
7 In fact, as you know, Chairman and I'm sure many
8 people in this room know, that the state is facing
9 a huge deficit. They have to close a gap between
10 \$2 billion and \$3 billion by March 31st. I truly
11 believe after the election, Mayor Bloomberg is
12 going to announce cuts as far as the city's
13 budget. That normally does not happen before an
14 election, politically as you know.

15 Realistically, our city is facing a
16 multi-billion deficit coming down the road. Even
17 though I know that it may not be possible to
18 develop the type of training that is needed for
19 NYCHA residents to get them up to speed, I do
20 think that should be a project that should be
21 looked at because the need is going to be there.
22 Even though it may not be a part of this stimulus
23 package, but the need is definitely going to be
24 there.

25 MR. RHEA: I just want to comment

1
2 and I think my colleague Commissioner Lopez said
3 it well, which is for example in our green
4 initiatives and others. We are crating the
5 platform to provide the employment services, the
6 job training and the development that's necessary
7 so that whether it's through stimulus or any other
8 funding mechanism, our residents will be prepared
9 to go after those.

10 We are doing the hard work to
11 understand where those funding sources may exist
12 in the future. So we've been working--it may not
13 come through NYCHA the next round of it. It may
14 come through other agencies and other departments,
15 it may come through the state. So what we're
16 focused on is where we see that money potentially
17 come. It may come, for example, in the form of
18 supporting educational agendas. It may come in
19 supporting greening agendas and healthcare
20 agendas.

21 So what we're focused on is
22 creating these job training academies and the work
23 that we're doing with philanthropic institutions
24 is to ensure that the type of training we're
25 providing NYCHA residents will position them well

1
2 for where we see those potential funding streams.
3 So we are actually not just saying, what's coming
4 to the Housing Authority and how do we go after
5 that. We're looking at where do we think the
6 money will come, what it's intended to support and
7 how we tie it together with NYCHA residents and
8 NYCHA programs.

9 For example there's TANF money
10 that's available through stimulus to families who
11 have dependent children. We're trying to take
12 that money that's going to go to the state and
13 package it in a way to provide training to NYCHA
14 residents in a way in which it satisfies the ARRA
15 legislation's mandate. So we're not just looking
16 at the 423 that came to NYCHA, we're looking at
17 what else is out there and what might come in the
18 future.

19 EARL ANDREWS: One of your
20 questions, Council Member is about outreach and
21 different things like that. I'd like to also add
22 board member Lopez has spent an exhaustive number
23 of nights and days explaining and developing a
24 whole cadre of, shall we say, entrees into the
25 different developments. Also we have Vista

1

2 workers, 10 is it?

3

MS. LOPEZ: Yes.

4

MR. ANDREWS: Working in the
5 Authority to spread the word, if you will. I also
6 have been out there doing the same kinds of
7 things. It's a whole new approach. It is a
8 dynamic approach where we're trying to leverage
9 dollars. I think six months from now, a year from
10 now we can perhaps John, Chairman Rhea will be
11 able to show more numbers. When I say numbers,
12 it's numbers of people who have moved through
13 this. I think this approach can work.

14

COUNCIL MEMBER MARK-VIVERITO:

15

Commissioner, can you just identify yourself for
16 the record, please?

17

MR. ANDREWS: Earl Andrews.

18

COUNCIL MEMBER MARK-VIVERITO:

19

Thank you.

20

MR. RHEA: A couple of the recent
21 and most important hires that we've made at NYCHA
22 have been focused on this area. We have a new
23 hire, a woman named Debra Ellen Glickstein and is
24 coming on board as of October 5th, who has direct
25 experience having been an organizer and creator of

1
2 a program in East Riverfront Development
3 Association, ERDA, which trains workers in Queens
4 bridge Houses to prepare them for jobs. She will
5 be reporting directly to Michelle Pinop. She's
6 got real experience with residents. She's created
7 a program. She's going to bring that energy into
8 NYCHA. That's one example of a hire.

9 A more significant hire that I'm
10 very proud to announce, who is with us today and
11 Mayor Bloomberg and I just recently had a press
12 conference to announce, is Michael Kelly, who is
13 to my right. Who comes to be our new general
14 manager from the DC Housing Authority who was
15 there for nine years and has very successful
16 track record working with residents to create job
17 opportunities and economic sustainability. I look
18 forward to all of you having a chance to spend
19 some time with Mike going forward. It's a huge
20 coups for New York to attract him here to the work
21 that we're doing with the Authority.

22 We are focused on hiring people who
23 have real experience in this area of not only
24 outreach and training but in marketing and what we
25 can do.

1

2

COUNCIL MEMBER JACKSON: Thank you.

3

What type of communication and collaboration has

4

there been with the unions that are representing

5

the NYCHA employees, with respects to talking

6

about this particular subject area?

7

MR. RHEA: I have had, as well as

8

the NYCHA team, a number of conversations with

9

union leadership including Greg Floyd of the

10

teamsters and locals here. Around not only

11

ensuring that there's not additional job losses at

12

NYCHA that affect our residents because, again,

13

25% of our employee base are residents currently.

14

But also in working with the broader union

15

leadership to ensure that we have apprenticeship

16

programs and that the unions are part of the

17

solution.

18

We created a very successful

19

apprenticeship program with the unions that we

20

placed over 200 people in to union jobs, many of

21

which are still gainfully employed form those

22

initial apprenticeship placements. So we are--

23

COUNCIL MEMBER JACKSON:

24

[interposing] What program is that sir, if you

25

don't mind? And what time frame is that? Is this

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2

recently or a long time ago?

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MR. RHEA: It was called

Construction Skills 2000, pre-apprenticeship training program. That has been active for the past five or six years now.

MR. ANDREWS: I'm sorry, when we revamped our construction division we created a CM/Build program. One of the major components of it was that NYCHA would work with the unions in setting up apprenticeship programs.

Unfortunately, some of these apprenticeship programs take four, five years to go through the timeframe. That has not suited a lot of our residents because they have an immediate need, if you will.

However we have still worked really hard and come up with the 228, is it? 229 people who have gotten in the program and they are still, at this point in time--

MR. RHEA: [interposing] Most of them.

MR. ANDREWS: Most of them are still there, working through this. So it's timely but if you stick with it and some of our residents

1
2 have learned to stick with it. And I think we're
3 proud of that particular thing. The unions have
4 been very cooperative in that. We want to try to
5 expand it going forward and we want to come up
6 with some new creative ideas.

7 We've also had some preliminary
8 conversations with Greg Floyd, teamsters. As you
9 know, the teamsters are the elevator mechanics and
10 as we expand our elevator programs. You see it's
11 about \$100 million we're going to be spending
12 there. Unfortunately the bulk of that is hardware
13 but we think there's got to be some room in there
14 to hire them as Section 3, maybe not as elevator
15 mechanics but maybe in the office of the elevator
16 companies that manufacture, that repair and do
17 different things like that. So we're looking
18 forward to that.

19 We also have an elevator
20 maintenance contract that is also new where we're
21 using outside maintenance to come in. Gregg has
22 gone along with that and the maintenance
23 companions are also, I think about two or three
24 Section 3 hires will come from that.

25 MR. RHEA: One other thing is Local

1
2 79, the laborers' union got a variance to hire 45
3 residents that are non-union. So that's a big
4 deal, that they've agreed to hire residents that
5 don't currently have union status.

6 We also are working with the unions
7 to, particularly on the construction trade side,
8 to look at all NYCHA residents that are members of
9 the union who are out of work. And that when they
10 work on NYCHA jobs to move them to the very front
11 of the queue in terms of placement in NYCHA
12 construction related jobs. That's a big deal as
13 well to get that kind of commitment from the
14 unions, to take NYCHA residents and move them to
15 the front of the queue, out of their normal
16 process of placing their "on the bench" union
17 members in jobs. So we are working proactively
18 with them to try and confront this issue.

19 MS. LOPEZ: I just wanted to give
20 you just a little bit of history that I think is
21 important to put in context. When this was
22 created the residents of public housing and the
23 advocates formed a committee at the time with the
24 unions to create this particular program. It was
25 a conglomerate of people that put it together,

1
2 NYCHA, residents, activists and unions who agreed
3 to create this program at that time.

4 If I remember correctly, we're
5 talking about 2001 I think was when this happened,
6 if I am not mistaken. Because it was the first
7 year that Tino Hernandez was the chair. Then 2001
8 was when this was created and from there on began
9 to operate it.

10 I also want to point out one thing.
11 Council Members should be mindful that when it
12 comes down to increase the population of
13 individuals who get hired on the trade skills,
14 unions have closed shops and therefore people have
15 to be part of an apprenticeship program that
16 allows them to acquire the licenses that then
17 allow them to become employed. That is one
18 component that NYCHA needed to deal with in order
19 to figure out how to move the hiring of our
20 residents. Because first, they had to go through
21 the apprenticeship to acquire the license and when
22 they acquire the license, then they become members
23 and then they get hired.

24 COUNCIL MEMBER JACKSON: Thank you.
25 Let me just turn, I'm sorry Mr. Chair but those

1
2 were just general specific concerns that I have
3 but let me just turn locally. I represent Council
4 District 7, which is in northern Manhattan, which
5 includes several NYCHA developments, the Grant
6 Houses, Manhattanville, two Hamilton Houses,
7 Audubon Houses and the one on 157th Street is Mary
8 Mathune or what's the name of it? McCloud. I'm
9 curious as to, under the stimulus package
10 considering all things are local, what projects as
11 far as under the stimulus package are going to be
12 for my district?

13 And, and you don't have to answer
14 this now but since we're talking about this
15 subject. If in fact nothing happens up in
16 District 7 then the stimulus package doesn't mean
17 anything for the people I represent, not unless
18 they're getting jobs somewhere else. So I'm
19 curious to know if your staff would get back to me
20 on this. What programs are being, under this
21 Section 3, as far as projects under the stimulus
22 money \$423 million are in District 7--

23 MR. RHEA: [interposing] Well let
24 me--

25 COUNCIL MEMBER JACKSON:

1

2 [interposing] I'm sorry, let me just...

3 MR. RHEA: I'm sorry. Go ahead.

4 Jack: ...finish the question. And
5 how many jobs have either come out of it already
6 or expected to come out of it for the residents
7 that I represent in District 7.

8 MR. RHEA: I want to make a general
9 comment and then I'll give you one specific about
10 your district. The general comment is that I'm
11 sure it's a much chagrin because I've had these
12 conversations with many Council Members already,
13 who were advocating for stimulus funding in their
14 district. Nobody feels like they received enough
15 and I understand that. But it's also important
16 that we note that geography was not a
17 consideration for our allocation process for
18 stimulus dollars.

19 As I said in my formal testimony,
20 it was shovel ready projects, projects that we
21 already had either complete full designs on or
22 were largely complete. It was projects that were
23 already in the five-year capital plan that we were
24 able to accelerate. And it was categories or
25 priorities like elevators. So as much as we would

1
2 have loved to have sprinkled it around pro rata or
3 by headcount or by number of housing units in a
4 district, that was not part of the process and it
5 couldn't be part of the process as we looked at
6 the critical needs.

7 Secondly, Manhattanville is one of
8 the developments that's receiving the benefits of
9 stimulus dollars in terms of capital projects and
10 jobs. We're working on elevators, a critical
11 category, and therefore Manhattanville was a
12 recipient of stimulus dollars for elevators. I
13 can't tell you right off the top of my head. I
14 don't think any of the other developments, Grant,
15 Mary McCloud Bethune that you named, Hamilton are
16 receiving stimulus dollars. We'll get back to you
17 with the act numbers but Manhattanville is.

18 COUNCIL MEMBER JACKSON: Mr.
19 Chairman, just a follow up question, with respects
20 to what we've talk about over the years, city and
21 state developments that are not receiving the type
22 of funding from the State of New York and the City
23 of New York. And if in fact this was a parent or
24 a father, our driver's license would have been
25 taken away from us. They would have garnished our

1
2 checks. They may have even put us in jail.
3 That's true overall. I hear it from fathers all
4 the time that they can't hardly survive as a
5 result of their obligations that the courts are
6 putting on them. Are any stimulus money being
7 used in city and state facilities versus the
8 federal facilities or developments?

9 MR. RHEA: No, there's no money
10 being spent on city and state developments with
11 federal stimulus dollars.

12 COUNCIL MEMBER JACKSON: Why is
13 that?

14 MR. RHEA: It's not allowed.

15 COUNCIL MEMBER JACKSON: It's not
16 allowed. Under the statute it's not allowed?

17 MR. RHEA: We don't receive, as you
18 know, operating capital dollar support from the
19 federal government or from the state or the city,
20 for that matter, to support city and state
21 developments. We have, creatively been granted
22 approval from the Feds to take dollars they
23 provide to us for our federal developments to help
24 sustain those city and state developments, because
25 obviously those are New York City residents and

1
2 public housing residents. All are the same from
3 my perspective.

4 But the stimulus money has to be
5 spent on federally funded projects under the ACC.
6 So they are not receiving support.

7 COUNCIL MEMBER JACKSON: But the
8 categories as far as priorities in our briefing
9 document there's categories of employment within
10 one, monies that are going to be spent directly at
11 a development; that's priority one. Priority two
12 is the other developments. So residents that are
13 not where direct money is being spent, in essence
14 city and state developments, they may be able to
15 take advantage of the employment opportunities
16 also?

17 MR. RHEA: Absolutely, absolutely.
18 Yeah.

19 COUNCIL MEMBER JACKSON: Thank you
20 Mr. Chair, thank you Madam Chair.

21 COUNCIL MEMBER MARK-VIVERITO:
22 Thank you Council Member Jackson. I really want
23 to thank and I know that there are people here to
24 testify so I will try to move it along. I do have
25 a couple of questions, though, for the Chairman

1
2 and the Commissioners. Thank you very much and
3 welcome Mr. Kelly to New York City. We look
4 forward to a good relationship. Just so you know,
5 between the Chair of this committee and those that
6 you see here present we are the strongest
7 advocates for public housing in the City of New
8 York. We look very much to build a strong
9 partnership with not only the Authority, with the
10 general manager. I hope that we continue that
11 kind of relationship, being able to have a direct
12 line when we need it, to really represents our
13 constituents, our residents and to serve the best
14 interest of what I consider to be the most
15 important housing in the City of New York, which
16 is our public housing stock.

17 So I have a couple of questions. I
18 know we've jumped around to different issues not
19 just related to Section 3. But just to touch on
20 the last question that Council Member was raising.
21 Where are we at, based on your understanding at
22 the federal level with the requests. I know the
23 last time I saw Secretary Donovan I had raised
24 this with him as well. But with regards to the
25 parody funding.

1
2 We know that during the Bush years
3 we saw a serious decline in the amount of money
4 that this particular Authority was receiving. To
5 the point where we're getting, I know that's still
6 the case, 83 cents to the dollar. But there is,
7 with the new administration, a hope that we would
8 get some level of improvement on the amount of
9 money that we're getting and an Authority to get
10 us closer to meeting the dollar to dollar need
11 that we have.

12 MR. RHEA: I don't have all the
13 numbers in front of me so I will answer that
14 generally. I am confident that the President's
15 agenda, the Secretary's statements are being
16 followed up by real action, both in terms of
17 obviously what we're discussing today.

18 The ARRA funding was a demonstrable
19 step to provide critical support for that unmet
20 large capital number I quoted earlier, even though
21 it may just be a down payment on that. Secondly,
22 next year's appropriation in the budget has a
23 significant material increase in operating funds
24 for public housing. Capital dollars aren't up as
25 much as we would like. Obviously since they

1
2 funded the stimulus projects, \$4 billion in
3 capital, they had to pull back to a certain
4 degree, in increases in capital dollars in next
5 year's appropriation which is understandable to a
6 certain extent given other budget constraints.
7 So--

8 COUNCIL MEMBER MARK-VIVERITO:

9 [interposing] Could you--do you have an idea with
10 regards to we were getting 83 cents to the dollar
11 where are we going to be at with the next
12 appropriation?

13 MR. RHEA: More. More but not
14 enough. The other general comment I wanted to
15 give was that the formula "moving toward full
16 funding" does not include some critical items that
17 are costs that all housing authorities incur. For
18 example, it doesn't pick up the benefits expenses
19 of our employees as part of the full funding
20 formula. Obviously in addition to the dollars we
21 pay in wages, we pay another 40 cents or so in
22 terms of benefits costs.

23 By that not being incorporated into
24 the formula, even if they move to what the federal
25 government considers full funding, we will still

1
2 have a considerable unmet expense at housing
3 authorities across the country. Getting to their
4 definition of full funding would be significantly
5 an advance from where we are today but it would
6 still not obviously close the entire gap.

7 COUNCIL MEMBER MARK-VIVERITO:

8 Thank you for that update. Going back
9 specifically to the Section 3 issues. I'm just
10 looking over your testimony. I was here, as you
11 were as well when the hearing was held with Maxine
12 Waters and Congresswoman Maloney was here and
13 Velasquez that was held in these chambers
14 regarding some legislation that Congresswoman
15 Velasquez is advancing. You do mention and allude
16 to it in your testimony.

17 Understanding that you say that the
18 current regulations or stipulations are somewhat
19 of a n unfunded mandate and really are not the
20 most helpful in trying to achieve the ultimate
21 goals. You do mentions some recommendations.
22 Obviously my hope, and it seems like you're
23 heading in that direction and it's really great,
24 that we're going to look at implementing policies,
25 procedures or programs to really try to work with

1
2 our residents and try to get them on that path to
3 employment and doing what we can.

4 We would hope that we won't need
5 the legislation to force us to do that. Hopefully
6 we're doing it on our own. But what are some of
7 the recommendations that you made, specifically,
8 that you would like to see. And do you think that
9 the Congresswoman Velasquez' legislation as it
10 stands goes far enough or is helpful towards
11 achieving the ends that we would like to see.

12 MR. RHEA: Since I did testify at
13 that field hearing I will refer back to my
14 testimony and ask the Council to please look at
15 that for the specifics. A couple of things that
16 we discussed that I actually had follow up
17 conversations as recently as a couple of weeks ago
18 with the Congresswoman. Deals with certain
19 things, for example, to ensure that the penalties
20 of non-compliance don't just fall on the shoulders
21 of the housing authorities but they also
22 potentially fall on the shoulders of contractors.

23 What I don't want is penalizing the
24 people who are intended to benefit from the
25 programs if there's non-compliance. If you take

1
2 money away from NYCHA or any other housing
3 authority for non-compliance it's kind f you're
4 punishing the victim again. We have less money
5 then to provide all the critical services and
6 needs that they have. I think it needs to be
7 shared responsibility with shared penalties.

8 The other thing we discussed that
9 we thought was important was there was a proposal
10 that it be actual hours worked and dollars spent.
11 We thought that that could be narrowing in terms
12 of when you're dealing with structural
13 unemployment, the goal is to get people in to the
14 workforce to have their first job or their second
15 job to acquire more skills then longer term they
16 can have higher wages.

17 So we don't want to have a mismatch
18 where because it has to be the dollars spent or
19 the actual hours worked that we end up placing
20 unrealistic demands on our ability to get NYCHA
21 residents in to jobs. And that we receive
22 penalties even if we're doing a great job of that
23 if it doesn't necessarily measure up dollar by
24 dollar or hours by hours that we would be
25 penalized for that. So we think there needs to be

1
2 some flexibility in the measurements.

3 The third is very important was to
4 increase the funding level. I talked about
5 Section 3 as being an unfunded mandate. We don't
6 receive any money today. We take critically
7 needed dollars for servicing our developments and
8 we're spending it to provide the employment
9 efforts that we do under Section 3. We don't
10 receive any actual dedicated support from the
11 federal government to implement that program.

12 They were proposing, I think the
13 number was \$5 million or so, for the entire
14 nation. We spend that at NYCHA alone already. So
15 we felt that that number needed to more look like
16 \$50 million or something large enough to be
17 material. Any dollar is helpful but quite frankly
18 we already spend more than that on our own.

19 COUNCIL MEMBER MARK-VIVERITO: The
20 other thing, I know that in Jefferson Houses,
21 there is a pilot that is about to start. It's
22 workforce development pilot to really just focus
23 on that development, on the residents in that
24 development and linking them up with job training
25 opportunities and eventually jobs. I think that's

1
2 one element of it. I'm hoping to get an update
3 soon with regards to the full scope of it. But
4 it's a pilot; it's happening in one development.
5 Obviously it's something that we're learning
6 something about and that the end result will be
7 something that maybe can be replicated.

8 But to what extent? Is there maybe
9 any sort of linkage being made between that pilot
10 what the end result is there and maybe the goals
11 of Section 3. How are you tying all of that in?

12 MR. RHEA: Great question and it is
13 absolutely a model of the kind of work that we're
14 doing at NYCHA. Part of the reason Michelle Pinop
15 has been appointed to her important role as head
16 of the Office of Residents Economic Empowerment
17 and Sustainability is because of the work that
18 she's doing at Jobs Plus. So she has direct
19 responsibility for NYCHA's involvement with Job
20 Plus and implementing it at Jefferson Houses.
21 Then taking those learnings and applying them to
22 our broader efforts within NYCHA to help our
23 residents achieve economic self sufficiency.

24 Secondly, that is an inter
25 disciplinary holistic approach to helping

1
2 residents improve their access to employment.
3 It's not just job training but it's all the other
4 support of Social Services that they require in
5 order to be job ready. Whether it's issues about
6 how to interact in the work place--

7 COUNCIL MEMBER MARK-VIVERITO:

8 [interposing] Day care, maybe, anything else.

9 MR. RHEA: Day care, you're right.
10 So it's a number of the impediments that we know
11 many low income residents face when they try to
12 enter or re-enter the workforces. Secondly I
13 mentioned a recent hire that we made and she has
14 experience in not only working directly from
15 MMRDC, which is the organization that created Jobs
16 Plus, but the Jobs Plus model was exactly what was
17 alive and in Queens bridge through ERDA. We're
18 bringing more expertise in-house that understands
19 how these programs have organically evolved and
20 how we can be more entrepreneurial in our approach
21 to really accelerating this activity. It is
22 directly tied to everything we're doing around
23 Section 3.

24 COUNCIL MEMBER MARK-VIVERITO:

25 Obviously I'm excited that it's happening in my

1
2 district. I think that the approach is one that
3 seems to be in the direction that we need to be
4 heading in. That in order for an individual to
5 thrive and to succeed, you have to really provide
6 additional services than maybe just the job
7 training skills.

8 MR. RHEA: The other important
9 point of that is the partnership that NYCHA has
10 with other city agencies. Because we can't do it
11 all on our own and there is tremendous expertise
12 and resources at our sister agencies here at the
13 city level and City Hall. One of the great things
14 about Jobs Plus is all of those Commissioners and
15 their teams are at the table to implement Jobs
16 Plus in public housing. That's the kind of model
17 that we need to employ across NYCHA.

18 COUNCIL MEMBER MARK-VIVERITO: Kind
19 of on the side, I was at a conference in Los
20 Angeles last week. I had an opportunity to do a
21 site visit to the L.A. Housing Authority and the
22 project that they're working on now. Jordan
23 Downs, which is an incredible endeavor, I guess,
24 with regards to 7,000 units of public housing and
25 creating a whole mixed income community. But also

1
2 providing additional support services to the
3 existing residents and basically rebuilding of the
4 public housing that's there in addition to
5 creating additional housing. It's something to be
6 seems.

7 To what extent do you all, as
8 Commissioners in this housing authority have the
9 ability to really interact with other housing
10 authorities across the country to really see. We
11 love to say that we're the center of the universe,
12 right? New York City is the center of the
13 universe. We're cutting edge but we also can
14 learn from other people's experience, clearly. I
15 think that there's a lot of innovation and
16 interesting work that's happening across the
17 country.

18 To what extent is there maybe
19 opportunities to visit what other cities are doing
20 or learn from those experiences or have exchanges.
21 I'm just curious.

22 MR. RHEA: I'll comment first and
23 then I'll ask my colleagues to chime in here.
24 Again, I know that the concern about my
25 appointment was around my lack of public housing

1
2 experience and one of the reasons why I'm
3 obviously so excited to have Mike Kelly join us as
4 my partner. He's been 20 years in the game.
5 Michael, in addition to his nine years in D.C.,
6 ran the public housing authority in New Orleans
7 pre-Katrina and then ran the public housing
8 authority in San Francisco. He's someone who not
9 only knows housing but knows all of the, what I
10 call, leading thinkers in the field.

11 Having him now part of our team, I
12 think, goes directly to address one of your
13 questions, which is what are we doing to ensure
14 NYCHA is getting the best practices and that we
15 have strong relationships with other housing
16 authority leadership across the country. He also
17 chairs CLPHA, which is the Counsel for Large
18 Public Housing Authorities across the country.
19 It's the organization that represents our
20 interests and needs collectively.

21 Even before Michael's arrival and
22 before my arrival, obviously Vice Chairman Andrews
23 has been on the board of NYCHA for nine years, a
24 little more.

25 MR. ANDREWS: Ten.

1
2 MR. RHEA: Excuse me, ten years
3 now; very well known in the industry. Obviously
4 my fellow Commissioner Lopez needs no
5 introduction. She's very well known as a great
6 organizer and supporter of public housing. And so
7 I think NYCHA is well represented and will be even
8 better represented going forward and it's been one
9 of my initiatives to make sure that NYCHA is less
10 insular and more open to partnerships and to good
11 ideas, where ever they may be. We will continue
12 to explore what other cities are doing.

13 Having said that, we're different.
14 I don't want--not invented here but we are
15 different. We are on a different scale than most
16 cities. We have maintained our housing stock
17 despite the investment requirements I described.
18 We aren't demolishing public housing because it's
19 beyond saving. Some of the programmatic work that
20 people are doing in other markets don't have
21 direct applicability but there are significant
22 learnings from what they've done that we can apply
23 to sustaining and improving and reinvesting in our
24 developments.

25 COUNCIL MEMBER MARK-VIVERITO: All

1

2 right. Okay.

3

4

5

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MS. LOPEZ: I don't want to miss the opportunity to say this. For reasons that I don't understand we forget that this is the cradle of public housing not in the nation but in the world.

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COUNCIL MEMBER MARK-VIVERITO: In the world, yes.

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MS. LOPEZ: Okay, that's number one. And number two, the second statement I'm going to make is not a statement intended to offend anybody outside of New York City but I need to say this. We know the value of public housing and we know that public housing in New York City is the best housing in the nation. We need to believe that we are the leader on this. I need to say that because I, sometimes, get offended and tired by the way that the forces out there portray our public housing.

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We are the biggest and we are the best.

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COUNCIL MEMBER MARK-VIVERITO:
Thank you for that. I have very quick three last questions and then I'm done I want to definitely,

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2 people that are in the audience. I think some of
3 the testimony that was submitted, we all know that
4 there's been a lot of criticism and I'm one that
5 being so involved in the issue I understand and I
6 know both sides pretty clearly. This issue that
7 people talk about the warehousing of units, which
8 is--I know and I understand where a lot of that
9 lies when we are short changed on being able to
10 invest on capital improvements there are times
11 that work is not done as quickly as we would like
12 to see happen.

13 But understanding that there are
14 units that technically may be offline because
15 there may be some capital work that has,
16 unfortunately, not happened as quickly as it could
17 have or has been deferred because we may not have
18 the money. To what extent in terms of the
19 decision of how the stimulus funds were to be used
20 were you looking at that aspect of it, of being
21 able to bring those units and those developments
22 that have really been offline?

23 I know in my district, Johnson
24 Houses is one development of contention. But to
25 what extent was some of that analysis projected in

1
2 your decisions as to how to apply the stimulus
3 funds?

4 MR. RHEA: It was a top priority
5 and I said it in my formal testimony. I said we
6 looked at units that were off the rent rolls.
7 Obviously, it's not in NYCHA's interest to have
8 units unoccupied where we're not receiving rent.
9 It just goes against logic. But because of
10 capital constraints, there are a number of units
11 that are being refurbished and none are being
12 refurbished as fast as we would like.

13 The stimulus dollars gave us an
14 opportunity to accelerate some of that work.
15 That's why Whitman Ingersoll is the largest
16 recipient because we had a number of units that we
17 we're refurbishing that we were able to accelerate
18 that refurbishment and get them back on the rent
19 rolls in an expedited basis. Johnson is another
20 example.

21 COUNCIL MEMBER MARK-VIVERITO:
22 Johnson is one of them as well?

23 MR. RHEA: Yeah.

24 COUNCIL MEMBER MARK-VIVERITO:
25 Good. I'm hoping that will happen. Let's bring

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2 it all local, right?

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MR. RHEA: No, no, not on a stimulus but under our federal capital fund grant we're--

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COUNCIL MEMBER MARK-VIVERITO:
[interposing] Making that, moving that along real quickly.

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MR. RHEA: I just have to take the opportunity, we have less than a 1% vacancy rate in public housing. Most of the housing units that are off the rent roll are being refurbished and returned to the rent roll on the schedule that we've outlined.

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COUNCIL MEMBER MARK-VIVERITO:
Okay. Thank you for that. I always tell people this in the room but I'm probably among the districts or top three with the highest percentage of public housing in the City of New York. It's a priority for me and I look forward to the partnership.

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Now in your testimony when you talk about NYCHA's Section 3 accomplishments, you talk about over the last seven years implementing these policies about when you contract out. They have

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2 to submit hiring plans to NYCHA projecting the
3 number of overall new hires including resident
4 hires. The plans are reviewed and progress is
5 monitored by the Authority's Department of
6 Resident Employment Services.

7 You mentioned specific numbers when
8 it comes to pre-apprenticeship placements or
9 number of positions. But where are you at with
10 regards to monitoring other aspects of the
11 contracts and these hiring plans and how these
12 contractors are meeting those needs or the goals
13 laid out?

14 MR. RHEA: Again, we've obligated,
15 as I said, almost 70% but the actual work--some
16 has begun in earnest, particularly what's going on
17 with Ingersoll, particularly the elevator work and
18 getting appliances in. But a lot of the contracts
19 that have been awarded have actually now "broken
20 ground" yet. So we've made them give us direct
21 estimates in the awarding of the contract so those
22 numbers now could be monitored as the jobs begin.
23 But, again, we're in the early stages of being
24 able to go out to a site and look at the number of
25 residents that are employed.

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2 In Ingersoll Whitman for example,
3 we know that there are four residents who are
4 working actively. I think that's a great example
5 of where we've been creative. Three-quarters of
6 those jobs are actually in non-construction
7 related roles. They are working in offices for
8 the contractor in administrative support
9 functions. Those jobs are about almost \$20 an
10 hour in terms of the wages that those residents
11 are receiving. So these are real jobs that we've
12 been able to get residents employed in that aren't
13 "at the construction site".

14 Today, I think it's 32 residents
15 are actually engaged as a result of the stimulus
16 funding.

17 COUNCIL MEMBER MARK-VIVERITO: So
18 then obviously as we move forward it would be
19 great to get maybe progress quarterly in terms of
20 how those goals are being met; the goals laid out
21 versus where we are with meeting them. The last
22 question and I know this has been another. It
23 came up in conversation at the conference I was at
24 last week. I know that early on I had heard that
25 NYCHA was looking to submit an application for

1
2 Moving to Work. I know that that raises some
3 concerns.

4 Again, with whatever goals are with
5 regards to Moving to Work, if there's anything
6 linkage or opportunity with Section 3. I'm just
7 trying to see where things are at because I would
8 think Moving to Work--I don't know all of the
9 details of what that implies. There is some
10 leeway that is given to the authorities in order
11 to implement certain programming.

12 MR. RHEA: That's correct.

13 COUNCIL MEMBER MARK-VIVERITO: But
14 where is that application at, actually I guess is
15 the first question. Second of all, how are you
16 linking it up with this overall vision that you
17 have of job training and workforce development for
18 NYCHA residents?

19 MR. RHEA: Prior to my arrival
20 under the leadership of the last chairman there
21 was a lot of work done to create a round table of
22 the important stakeholders, both community
23 activists, residents and others to ensure that
24 NYCHA's application to become a Moving to Work
25 agency was done in a way in which there was broad

support and buy in.

That led to a "agreement" that we called HIP Lite that we have obviously advocated for in terms of the legislation that's moving through Congress right now called SEVRA, which is the Section 8 Voucher Reform Act, which is the legislation that will identify or make 60 housing authorities across the country eligible to become Moving to Work. There are roughly 30 already today, Washington, D.C. was one of them.

In speaking with GM Kelly as well as our colleagues around the country, they have cited Moving to Work as being very important in terms of having flexibility to be operationally efficient with how they employ their dollars; capital, operating and Section 8. Given that NYCHA runs the largest Section 8 program in the country and the largest public housing program in the country, being able to look at that holistically and be efficient on how we deploy our resources. We think is just a basic premise of management of an agency of this scale serving collectively almost 700,000 residents between Section 8 and public housing.

1
2 SEVRA legislation is now in
3 Congress. We hope the Senate will pick it up
4 sometime next year; unclear if they will. We've
5 spoken with the New York delegation, Both Senator
6 Shumer and his team. We've spoken with Chairman
7 Over of the sub-committee of the House. We've
8 expressed our desires for how that legislation
9 should evolve and the timing of it. We've
10 obviously made it very clear that NYCHA is
11 proposing to be a "Moving to Work" agency but in
12 the form of HIP Lite that conforms to the
13 agreements that we collectively got to with the
14 stakeholders at the table.

15 We just actually reconvened that
16 group two weeks ago here in New York over at 250
17 Broadway. We hadn't met in some time and we
18 wanted to re-engage collectively on what we're
19 trying to do and to lobby on behalf of NYCHA being
20 given that designation.

21 COUNCIL MEMBER MARK-VIVERITO: I
22 think I'll talk to the Chair of the sub-committee
23 but I think we'd like to get more information on
24 the working group, what agreements have been
25 arrived at, what discussions and through that

application is moving forward.

MR. RHEA: Happy to share it.

COUNCIL MEMBER MARK-VIVERITO:

Having said that, I thank you. I will defer any other questions. We know we have people patiently waiting and my colleague, Tish James, has asked for one question. Go ahead Tish.

COUNCIL MEMBER JAMES: Just the Capital Improvements Division, to what extent have layoffs affected their effectiveness in getting contracts out to bid? Have there been any layoffs in this particular division?

[pause]

MR. RHEA: Directly answering the question about was the Capital Project Division affected by the layoffs, they had to give at the office as all of us did, unfortunately. So there were a couple of layoffs that affected their department. Has it affected their effectiveness? The answer is no. We actually are ahead of the contracting we did in the prior year and we're ahead of schedule on our plan for obligating the dollars for ARRA. So the short answer is that they're doing more with less and I commend them

1
2 for their hard work.

3 COUNCIL MEMBER JAMES: Thank you
4 Mr. Chair. Again, I look forward to working with
5 you to create a satellite office, notwithstanding
6 the fact that Red Hook is a really nice location
7 for GED CUNY facility and an early education
8 center in Fort Green, Clinton Hill. Thank you Mr.
9 Chair.

10 COUNCIL MEMBER MARK-VIVERITO: I
11 want to thank you all as well. I just want to say
12 one thing as we all advocate for our individual
13 districts. We all know that there is a DYCD RFP
14 due today on the community centers in NYCHA
15 developments. There is one that is projected to
16 impact my district, which is the Johnson Houses
17 Community Center which is not yet online. The
18 residents in that community have fought for many,
19 many years.

20 But that I want to ensure that I
21 say this on the record that it is my strong
22 feeling that the resident association of that
23 development needs to be an integral part of
24 anything that is to be programmed out of that
25 center. They have waited too long; they have

1
2 fought too hard. They have even been able to
3 secure private foundation monies.

4 All the work that they've put in so
5 far should not be neglected, should not be ignored
6 and should be an integral part of whatever
7 proposal is selected for that site. Any
8 organization that is provide programs need to be
9 respectful of that process as well. I would hope
10 that--I know I've gotten discussions with
11 Commissioner and I have commitments from you and I
12 really appreciate that. I really look forward to-
13 -

14 And Commissioner Lopez I really
15 want to thank you in particular for you really
16 addressing this issue so quickly. But I really
17 want to continue that level of partnership and
18 being respectful to the residents.

19 MS. LOPEZ: I just want to reassure
20 you publicly of our private conversation yesterday
21 that indeed the intention of NYCHA, the intention
22 of this administration, the intention of Michael
23 Bloomberg, the Mayor of the City of New York is
24 that public housing residents be part of the
25 process. Making sure that the centers are a

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2 integral part of the life and the membership of
3 the people who use them. Then NYCHA has a
4 commitment that we will make sure and guarantee
5 that whoever comes to operate those centers will
6 be with the participation and influence and
7 membership of our resident population.

8 COUNCIL MEMBER MARK-VIVERITO:

9 Thank you very much.

10 MR. RHEA: I want to be specific,
11 though. I want to commend, an opportunity, Hugh
12 Spence and his team for the hard work they've done
13 working with the Commissioner's at DYCD to ensure
14 Mulgrave's team, to ensure NYCHA had input into
15 the process. And to get out specific information
16 to resident groups, community based organizations
17 on how to apply, on helping them with their
18 readiness to submit the application and to ensure
19 that they participate in the process and partner
20 where they need to if they don't have sufficient
21 skills or resources to win the RFP on their own.

22 A lot of work has gone in on behalf
23 of the community operations team to make sure that
24 residents were aware, could respond and hopefully
25 will be successful in achieving some of the

awards.

COUNCIL MEMBER MARK-VIVERITO:

Thank you very much for your testimony and participation here today. I look forward to the work ahead.

MR. RHEA: Thank you.

COUNCIL MEMBER MARK-VIVERITO:

Thank you very much. We're going to call our first panel and thank you, once again, to all those that are testifying for waiting so patiently. I hope the information shared today was obviously of interest to all of you; Victor Bach from Community Service Society and Agnes Rivera from Community Voices Heard. Also I would like to acknowledge that we're submitting to the record testimony of Claude Fort, President of Civil Service Technical Guild, Local 375 DC 37. [pause] Okay, thank you very much again for being patient. With that, either one can begin please. Thank you.

VICTOR BACH: Thank you. Thank you for inviting us. I must say that as someone who has been thinking about Section 3 and done a report on the issue at NYCHA, I was very impressed

1
2 by the new Chair Rhea commitment to energizing and
3 expanding NYCHA's Section 3 efforts. I'm hoping
4 it's a real opportunity for residents over the
5 long term. I think it's important to remember
6 that ARRA is a lot of money, \$423 million. But
7 ordinarily without ARRA NYCHA spends billions of
8 dollars a year that comes out of HUD that is
9 subject to Section 3 and should be put to better
10 uses in terms of residents and opportunities.

11 When we started work on the report
12 that's attached to the testimony, we were trying
13 to get an estimate. We were trying to get a sense
14 of what labor force participation pattern was
15 among NYCHA residents and get a hook on the size
16 of the unemployed job seeking resident population
17 and find out who they are and how big that
18 population is compared to NYCHA's current Section
19 3 efforts to date.

20 Very briefly, what we found was
21 that NYCHA has about 231,000 working age residents
22 between 18 and 65 that of those about two-thirds
23 are actively engaged. Most of them in the labor
24 force, some of them in school and training. So
25 that we're not talking about by and large a

1
2 population that is sitting idle and waiting for
3 opportunities to come by. Most of them are either
4 working, looking for work or in school and
5 training.

6 The data we used was from 2005;
7 those were the good economic times. We found that
8 20,000 residents were at that point in time
9 unemployed and actively seeking work. We suspect,
10 given the current recession, presumably the worst
11 since the Great Depression that the number of
12 unemployed NYCHA residents is now closer to 30,000
13 out of the 230,000 working age residents. So this
14 is an issue. They're now looking for work in a
15 depressed economy.

16 I've heard a lot, listening to the
17 testimony, about something called structurally
18 unemployment. That, I think, refers to
19 unemployment that results from a mismatch of the
20 population looking for jobs and the jobs that are
21 available, a skill mismatch. We don't know how
22 much of the unemployment is structural or cyclical
23 turnover. But if you look at the occupational
24 experience of NYCHA residents it's very varied and
25 impressive.

The largest occupational grouping of NYCHA residents, about 25% of them who are in the labor force work in office and administrative and support work. They're office workers. Another 10% work in health care related services. The level of experience and the type of work experience differs for men and women. Women tend to dominate in the office work and in the health care sectors while men have most of their experience either in office work, construction, clearing and building services or transport related work.

There is a body, an infrastructure of work experience there among the unemployed as well as the employed that suggests that more can be done to quickly move them in to job opportunities. That being said, the question given everything that NYCHA has just testified to today, the question is where do we go from here. NYCHA has already said it can't do it alone. It's very important that the authority which has expertise in housing development and management and not expertise in job training and placement. That it collaborate with those agencies in the

city and those non profits who have collective experience there. It seems that's about to take place.

The second issue is what we should expect of NYCHA in terms of the scale of its Section 3 initiatives. We're concerned that we may end up with a demonstration project here and a demonstration project there that really don't add up to the full scale of the unemployment problem among NYCHA residents. That doesn't mean that you have to work on everywhere from the start. It does mean that one demonstration site is not enough; maybe one in each borough for a program.

Particularly a program like Jobs Plus, which has been tested and evaluated and proved effective in housing authorities across the country. I'm not sure that just Jefferson Houses should be blessed. I think there ought to be such a collaboration and program in several sites with different challenges across the boroughs. So I think that's something that Council should watch for.

Thirdly, all of the key players should be included. They've already been

1
2 discussed, contractors as well as residents as
3 well as the city workforce development agencies,
4 the unions and the like. But finally I think that
5 the Council's role in monitoring and overseeing
6 NYCHA's Section 3 initiatives, particularly as
7 they evolve and hopefully grow. That that needs
8 to be ongoing and these kinds of hearings need to
9 be scheduled with some regularity.

10 If you remember, the ARRA capital
11 projects have to be carried out over the next two
12 years. If the next hearing on this issue is in a
13 year, it may be too late to really understand
14 what's happening and do anything to correct or
15 improve the current Section 3 effort. I would
16 certainly urge this sub-committee to hold
17 oversight hearings at least every six months at
18 what's happening at NYCHA and hopefully a great
19 deal will be happening. Thank you.

20 MR. RHEA: Agnes. Thank you Mr.
21 Bach.

22 AGNES RIVERA: Thank you for having
23 us here. Please give our condolences to Rosie
24 Mendez and her family loss. Being that Vic has
25 spoke about a lot of the Section 3 and what's

1
2 going on with some of the stuff that happened with
3 Section 3 that hasn't really employed a lot of our
4 members in our communities and residents in our
5 community. I think that that's one of the topics
6 we need to really address is finding out really
7 the numbers, if the numbers are really real and if
8 they're not.

9 We could put anything on paper and
10 say it's real. What I'm getting to is that we're
11 asking to see if we could have a committee, along
12 with Rosie to be where she is the Chair, that we
13 could oversee the stimulus money, where it's
14 really going, how it's really being utilized. Are
15 we going to be using that money, really all of it?
16 How much of it is going to go back? Are we going
17 to use that money in order to cover some of the
18 expenses they already have in order to cover up
19 some of the jobs that are existing right now in
20 the present time that have nothing to do with the
21 stimulus money.

22 I think that all in all, we're
23 fighting because we live there. We're fighting
24 because we know what's going on. Being that you
25 know me and you call me by name is because I live

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2 in your residence and I am a member of Community
3 Voices Heard. We're very much active with other
4 organizations that are overseeing, that these
5 things get done because we have been had so many
6 times over and told so many other stories that do
7 not consist with what they present nor what they
8 tell.

9 We need to start working together
10 as an organization. I remember a statement that
11 was done here some time back last year. We are
12 the ones that elect you and we're asking you to
13 help us out so that we can do the sub-committee
14 with Rosie Mendez along the side, with some City
15 Council members and other organizations and union
16 reps in order to oversee and oversight of this
17 stimulus money that's going down.

18 I know that's not what is said on
19 this paper but because Vic has touched as great
20 deal on the Section 8, I think we need to touch on
21 the money that we have in order to get those
22 projects done and that we accomplish the goal that
23 that money was placed in. That they don't keep on
24 making decisions without recommendation and that
25 we are a part of the decision makers in order to

1
2 have that stimulus money spent utilized and done
3 perfectly, the way it should. Because if it's for
4 the people then the people should have that
5 choice.

6 COUNCIL MEMBER MARK-VIVERITO:

7 Thank you Agnes for your testimony. I know that
8 you live in Wagner Houses, you are a constituent
9 and I know very well the work of Community Voices
10 Heard. I think it's very commendable
11 organization. It's a membership organization and
12 it really represents people on the ground in a
13 really effective way. I know and I will share
14 with the Chair about the request that CVH has made
15 before about some level of resident involvement in
16 the oversight hearings or any oversight process
17 that we may engage.

18 When it comes to the ARRA funds and
19 about how these monies are being expended because
20 I do agree. I think that there should be a level
21 of integration and work amongst ourselves, so that
22 we can really monitor it more effectively and hear
23 from the people that are most closely being
24 impacted. So I'll share that with her and then we
25 can find a way that we can really move that idea

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2 forward and hopes that we can move that idea
3 forward. Did you want to say anything, Tish?

4 COUNCIL MEMBER JAMES: Just I agree
5 with Ms. Agnes. On those developments that he has
6 identified. For instance, in my district
7 Ingersoll and Whitman was, I think, the largest
8 beneficiary of stimulus funds. I believe there
9 should be a local hearing on the status of the
10 stimulus funds in our district. I want all of the
11 contractors and sub contractors to ask them to
12 testify with respect to their hiring of local
13 residents, sub contractors, their performance on
14 hiring of WMBEs, CM/Build. I think we need to get
15 outside the walls of this ivory place and go where
16 the people are. Hopefully, since my district is
17 the largest beneficiary at some point in time,
18 perhaps six months to a year we should hold a
19 hearing in Fort Green. I welcome all of you to
20 Junior's--well that's not healthy. But anyway,
21 you could all come.

22 COUNCIL MEMBER MARK-VIVERITO:
23 Thank you. Thank you both for your testimony.
24 It's been very helpful. The study, the policy
25 brief, I definitely will be reading that. We have

one more panel. We have Mitchell Faider and Joshua Barnett.

MITCHELL FAIDER: Thank you. My name is Mitchell Faider. I am the Chapter President of the Civil Service Technical Guilds Chapter at the New York City Housing Authority. I'd like to thank the committee on public housing for having this forum today. To my left is the Chapter's former first Vice President and the former Civil Service Chair of the Local 375. There's really a lot to say about this subject but before I get into the comments that were made today I'd like to give a little background on how we got here today.

I work for the Capital Projects department for 12 years. I was first hired in the Housing Authority in 1992. I supervised the architectural engineering contracts for 12 years. More than 10 years the federal government granted Housing Authority \$400 million a year in capital improvement funds. In the early 2000s that was cut 10%, down to \$360 million. That was further cut another \$10 to \$20 million where it's somewhere I think today between \$310 and \$320

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2 million. I could be off; it could even be a
3 little bit lower.

4 After the first budget cuts we
5 found out that by law the Housing Authority's
6 administration can siphon upwards of 205 of the
7 capital improvement funds every year to offset
8 operating funds that were cut, which is another
9 major problem that we have. The \$320 million from
10 the \$400 million, all of that has not been funded
11 into the infrastructure because it was being
12 siphoned off to offset the operating budget cuts
13 from HUD.

14 In 1997, 1998, the Chairman at the
15 time through some private deal with the city and
16 the state decided to take on 21,000 public housing
17 units of city owned and state owned units, with no
18 guarantee of any operating fund input or capital
19 projects fund input. That, at the time, was the
20 equivalent of 13.2% of the units that the public
21 housing authority was administrating at the time.
22 148,000 units. From there we went up to 179,000
23 units. This is almost the equivalent of an
24 average person's pay getting cut by 13%.

25 Since then very little capital

1
2 project money has been inputted or operating funds
3 have been inputted, as Chairman Rhea has stated,
4 were they have to fund the whole upwards \$60 to
5 \$90 million a year in to those city and state
6 projects. At the same time in the Capital
7 Projects Division in the last eight years. At
8 some point there was over 700 employees. We're
9 down now somewhere near 500 and it's dwindling
10 every week due to a natural attrition.

11 Council Member James, her last
12 question was has the reduction in staff affected
13 the inflow or the outflow of contracts. In all
14 due respect to Chairman Rhea, I believe it has.
15 That, coupled with the current model of the
16 CM/Build program is pretty much devastating in my
17 opinion the way the housing authority conducts its
18 business. In 2004 they changed the model. Prior
19 to that, upwards of 70 years worth of property
20 management is what we do here primarily.

21 The contracts were awarded directly
22 fro the Capital Projects division from the Housing
23 Authority, through the Wicks Law where they
24 contracted out to usually four different divisions
25 of contracts, General Construction, Electrical,

1
2 Plumbing and HVAC work. Now upwards of two-thirds
3 to three-quarters of the contracts were being
4 funded through the CM/Build contracts where the
5 contractors are being hired by the construction
6 management firms. The other third, if we're lucky
7 a third but probably less than 25%, is being
8 funded through the internal program; the way it
9 was done the previous 70 years.

10 We have a redundancy of work at
11 this time where we're funding out jobs at the same
12 time they're giving the work to the CMs to then
13 bid out. We're paying extra money for a
14 redundancy that doesn't have to be.

15 Secondly, the primary reason the
16 CMs were brought online is no longer present. The
17 primary reason was to get the on-time construction
18 completion done for large projects such as
19 community centers, day care centers, senior
20 centers, major large infrastructure work such as
21 replacement of the hot water pipes, the cold water
22 pipes and so forth. Even though our own in-house
23 employees could supervise the work.

24 There's no funding anymore of these
25 community centers and day care centers so why are

1 the CMS still being used. We feel it's
2 undercutting the internal staff. The only
3 argument that we've heard to date as to why the
4 staff is being cut, primarily we're hearing
5 publicly it's because of the pension and the
6 health benefits. That is really a misnomer. When
7 you look at the cost of the private consultants,
8 whether they are firms or individuals, you will
9 find that for every two employees that they hire
10 there at minimum we could hire three full time and
11 still have money left over. This is with the CMS.

12 If you're looking at architects,
13 engineers and estimators in general, their
14 multiplier we could hire four inside employees for
15 every two that they hire outside. So the cost
16 benefit is not really there. They're using the
17 pension claims and the health benefit claims as an
18 excuse not to bring in additional employment. So
19 that model has to be looked at.

20 As far as the Section 3 or the so-
21 called--I won't comment too much on Section 3.
22 It's really more for the apprenticeship program.
23 They promised the tenant associations they would
24 hire 300 apprenticeships over the years due to the
25

1
2 CM/Build program. We're not in our sixth year,
3 going on our seventh year and as they've testified
4 they're only up to 229. Only 70% of them have
5 been retained so that's really down to maybe 170
6 or so. One must look at the cost of that program
7 and the large picture.

8 Also in 2004 when they implemented
9 the CM/Build they didn't put the program dynamics
10 for review to HUD. At the time, what they did was
11 restrict the public bidding only to union firms.
12 That was inappropriate. HUD cited them on it;
13 it's against federal procurement guidelines and
14 they had to change over. So now we're competing
15 at this time, which is appropriate and proper
16 under the guidelines, the unionized construction
17 firms with the non-unionized firms. So the
18 apprenticeship program is only going out to those
19 firms that are unionized.

20 We haven't heard what the breakdown
21 is between the non-union firms getting jobs versus
22 the unionized so that has to be looked into.
23 Those obviously who were not unionized will not
24 have an apprenticeship program because they don't
25 have union but they have a legal right to bid on

1
2 the jobs.

3 Also, part of the problem with the
4 CM/Build is that whether or no--we haven't had an
5 update yet but at the time of implementation in
6 2004, I testified before this same committee that
7 there's a major redundancy. Part of what they're
8 being paid for is Section 3. If the Authority has
9 a Section 3 program, why are we now paying the CMs
10 to do similar placement and so forth. To me
11 that's redundancy. At the time I think I
12 highlighted seven redundant traits that they're
13 doing, the CMs are doing what we are doing in-
14 house. The apprenticeship program to me is not
15 all that great of a success at this point.

16 As far as the CM/Build I think on a
17 personal level it has to be dismantled. There's
18 no reason for the CMs to be present if there's
19 really nothing that they bring to the table that
20 the in-house professionals don't already have.
21 Our licensed architects, the engineers, the
22 construction estimators, the construction project
23 managers have been doing this work for upwards of
24 70 plus years. There's nothing that they can't
25 handle currently that the CMs do not bring in.

1
2 Lastly, Due to the cut backs we
3 can't not get as much done as we could in the
4 past. When you drop your staff from 700 down to
5 500, obviously you have to look elsewhere. Now,
6 by going outside and bringing in more consultants
7 and so forth, you're draining the dollars.

8 My last note, going back to the
9 budget, until HUD decides whether or not to fund
10 the city and state projects, the developments, I
11 think it's incumbent on the city and the state to
12 somehow pass some type of budget for the operating
13 funds and the capital improvement funds to be off
14 set what the Housing Authority is putting in.
15 There's a lot of mandates as Chairman Rhea pointed
16 out, that are not being funded. So by taking
17 these mandates what you're doing is taking away
18 money that should be put into the infrastructure
19 and now you're funding social programs.

20 The problem with that is if the
21 infrastructure deteriorates, the buildings
22 deteriorate, they have no place to live, the
23 residents. Then you don't need the social
24 programs because there's no place for them to
25 live. There has to be some tope of budget

1
2 approval process until HUD decides to either fund
3 or not to fund. I think it's only rational, moral
4 and ethical. And I thank you for your time.

5 JOSH BARNETT: My name is Josh
6 Barnett, I'm an architect and construction project
7 manager with Construction Capital Improvements
8 Division at the Housing Authority. I've been
9 working of the Housing Authority for 10 years. I
10 actually did work on the Ingersoll community
11 center. I was glad that we belated got a
12 certificate of occupancy. For the last several
13 months I've been the lead architect for the second
14 phase of the renovation of the units are Johnson
15 Houses, which are due out to bid next week, again,
16 belatedly. When I saw the condition of some of
17 the units that have been offline for upwards of 10
18 years it was astonishing. It was inexplicable and
19 inexcusable that you had that kind of thing.

20 But what I came here to testify is
21 that Chairman Rhea, we obviously can't marshal the
22 kind of statistics that he can. He gives you the
23 view from the air. I'm telling you as someone who
24 works on these projects on the ground, where the
25 rubber meets the road. The view from the ground

1
2 is much more problematic in terms of the
3 allocation and expenditure of stimulus money and
4 resident hiring than he was giving us to believe.

5 Because of staff cuts, partially
6 due to layoffs, mostly due to attrition, we've
7 lost a third of our technical staff. That means
8 that we can not get projects out as fast as we
9 would like. The level of quality control, the
10 documents, the contractors actually can build from
11 has to suffer because we don't have the staff at
12 this point.

13 As Mitch was saying, because of the
14 CMs a lot of the money that could and should be
15 going to hiring additional staff to back fill
16 positions that have people gone to other agencies
17 or retired isn't being used. We know that we
18 can't blame the Housing Authority completely for
19 all the funding cuts. It's a sad fact of the
20 Pentagon's war budget for one day would fund
21 NYCHA's whole deficit, that's not going to happen.
22 But we think with programs like the CM/Build and
23 the disorganization within capital improvements
24 that the Housing Authority is unfortunately making
25 the worst of a bad situation by going to the

CM/Build, by going to outside consultants instead of using in house staff.

They're spending money that could be used for much needed capital projects. I have small projects that are on my plate now that are just languishing. There's a resource center at Pelham Houses in Brooklyn. Andrews is Viser Avenue in the Bronx have been shovel ready for more than two years but aren't going out because of short falls that were relatively small.

I'm not going to say the money between \$50 and \$100,000, but the internal wrangling, the inability to get hands on funds like this because much of the stimulus money is being thrown at shovel ready projects to let HUD know we're working on it. So that means the other projects, the rest of us are being beggars. So a lot of people are suffering because of the fact that stimulus money is being put forward in a PR way, for lack of a better term.

In terms of internal organization, I don't want to bore people with too many details but in 2004 when the CM/Build program was initiated Capital Projects was also reorganized

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2 into different building types. That proved to be
3 a disaster. Three years later it was again
4 realigned. Some of the problems were corrected.
5 Now we're organizing an asset management base
6 where you have geographically based program units
7 which help things a little bit but again,
8 partially due to staff cuts all down the line.

9 There is very little communication
10 between the individual departments. The program
11 units don't talk to technical support that come
12 sup with the cost estimates who don't talk to the
13 Office of Design where I work who don't talk to
14 procurement that gets the projects out to bid.
15 That means instead of having a lack of
16 cooperation, you have a structure that's set up to
17 produce friction. That means that the projects,
18 including the stimulus projects don't go out
19 nearly as fast as they could or should go out.
20 Because that money isn't being expended that means
21 there's less resident hiring on board as well.

22 I've been doing this for 25 years
23 and for those of us with some experience, I've
24 also worked for several years for the Boston
25 Housing Authority. I've never seen anything quite

1
2 like this. We're trying to get projects out, not
3 because of an efficient structure but in spite of
4 an inefficient structure.

5 I would love it if they stayed to
6 listen to this because we don't really have the
7 internal dialogue. I wish I could agree with
8 Council Member Jackson that there will be more
9 stimulus money coming down the road. I'm not
10 sure. The political situation is too viable. If
11 the war in Afghanistan blows up, guess where the
12 money is going to go. So this might,
13 unfortunately, be a one shot deal. If it is, we
14 want to make sure that we're putting every dime in
15 the hands of the residents in terms of capital
16 improvements and work. But the way it's going
17 now, that's just not the way it's happening.

18 The oversight hearings are
19 essential, I wished they happened more often. I
20 just wanted to testify again as somebody who works
21 on this every single day, that we're doing our
22 best with the staff that we have left. With the
23 chaotic structure we have but given that NYCHA is
24 the flagship housing authority for around the
25 country we could and should be doing better in

1
2 terms of getting the money out faster and putting
3 it where it's needed.

4 The last comment is we talked about
5 the needs assessment report. I worked on this
6 report a few years ago. We were glad to see that
7 they were finally going to take an overview of the
8 3,500 buildings in the Housing Authority's
9 portfolio and try and de-politicize the process as
10 to how money was allocated. Sometimes if a
11 project makes it on the cover of the Daily News,
12 that's where the money goes but it might not be
13 where it's needed necessarily.

14 Even though we worked on it and
15 surveyed every building and helped get all the
16 information through a huge database, we haven't
17 see this used in terms of putting money where it
18 is actually needed. To not have that information
19 is bad enough, to have it and not use it is really
20 criminal. We think that should be used for the
21 stimulus package. Again, we're glad to see the
22 stimulus money. We're trying to spend it as best
23 we can but given the internal wrangling and
24 disorganization and politicization of the
25 allocation process at the Housing Authority, the

stimulus money isn't going to maximum advantage.

Again, I thank you for your time.

COUNCIL MEMBER MARK-VIVERITO:

Thank you both for your statements. Yes.

MR. FAIDER: Can I just make two more comments?

COUNCIL MEMBER MARK-VIVERITO:

Okay.

MR. FAIDER: One of them has to do with a remark that Chairman Rhea mentioned where about three-quarters of the Section 3 placements are basically non-construction type that they're in the offices, per se. The reason for that is very simple, it's a non-technical, non educational type position. It's clerical; go make files this, go copy this and so forth. That's based on the contract. When the contract is over there's no responsibility of the firms to maintain these people so goodbye, I guess whether the firm gets another contract to keep them on is a different issue. It's really a temporary shot in the dark, one time type of thing.

The other item was recently we had a CM/Build audit done. They found over, I think,

1
2 a three and a half year period they paid the
3 construction management firms roughly \$57 million
4 to perform construction management work. We have
5 calculated that if it was done in-house by the
6 Housing Authority employees to do the same
7 construction management work, we estimate roughly
8 \$30 million for the same job. In other words,
9 they probably overpaid somewhere between \$20 and
10 \$30 million to contract out that work.

11 Looked in terms of getting
12 elevators renovated and replaced, you get four
13 elevators done for \$1 million, roughly \$250,000
14 each. So you're looking at upwards of 80 plus
15 elevators being totally replaced; just to get a
16 picture of what you can do with the \$20 million
17 and so forth. So there's always options to be
18 taken and give and take.

19 I thank you once again.

20 COUNCIL MEMBER MARK-VIVERITO:

21 Thank you both and I think you raised some
22 interesting points. I appreciate you taking the
23 time to stay and provide your testimony. I think
24 we have one more person to testify then we'll be
25 closing the hearing. Thank you again. Just to

1
2 make sure that there are three NYCHA
3 representatives that are still in the room and
4 listening to the testimony. We have Joseph
5 Garber.

6 JOSEPH GARBER: Good afternoon.
7 Acting Chair Viverito, Council Member James and
8 Council Member James let me congratulate you for
9 your outstanding victory on September 15th.
10 Council Hamm, Senior Policy Legislative Analyst
11 Goodman and members of NYCHA, Director Tarelis,
12 members of the public and I believe a
13 representative of the Office of Intergovernmental
14 Affairs. Good afternoon. My name is Joseph
15 Garber. I'm a resident and resident leader in
16 public housing. I lived in public housing since
17 1957 and I'd like to give testimony comment,
18 praise and possibly clarify some issues as I heard
19 today.

20 I will go very slowly but I don't
21 have too much. I will first let me discuss the
22 Council legislative briefing. On page one tenants
23 should read residents. On page two tenants should
24 read residents. On page two I'm glad that the
25 term authorized residents is mentioned since, as

1
2 I've always said, NYCHA must find out how many
3 unauthorized residents there are because they
4 provide for increased wear and tear and often
5 vandalism and criminality. Several weeks ago at a
6 board meeting commissioner Lopez mentioned the
7 fact that the unauthorized residents must be told
8 by the residents of record not to vandalize
9 property. I think that NYCHA must do a study how
10 to find out, and I have some ideas which I'll
11 discuss not in public, of apartments. I know
12 apartments that are paid by dead people. I found
13 them out. There's a dead person in my building
14 that rent is being paid for seven years, that's a
15 real disgrace.

16 On page two of the analysis
17 mentions a group of people who are going to
18 testify but the same list is replicated on page
19 number seven. Council Member Jackson made some
20 very good points. He spoke about a lack of
21 communication, etc and he raised the issue of the
22 day that Chairman Rhea was appointed to his
23 exalted position--his appointment was announced on
24 May 13th. May 13th happened to be a Housing
25 Authority board meeting and I was present. There

1
2 was not even a whisper that this appointment was
3 going to be announced as per press release 417.
4 Let's get a little better.

5 This morning at Gowanus Houses
6 there was an appointment of the new general
7 manager, Michael Kelly who replaced Douglas Apple,
8 who effective September 1 became the first Deputy
9 Commissioner of HPD. Had I not followed my
10 routine procedure to call the police desk every
11 morning to find out the public schedule, I
12 wouldn't have known about it. When I came to
13 Gowanus Houses I was very surprised. I saw very
14 few of the resident leadership. I didn't see any
15 cop chairs. The only person I saw was the
16 president of Gowanus Houses Tenant Association,
17 Ms. Scott. Even the resident body of Gowanus was
18 not notified. That is definitely a snafu in
19 communication. But let's go to something better.

20 On August 3rd to mark the 75th
21 anniversary of NYCHA there was a barbeque party at
22 Gracie Mansion. I have five different NYCHA
23 publications who discuss the adjectives of those
24 who were invited. If I go to court on Article 78
25 I'd win because I know Council people--I

1
2 understand Council Member Mendez was not invited
3 but there's a picture of the journal of you
4 Council Member Viverito. I suggested there has to
5 be an investigation, who was invited, who was not
6 invited.

7 I was not invited and for some
8 strange reason the Mayor's public schedule did not
9 contain anything. So Council Member Jackson is on
10 point with this as far as communication. He's
11 100% on point.

12 It's very interesting that I heard
13 that our new senior director Michelle Pinop is
14 going to have 50 people under her. Being a public
15 administration person, I'd like to highlight
16 something from Chairman Rhea's testimony. On page
17 number four it states that there is an Office of
18 Resident Economic Empowerment and Sustainability -
19 office. Now this office supervises the Department
20 of Resident Employment Services and Section 3
21 efforts.

22 Anybody, whether they're in the
23 public administration sector and private business
24 administration sector understands that an office
25 technically can not support a department,

1
2 supervise a department. You have to change the
3 nomenclature. This makes no sense
4 organizationally. I know that Chairman Rhea would
5 agree that I'm correct procedurally so we have to
6 assess this.

7 The history of RES, I recall when
8 RES was technically independent then it was moved
9 to community operations and now it was moved under
10 the aegis of the Vice Chairman. I listened to
11 Chairman Rhea's reason why and I can definitely
12 agree that possibly the vice chairman does have
13 the latitude to coordinate various departments.

14 Let me speak about our good
15 chairman, John B. Rhea. Ever since he took over
16 NYCHA on June 1, it is fantastic the way he does
17 interrogatory at the various board meetings. He's
18 trying to bring a financial picture of stability,
19 organization to NYCHA. He's also trying to
20 instill in the directors of the respective
21 departments that they must be thoroughly
22 knowledgeable in their presentations. He reminds
23 me when John Martinez was the chairman and I
24 recall that John Martinez once asked somebody a
25 computer question. Even though I'm not the

1
2 biggest maven in computers I knew that the answer
3 given by Dan Jeffman was, as we say is Gallic a
4 buvermeister [phonetic], a grandmother's fable
5 story. Two weeks later this gentleman was
6 goodbye.

7 So I very commend, publicly
8 Chairman John B. Rhea. In fact, he has stimulated
9 response by the two other board members in a way
10 that I haven't seen for quite a while. I praise
11 him. I look forward with great enjoyment to
12 attend the board meetings with greater purpose and
13 resolve than before.

14 Now, I heard that CSS produced a
15 report. I'm curious, is this a public report. I
16 would like to get a copy of it even though I know
17 that Mr. Bach and I have classed horns over when I
18 used to belong to the resident alliance they
19 refused to take care of my religious beliefs as
20 far as having Kosher food and having meetings on
21 Jewish holidays and the Sabbath, that I could not
22 attend.

23 We continue now on page seven of
24 the Council briefing, tenants should read
25 residents. Now on page three relative to

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2 CM/Build, please be advised that as per an audit
3 by the formers immediate inspector general, Robert
4 McSweeney, which made the newspaper but that audit
5 is under wraps due to the production by the
6 inspector general. As far as I know CM/Build does
7 not exist as a structure. Maybe theoretically old
8 contracts that commenced under CM/Build have to
9 still be completed but CM/Build does not exist.

10 As a director of the Civil Service
11 Merit Council I want to go on record that the two
12 gentlemen that testified before me have the
13 protection of the Whistleblower Law. The Civil
14 Service Merit Council will protect these
15 individuals if they are in any way, shape or form
16 retaliated.

17 I was glad that Chairman Rhea said
18 that we are concerned that non-front line, there
19 should be no reduction in non-front line resident
20 customer relations. I go back to my original
21 premise that we need an independent management
22 association, maybe the Hayes Association, American
23 Society of Public Administration or the American
24 Management Association to review the entire
25 structure of NYCHA. I'm sure that Chairman Rhea

1
2 will get to it but I feel studying the NYCHA
3 organization chart, studying the green book as far
4 as the allocation of NYCHA units, just by names
5 there is duplication of effort.

6 Now I'm curious, the Office of
7 Strategic Planning and Change that used to be
8 headed by David Libowitz. I'm curious what kind
9 of--and Change Management. What kind of functions
10 they're performing? If NYCHA is undergoing a
11 strategic change that unit should be involved in
12 strategic change. I think that unit is a make
13 work operation--

14 COUNCIL MEMBER JACKSON:

15 [interposing] Mr. Garber, if you could just come
16 to a conclusion. This was not about everything;
17 it was about Section 3.

18 gar: I listened to the testimony.
19 If somebody said something on the testimony,
20 Council Member Jackson, you have a right to
21 comment. Everybody will agree.

22 COUNCIL MEMBER JACKSON: No, I want
23 you to stick to the topic so just come to
24 conclusion Mr. Garber.

25 Gar: I've got more. This was not

1
2 said to anybody else so I feel insulted that I'm
3 being picked on. I'll say this for the record,
4 I'm going to be honest with you--

5 COUNCIL MEMBER JACKSON:

6 [interposing] One second, let me respond to you.
7 You're not being picked on, as you know. I just
8 came back from a rally and I took over as the
9 Chair. The only thing I asked is I asked counsel
10 is how long have you been speaking and you said
11 about seven minutes.

12 Gar: No, I have not been speaking
13 seven minutes.

14 COUNCIL MEMBER JACKSON: I've been
15 here at least five minutes and you've been talking
16 Mr. Garber.

17 Gar: Well, I wish you would have
18 been here when the other people were here. Nobody
19 was--I have a half a page to go on--

20 COUNCIL MEMBER JACKSON:

21 [interposing] Mr. Garber, allow me the opportunity
22 to finish. I'll let you respond. I just think
23 that I want you to focus in on the subject here.
24 Regardless of what people said that doesn't mean
25 that you can go and talk about all of that.

1
2 Gar: I praised you for agreeing on
3 the transparency.

4 COUNCIL MEMBER JACKSON: I
5 understand that Mr. Garber and I appreciate your
6 praise. But also, I know that you praise and you
7 criticize and that's good.

8 Gar: I didn't criticize you.

9 COUNCIL MEMBER JACKSON: Not me,
10 overall I'm talking about and that's good. So
11 please, if you don't mind.

12 Gar: I have a half a page. I
13 already spoke about you were correct about the
14 transparency issue.

15 COUNCIL MEMBER JACKSON: Go ahead
16 Mr. Garber.

17 Gar: Mr. Andrews when he asked to
18 identify himself he didn't say his title nor did
19 he say his junior title. I'm curious, we're
20 hiring a new person. I heard a new person is
21 coming aboard. We have to evaluate what is this
22 person going to do for us. I think if we need
23 people in one area we should look at the structure
24 of the authority and move people from one area to
25 the next. And I agree with you the problem

1
2 stimulus has not been adequately dispersed
3 throughout the 345 or 338 developments, depending
4 on which way you want to count it. I agree with
5 that very much.

6 The Chairman mentioned that we have
7 to get all apartments back on the rent roll. I
8 want to again highlight apartment 6C at 85 Taylor
9 Street of Independence Towers that belongs to the
10 Tenants Association but whenever an executive
11 board has to meet, they don't let you meet in the
12 Tenant Association office. I'm finished if
13 anybody has any question.

14 COUNCIL MEMBER JACKSON: Let me
15 thank you. One of the things about you, in my
16 opinion, you're very, very knowledgeable and
17 always have an opinion. Quite frankly, I respect
18 a lot of what you have to say, whether or not
19 you're complimenting or criticizing it doesn't
20 matter and I think that's good.

21 So on behalf of the Chair, Rosie
22 Mendez who had to leave for personal, I think
23 death in the family. This meeting of the sub
24 committee of the New York City Housing Authority
25 focusing in on the Section 3 stimulus money is

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hereby adjourned.

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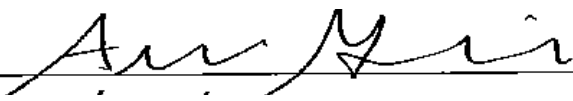
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C E R T I F I C A T E

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 October 15, 2009