

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE, TRANSPORTATION AND PUBLIC SAFETY

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June 2, 2011
Start: 10:10 am
Recess: 3:40 pm

HELD AT: Council Chambers
City Hall

B E F O R E:

DOMENIC M. RECCHIA, JR.
JAMES VACCA
ROSIE MENDEZ
Chairpersons

COUNCIL MEMBERS:

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Council Member Gale A. Brewer
Council Member Fernando Cabrera
Council Member Margaret S. Chin
Council Member Leroy G. Comrie, Jr.
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Council Member James G. Van Bramer
Council Member Albert Vann
Council Member Jumaane D. Williams
Council Member Ruben Wills

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

Janette Sadik-Khan
Commissioner
New York City Department of Transportation

Lois Tandler
Division Director
Metropolitan Transit Authority

Douglas Johnson
Budget Director
Metropolitan Transit Authority

Aaron Stern
Budget Director
New York City Transit

David Yassky
Chairman
New York City Taxi and Limousine Commission

John Rhea
Chairman
New York City Housing Authority

Emily Youssouf
Vice-Chair
New York City Housing Authority

Felix Lam
Chief Financial Officer
New York City Housing Authority

CHAIRPERSON RECCHIA: --City
Council--Oh. All right, sorry.

SERGEANT-AT-ARMS: Quiet, please.

CHAIRPERSON RECCHIA: Good morning,
and welcome to the 11th day of the City Council
hearing on the Mayor's Executive Budget for Fiscal
Year 2012. My name is Domenic M. Recchia, Jr.,
and I'm Chair of this wonderful Committee. And I
welcome everyone to this hearing. Before we get
started, I'd like to introduce all of my
colleagues who took time out of their busy
schedule to join us today. To my left, we have
Council Member Debbie Rose, Peter Koo, Ydanis
Rodriguez; to my right we have my wonderful Co-
Chair Jimmy Vacca, who's doing a great job as
Chairman of the Transportation Committee; and we
have Jimmy Oddo and Vincent Ignizio. Yesterday,
the Finance Committee heard from the Department of
Education, DCAS, the Board of Elections, the
Campaign Finance Board, and the Law Department.
Today, the Finance Committee will be joined by the
Committee on Transportation, chaired by my
colleague, Council Member Jimmy Vacca, to hear
from the Department of Transportation, the MTA,

1 and the Taxi and Limousine Commission. Then, in
2 the afternoon, the Finance Committee will be
3 joined by the Committee on Public Housing, Chaired
4 by my colleague, Council Member Rosie Mendez. As
5 a reminder to everyone, the public will be allowed
6 to testify on all agencies on the last day of the
7 budget hearing, June 6, beginning at approximately
8 3:30-4:00 o'clock. For members of the public who
9 wish to testify on June 6, but cannot make the
10 hearing, you can fax your testimony to my Counsel,
11 Tanisha Edwards--Tanisha, raise your hand so
12 everybody knows who you are--and she will make it
13 part of the official record. Our fax number is
14 (212) 788-7061. We have a long day today, so I'll
15 now recognize my Co-Chair Jimmy Vacca, who's doing
16 a great job, for, for an opening statement.
17 Council Member Vacca.

18
19 CHAIRPERSON VACCA: Thank you,
20 Chairman Recchia. And good morning to everyone.
21 And I'm Chair of the Transportation Committee, and
22 we're going to hear testimony today from DOT, the
23 Taxi and Limousine Commission, and we're going to
24 hear from the MTA. The Department of
25 Transportation has an expense budget for Fiscal

Year 2012 of approximately \$685.4 million, in addition to \$1.8 billion that is also budgeted in FY'12 for the Department's capital program. We look forward today, hearing from Commissioner Janette Sadik-Khan, concerning her proposals to eliminate the gap, the PEG initiatives that she's proposing. We also will be addressing a proposal to increase parking meter rates, that's suggested by DOT, to increase the number of red light cameras, and also to look at street light maintenance contracts. Specially, I want to focus on the status of pothole repair efforts, and what we intend to do in the remainder of this fiscal year, and how we will be addressing potholes in next fiscal year, as well. We're going to hear from the MTA on a variety of issues and importance, including their efforts to reduce costs and to address gap issues. The MTA capital plan is only funded for the first two years of the five year program, which ends December of this year, and the Committee wants to know how the MTA will address pending capital projects, as well as initiate new ones, and how their budgetary demands will be met going forth from the capital

perspective, as well as from the expense budget perspective, because even with the increase in the fare and the decline in service we've experienced, due to their cutbacks, we still have gaps in the year ahead, and even beyond, that we need to discuss with the MTA. We're going to hear from the Taxi and Limousine Commission last, and the Commission will update this Committee on its efforts to increase accessibility to cabs as well as to address an issue which this Committee has dealt with legislatively; namely, the refusals of cabs to take people to boroughs outside of Manhattan, and what the Taxi and Limousine Commission is doing to implement that legislation, where the Council increased fines on those who do so, and how are we going to finally let New Yorkers know that regardless of where they want to go, or what they look like, they're going to be able to get a cab in this City, once and for all. So, with that said, I'd like to introduce Commissioner Janette Sadik-Khan. Let me first introduce the Members of the Committee that are here. I think, well you did, Domenic, and no one's arrived since. Okay. Commissioner Sadik-

Khan, we welcome you, and we'd like to hear your testimony.

JANETTE SADIK-KHAN: Thank you very much. Good morning, Chairman Recchia, Chairman Vacca, and Members of the Transportation and Finance Committees. I'm Janette Sadik-Khan, Commissioner of the New York City Department of Transportation. With me today are Joseph Jarrin, DOT's Deputy Commissioner for Finance, Contracting and Program Management; and David Woloch, Deputy Commissioner of External Affairs. Thank you for inviting us here today to discuss DOT's Executive Budget. As I reported in March, the DOT is working hard to maintain the City's transportation infrastructure despite severe funding cuts, which will impact the state of good repair of our streets and bridges, going forward. The FY'12 Executive Ten Year Capital Plan includes \$7 billion for DOT capital programs, including \$1.7 billion for FY'12 alone. While we've worked hard to preserve DOT infrastructure programs that sustain the state of good repair of our transportation network in this year's budget, we have had to make difficult cuts in the FY'12

budget to reach our funding reduction target.

Funding remains in place for the reconstruction of DOT bridges that are most in need, such as the Roosevelt Island Bridge in Queens, the Atlantic Avenue Bridge in Brooklyn, and culverts throughout Staten Island. The capital commitments over the last four years now total more than \$4 billion of which 99 percent have gone toward infrastructure and state of good repair projects. Citywide, we've invested \$2.6 billion in total bridge investments, \$633 million in capital resurfacing projects, \$557 million in street reconstruction work, and \$225 million in other traffic investments. Some highlights include \$669 million to replace the Willis Avenue Bridge, \$386 million to replace three Belt Parkway bridges in Brooklyn, \$175 million to rehabilitate the access ramps at the St. George Staten Island Ferry terminal, \$94 million to rebuild streets in Lower Manhattan, including Chambers Streets, Liberty and Fulton Street, \$43 million to reconstruction the Borden Avenue Bridge in Queens, \$15 million for the reconstruction of East Fordham Road in The Bronx, \$14 million to complete the installation of new

energy efficient streetlights citywide, and \$30 million to acquire a new asphalt plant in Queens. As a result of these investments, all of our bridges are in a state of good repair, or will be shortly, and 71 percent of our streets are now in a state of good repair, compared to 66 percent three years ago. However, as the Council knows, the DOT ten year capital plan has been reduced by 47 percent over the last four years, including a 20 percent reduction in this year's January plan. While I'm cognizant of the difficult economic constraints we face, I am concerned about what the reduced investments over the next ten years will mean for the long term health of our bridges and streets. I continue to hope that as the economy improves, we will be able to increase funding levels to allow us to restore deferred work, and to continue the great work we've already started. One area of special concern in this capital budget is roadway resurfacing. In March, I reported to you that we were funded for 750 lane miles. Today, I am pleased to announce that the Administration has authorized a 33 percent increase in our paving target for FY'12. And we

will be resurfacing 1,000 lane miles this coming year. This target increase reflects in part additional operating efficiencies and we are committed to finding more ways to do more with less as we prepare for next year's resurfacing season. The number of streets in a state of good repair has increased over the last four years, and this year's paving target allows us to continue building on the progress we've made. With this 33 percent increase, we will now be able to repave many additional corridors, including portions of White Plains Road, Bay Parkway, 207th Street, Rockland Avenue, and Queens Boulevard.

Particularly after the harsh winter this year, we need to do everything we can to improve the condition of City streets, and resurfacing is a crucial investment. I'd like to thank the Council again its financial support, and shared commitment to keeping our streets in good condition. Turning to our expense budget, I want to let the Council and all New Yorkers know, that we are also doing everything we can on the pothole front. In 2011 alone, as of January 1st, DOT had already filled 286,000 potholes, 27 percent more than the number

that we filled by that date last year. This is due to the additional \$2 million that the Administration committed to fill potholes this winter, and extraordinary efforts and innovation of DOT's roadway repair and maintenance division. The additional funding paid for 30 repair crews to work 20 extended workdays, weekdays, and 40 crews to work ten weekend days through April.

Nonetheless, there are more potholes on our streets as the result of the last two very tough winters, and we're getting to them as quickly as person power and resources allow. We would like to do more and welcome partnership with the Council to identify additional resources for pothole repair. In fact, you can follow our campaign against potholes, and this year's resurfacing program, online. Earlier this year, because of the difficult winter, and the major effort we knew we would have to undertake on our streets, we launched the Daily Pothole, a blog that displays maps charting where pothole filling efforts have been targeted, and pictures of crews working, weekly resurfacing updates, and a facility that allows the public to easily report

potholes. This site can be viewed through DOT's home page, at nyc.gov/dot or at thedailypothole.tumblr.com. It's a great site and I encourage you to check it out. DOT's expense budget totals \$684 million, which includes a 12 percent reduction from this year's financial plan. As part of this year's PEG program, we identified savings from agency consolidations, vacancy reductions and technology initiatives, in addition to revenue generating programs. For example, we will save nearly \$2 million annually in energy costs through the installation of energy efficient streetlights and over \$600,000 annually in fleet maintenance costs, in part due to the introduction of Zipcar services for DOT's vehicle needs in lower Manhattan. In addition, DOT is moving forward with a smaller workforce brought about through the reduction of 45 administrative and managerial positions. DOT is also making progress on our parking initiatives, something I know the Council is particularly interested in. At this time, we've completed the retiming of meters in Manhattan, bringing the meter rates in the central business district to the level

required to meet the high demand. We're now set to announce the retiming of rates in the rest of the City, following the Council's deferral of this increase from the original proposed date in January 2011, to July 2011. We know members of the Council have expressed concern over this increase, but I want to reiterate that this meter increase is needed to maintain the desired turnover of parking spaces in these districts, and the rate is far lower than what the private garages and lots are charging in these same areas. Outside of the central business district, New York's current hourly meter rates are lower than most other large cities in the United States. This increase puts New York on par with rates in Miami and Los Angeles, while still below rates in Chicago, Boston and San Francisco. In addition, the current rates put in place in 2009, are actually lower than the rate of inflation since meters were increased previously 19 years ago, when we were still using subway tokens and the first George Bush was in office. DOT is also advancing several initiatives that use technology to improve mobility and safety through our

intelligent transportation system projects, known as ITS. We have installed pedestrian countdown signals at key intersections across the City where there's a history of pedestrian crashes, and will add 1,500 more of these throughout all five boroughs starting this summer. Wider streets can be risky for pedestrians, particularly those that need a little bit of extra time to cross, and countdown signals ensure that people know when they have enough time to cross the street, or when they should wait for the next signal. In addition to countdown signals, we're also installing advanced solid state traffic signal controllers, ASTCs, throughout the City to improve the reliability of traffic signal operations, and allow us to better manage traffic flow. To date we've installed nearly 7,200 ASTCs, which has allowed us to expand our use of transit signal priority, known as TSP, currently in use on Fordham Road and Victory Boulevard. This gives extra green time to buses who are moving through intersections. Last year, we received federal funding to improve TSP along ten additional corridors, in Brooklyn, Queens and Staten Island.

Along the new SBS route on 1st and 2nd Avenues, speeds have improved by almost 20 percent.

Although bus ridership has gone down in the rest of Manhattan, it is up by seven percent along this route. We expect to see similar successes on future SBS routes. Our mobility programs complement our focus on programs that ensure the safety for all New Yorkers. Over 4,000 New Yorkers are killed or seriously injured on the streets of New York each year. Just think about what a premature death does to a family with the loss of a breadwinner or a child. Or how a severe injury can cripple a life. It's hard to imagine a more fundamental improvement we could make to New York City's quality of life than saving lives and limbs from preventable crashes. There are significant economic costs as well. And under the federal cost formula, we calculate that traffic crashes cost the City's economy over \$4 billion a year. One of the big achievements over the last four years has been a significant reduction in traffic fatalities and we are committed to building on this progress. In addition to pedestrian countdown signals, we are reengineering

60 miles of streets each year for greater pedestrian safety, and are in the next phase of work on our "Safe Streets for Seniors," and "Safe Routes to Schools" program. These initiatives complement our public education and advertising campaigns. Our "That's Why It's 30" campaign focuses on the dangers of speeding. For example, if a person is hit by a car traveling 40 miles an hour, there's a 70 percent chance they will die. If a person is hit by a car at 30 miles an hour, there's an 80 percent chance they will live. We need to continue these programs and campaigns to reduce traffic fatalities across the City. A final note on safety: I am pleased to note that the State, that State legislation requiring cross over mirrors on all large trucks that operate in New York City passed the State Senate and Assembly last month. According to the National Highway Traffic Safety Administration, 70 percent of pedestrians killed by large trucks were hit by the front of the truck. As you know, there was a tragedy last month in Brooklyn when a four year old child was killed by a truck whose driver could not see him in the blind spot in front of the

1 vehicle. This requirement will go a long way to
2 reduce fatalities that result from the blind spots
3 in front of trucks, and will prevent the senseless
4 death of children and other vulnerable road users.
5 With your help, we've made enormous strides in
6 improving safety and mobility in our streets, and
7 ensuring that our infrastructure is well
8 maintained through an unprecedented level of
9 funding. But we require continued commitment and
10 investment to sustain our progress and build upon
11 this legacy. Thank you again for inviting us here
12 this morning. We'd be happy to answer any
13 questions you might have.
14

15 CHAIRPERSON RECCHIA: All right,
16 Commissioner, thank you for that testimony.
17 Before we begin the questioning, I'd like to
18 recognize we've been joined by Oliver Koppell,
19 Julissa Ferreras and Fernando Cabrera. At this
20 time, I'm going to turn it over to my colleague,
21 Jimmy Vacca, to start the questions.

22 CHAIRPERSON VACCA: Thank you, Mr.
23 Chairman. Commissioner, I did want to speak about
24 potholes a little more. This year, there was a
25 furlough program as part of the program to

1 eliminate the gap you had negotiated with the
2 union involved, and there was a ten day furlough
3 for workers who were filling potholes. And then,
4 as you indicate in your testimony, the
5 Administration allocated overtime once we saw how
6 severe the winter was. Now, everything that I've
7 seen in the preliminary and the executive budget,
8 and everything that the union has indicated to me,
9 points to another furlough in the coming fiscal
10 year, to meet a PEG cut. Will there be another
11 furlough? Is that your plan? And are you
12 concerned that we may have to ask for overtime
13 based on what the winter could present? Can you
14 elaborate on that?

16 JANETTE SADIK-KHAN: At this time,
17 we have not negotiated another furlough for this
18 year, for the next year.

19 CHAIRPERSON VACCA: Well, does that
20 mean that there will not be--but it is in the
21 plan, so you are including that in your budget, so
22 can we anticipate that there will be another
23 furlough, based on what you've submitted in the
24 budget?

25 JANETTE SADIK-KHAN: We are going

1
2 to do everything we can to find additional savings
3 to avoid a furlough in the next year.

4 CHAIRPERSON VACCA: Okay. So,
5 you're, you would prefer not to have a furlough.
6 You would prefer not to have a furlough.

7 JANETTE SADIK-KHAN: We, we've had,
8 we've had incredibly difficult winters, as
9 everybody in this room knows, and we need to do
10 everything we can to keep our streets in a state
11 of good repair. I really want to thank you and
12 the Council for the help on the \$2 million. I
13 think that was an extraordinary addition that
14 allowed us to at least keep pace with the work
15 that's out there, and as anybody that knows, that
16 drives the streets of New York knows, it's, it's
17 been a, it's had a really difficult effect on, on
18 our street state of good repair.

19 CHAIRPERSON VACCA: So you're
20 saying that even though right now in the Executive
21 Budget you've submitted, that we're having a
22 hearing on today, there is a furlough, you will
23 look after July 1st for other savings so that that
24 won't be necessary.

25 JANETTE SADIK-KHAN: At this time

we're reviewing other budget actions that would replace the furloughed PEG.

CHAIRPERSON VACCA: Okay. To continue on potholes, do--How many crews now are filling potholes in the City? Do we have dedicated pothole crews at this time, filling potholes?

JANETTE SADIK-KHAN: Yeah, we have now turned our, our sights to road resurfacing, which happens at this time of year. So we still have crews, it's tough to balance, but we still have crews out there that are doing both pothole repairs, in addition to the important road resurfacing work that we've got going on. The dedicated crews that came from the \$2 million, that expired in April. But we do have crews out there that are doing pothole repairs, and we expect that we will see that we continue the 24 percent increase year-over-year in terms of the number of potholes that we completed this year.

CHAIRPERSON VACCA: Do we have one pothole crew per borough, or two--What is the nature of the pothole presence that we have? Separate from resurfacing. Be--

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2 JANETTE SADIK-KHAN: We, we
3 basically have to fill in the pothole crews, we
4 have to balance it with the resurfacing work. So,
5 it's, it's a constant balancing act on the
6 potholes and the resurfacing. As you know, the
7 resurfacing work is really critical infrastructure
8 work, you know, that keeps us ahead of the curve
9 in terms of, you know, additional potholes and
10 that cycle sort of continuing on. So, we, we
11 balance it out when we, when we can we, we
12 dedicate those crews in that fashion.

13 CHAIRPERSON VACCA: Commissioner,
14 you know, I do have to state that this is June,
15 and I've never seen our streets so bad. I've
16 never seen so many potholes still, and this late
17 in the season.

18 JANETTE SADIK-KHAN: I don't think
19 that we've ever had the kind of harsh winters that
20 we've had. I mean, when you take a look at the
21 beating that we took on the streets of New York
22 this, this year, and last year, I mean, Mother
23 Nature threw literally everything at us. And as
24 you know, potholes are, are created from the
25 freeze/thaw cycle, when it gets warm and then when

1
2 it gets cold, it cracks our streets, and we had a
3 lot of that this winter. And so, we're certainly
4 playing catch up, and we're doing everything we
5 can. And again, I want to thank you for the help
6 with the \$2 million. I'm happy to report that the
7 Administration is going to be increasing our lane
8 mile targets from 750 lane miles to 1,000 lane
9 miles that we will be repaving now, in this fiscal
10 year. And so those kinds of investments I think
11 will help us get a handle on this. And hopefully
12 we won't have as harsh a winter this next fiscal
13 year.

14 CHAIRPERSON VACCA: That money that
15 you, that you talk about, the 33 percent increase
16 in paving, that is capital money?

17 JANETTE SADIK-KHAN: Yes, sir.

18 CHAIRPERSON VACCA: And where did
19 that, where did that money come from? That money
20 did not come at the expense of a pothole, of next
21 year's pothole repair program.

22 JANETTE SADIK-KHAN: No, it did
23 not.

24 CHAIRPERSON VACCA: It did not.
25 Okay. When you mentioned about how very bad the

1
2 winter has been, are you concerned about the
3 substances that are used to get rid of snow and
4 ice, the salt, the amount of salt? Or the
5 ingredient itself? Is that why we have, is that
6 partially to, is that partially responsible for
7 the condition that our streets are in right now?

8 JANETTE SADIK-KHAN: The, the cold
9 weather, the harsh winter weather, is responsible
10 for what happened on our streets this year. But
11 it's a very good point that you raise, which is
12 are we doing everything we can to make sure that
13 the material that we are putting down on the
14 streets, is not as destructive as it needs to be.
15 And we work closely with the Department of
16 Sanitation Commissioner Doherty, on alternative
17 ways to look at the impact of DSNY vehicles on our
18 streets, whether it's chains, whether it's
19 different salt materials, etc.

20 CHAIRPERSON VACCA: Commissioner,
21 I'm stressing this issue to you, and I know you
22 are concerned, but I have to tell you, many of our
23 streets are like washboards. They're, they're
24 beyond potholes. The potholes have spread,
25 they've become craters. And when you drive on

1 many of our streets, they don't need pothole
2 repair, they need strip repaving. I don't mean
3 curb-to-curb, but you have large patches that
4 where potholes have just spread and, and become
5 contagious. And unless we get these potholes
6 sooner rather than later, we have, we're going to
7 have those conditions over and over again.

8
9 JANETTE SADIK-KHAN: And that's why
10 we did the strip repaving component, as well as
11 the pothole filling component with the \$2 million.
12 Again, we are doing everything we can. I really
13 do think that we have one of the best crews in the
14 country, in our roadway repair and maintenance
15 division, both in terms of the use of innovative
16 materials, like Evotherm, that allows us to pave
17 longer into the winter season, with more
18 environmentally sustainable materials, which are
19 better for our workers. So we're continuing to do
20 as much as we can, but we, we would welcome a
21 partnership with the Council, to identify
22 additional resources, we are going to continue to
23 do as much as we can to get quality asphalt out
24 there, to make sure that we've got the people out
25 there to fill these potholes, to repave these

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2 streets, and to do the resurfacing work that's
3 critical, it's the economic, our streets are
4 really part of the economic foundation of this
5 City. And I, you have my commitment that we'll do
6 everything we can to make them as strong as they
7 can be.

8 CHAIRPERSON VACCA: Do you think
9 that we can anticipate seeing pothole repairs
10 right through the summer? Are you committed to
11 having that situation--

12 JANETTE SADIK-KHAN: It is, it
13 will, it will happen through the summer, yes.

14 CHAIRPERSON VACCA: It will happen
15 through the summer.

16 JANETTE SADIK-KHAN: Yes.

17 CHAIRPERSON VACCA: In what, part
18 of me says, "I'm glad," because I know so many
19 potholes are out there. But another part of me
20 says, "I've never heard of pothole repairs in
21 June, July and August." But--

22 JANETTE SADIK-KHAN: Well, you do
23 have to balance it out. And again, we're, we're
24 unusual times, we've never had this kind of back-
25 to-back harsh winters like this, and, and the, we

1
2 have to do as much as we can. And sometimes we
3 have to bring innovative treatments and, and
4 different ways of, of getting things done to the
5 streets, to make sure that they improve.

6 CHAIRPERSON VACCA: I would ask,
7 Commissioner, that perhaps through your borough
8 Commissioner, that we start to identify priorities
9 within the boroughs. It's one thing to have a
10 pothole here and there, and we're all concerned
11 about that. But we have major, major stretches
12 that people travel every day, that are just a
13 disaster.

14 JANETTE SADIK-KHAN: Well, I will
15 make sure that Commissioner Moran meets with you,
16 and with the, with the various Council Members--

17 CHAIRPERSON VACCA: Well, I think
18 all the Boroughs, I didn't want to just mention
19 The Bronx, I think, I think all the boroughs have--
20 -all the Borough Commissioners have to meet with
21 Council people, but they have to develop
22 priorities. I mean, one thing I think about in my
23 district, the Union Port Bridge is a disaster.
24 So, I mean, I know that that's a priority for me,
25 but in other boroughs I think that we have to

1
2 start getting--I think we have to understand that
3 this pothole mess is not behind us at all.

4 JANETTE SADIK-KHAN: I look forward
5 to working with you and having our borough
6 Commissioners meet with the Council Members to
7 identify their priorities, as well.

8 CHAIRPERSON VACCA: Okay, and very
9 quickly, and I do want to go to my colleagues, but
10 very quickly, I did take a position last year and
11 I will take a position this year against
12 increasing the parking meter rates, and I, I do
13 remember when George Bush was president, but I do
14 have to tell you, Commissioner, that when you
15 increase parking meter rates, I do take exception
16 to one thing you said in your testimony. You
17 mentioned that the, the desired turnover of
18 parking spaces in these districts, and the rate is
19 far lower than what the private garages and lots
20 are charging in, in these same areas. I don't
21 have private garages and lots in my district, and
22 I don't think people in Queens and Brooklyn and
23 Staten Island have a lot of private garages and
24 lots. What we have are mom and pop commercial
25 strips, Commissioner, and increasing parking meter

1 rates will discourage people from going to those
2 mom and pop shops, and it will be just another
3 charge for people who want to use their
4 neighborhood stores, many of those neighborhoods
5 stores are hanging on by a thread. And I just
6 think it's, it's regressive to increaser that.
7 And just like you're looking for other ways to
8 save money and not have a furlough for the pothole
9 workers, I would ask that you look for other ways
10 to save money, and not increase parking meter
11 rates. Okay. We'll now go to questions.
12

13 CHAIRPERSON RECCHIA: Right. [off
14 mic] All right, we're going to start. [on mic]
15 We're going to recognize the Council Member from
16 Staten Island, Jimmy Oddo. But before we do that,
17 we want to recognize we've been joined by Council
18 Member Melissa Mark-Viverito from Manhattan and
19 The Bronx. Recognize Jimmy Oddo.

20 COUNCIL MEMBER ODDO: Thank you,
21 Mr. Chairman. Commissioner, welcome, it's good to
22 see you. I have a few longstanding, parochial
23 issues that I'm a little bit frustrated with your
24 staff, but since you and I are tight, and went to
25 high school together--

JANETTE SADIK-KHAN: [laughs]

COUNCIL MEMBER ODDO: --I'm going to talk to you [laughter] offline about that, and do it privately and not publicly. I know this is a big City, and I know you have a difficult job, and I appreciate the myriad of issues you, you and the Department focus on, as evidence by the testimony, but I'm going to go back to a familiar refrain for us from Staten Island, and that's the street conditions issue. And, as you know, the Staten Island Council Delegation in the last two years has given I think \$3 million. And that's how bad the situation is in the borough. And I, and I appreciate the testimony about the number of potholes. I appreciate the Chairman's point about potholes. I think it underscores the need to do the lane miles, because that gets to the heart of the matter. The pothole game is a game that we'll never catch up. It's curb-to-curb resurfacing that will get us to, as a City, to having drive, more drivable roads. And I congratulate you on convincing the Deputy Mayors and the Mayor to give you the additional money. That being said, I think it underscores the point about needing to

stretch the money allocated for those thousand lane miles. And I want to see if you can give us an update on the asphalt plant issue, vis-à-vis Staten Island, and also the--and by the way on Staten Island, we're so desperate we don't care if it's in-house or if it's private, but I, I would ask if you could address that issue of costs. Because again, I want to stretch that dollar as far as I can. And I had some numbers provided to me about the Grace Asphalt Plant in Queens, where the City said basically it would come in at a price, I think it was \$47 per ton. The private vendors say they could do it at \$61 and I'm being told that the City is coming in, when you factor in the cost of the land and the plan acquisition, the dock rehabilitation, the actual cost of per ton is coming in at \$102. If that's true, that obviously means they're going to be, you know, that, those dollars get stretched less and less, and we, we address fewer and fewer streets. So, if you could give us an update on Staten Island, and if you can address the issue about who does it more cheaply, who does it more efficiently, in-house DOT production of asphalt or the privates.

JANETTE SADIK-KHAN: Well, it's a great question, and again we are doing everything we can to explore ways to get a reliable, cost effective supply of asphalt on the streets of New York. Whether it is through acquisition of municipal plants, or whether it is through contracting out. And as you know, we're working through DDC to provide us with that opportunity to do the contracting out. That remains the case, so nothing has changed there. In addition, we are continuing to pursue and opportunity on Staten Island, to do an evaluation of whether it is cost effective for us to make that kind of investment. But in FY'11, it cost us \$13 less per ton to produce asphalt in-house, than to purchase it from vendors. As you probably know, the cost of asphalt is, is--depends on the volatile oil market, there's a significant amount of oil in there, as well as the supply and demand from the materials themselves. So, despite the, the volatility of the market, we expect to, to spend about the same in FY'11 as we did in FY'09, for all asphalt, it's about \$62 million including what is produced in-house and, and what it is, it is

that we purchase from vendors.

COUNCIL MEMBER ODDO: So, so, and I'll be done with, after this, Mr. Chairman.

CHAIRPERSON RECCHIA: [off mic] Take your time, take your time.

COUNCIL MEMBER ODDO: So, with respect to the Staten Island issue, perhaps it'd be a good idea if the Staten Island delegation and the Borough President met with your staff to talk about an approach to become even more aggressive to find a location. Because it's, it's certainly not efficient to have Staten Island crews going to Hamilton Avenue, and for a while they were going to Queens. By the second or third run, with the traffic conditions, we literally, we're not getting to as many streets, we're doing as much paving as we want. So, let's, we'll follow up and set up a meeting, to try to more aggressive in identifying potential locations. The \$13 less per ton that's from in-house, obviously that's an average for the City. Is it possible that individual plants, as the one I mentioned, you know, individual plants might actually be more cost efficient, private plants. I mean, you gave

me an average, \$13 per less, is that, is that--

JANETTE SADIK-KHAN: We haven't seen that, but, but again, we need to sit down and look at the numbers. And so I really welcome the recommendation--

COUNCIL MEMBER ODDO: Okay.

JANETTE SADIK-KHAN: --that we sit down and do that. And I would just add that the situation on Staten Island is not ideal. The bottom line is, is that nobody responded to our bid documents, in terms of doing the, the paving out there. And so, what we need, so we've been forced to go to Hamilton and Grace plants in Brooklyn and Queens, to be able to supply Staten Island with that, with that material.

COUNCIL MEMBER ODDO: Yeah.

JANETTE SADIK-KHAN: I would also add that we were actually fortunate, with the Grace acquisition, because that allowed us to do the Staten Island work. So, while not ideal, we'll be able to take care of the business this year. But I couldn't agree with you more, we need to sit down and go through a recommendation for what makes sense.

1 COUNCIL MEMBER ODDO: Fair enough.
 2
 3 The irony of that is, though, Commissioner, that
 4 DeFazio wanted to build such a plant, approached
 5 the City about it two years ago, and the City shut
 6 him down without even, you know, considering it.
 7 And now two years later we would fall over
 8 ourselves to have DeFazio have a plant. But we
 9 will follow up on the issues. Thank you,
 10 Commissioner.

11 JANETTE SADIK-KHAN: Sure.

12 CHAIRPERSON RECCHIA: Thank you,
 13 Council Member. Council Member Debbie Rose, this
 14 is Staten Island day, Commissioner.

15 JANETTE SADIK-KHAN: [laughs]

16 CHAIRPERSON RECCHIA: Deborah Rose.

17 COUNCIL MEMBER ROSE: The
 18 Commissioner knows we have issues, right?
 19 [laughs] Good morning, Commissioner.

20 JANETTE SADIK-KHAN: Good morning.

21 COUNCIL MEMBER ROSE: I just want
 22 to ask a few questions about the Ferry. In the
 23 capital plan, there, it includes \$27.9 million for
 24 the design of new ferry boats and replacement and
 25 repair of ferry barges and the derricks. When

will these contracts for the new boats be awarded?
And what's your timeline for these boats to enter
passenger service?

JANETTE SADIK-KHAN: Well, we would
be looking to bid these out in the next couple of
years. The earliest that a passenger service,
that a new boat could be in operation, would be
calendar '15.

COUNCIL MEMBER ROSE: Wow. Okay.
What class of ferry boats are you planning to
replace? And what is the current life of these
boats that you are replacing?

JANETTE SADIK-KHAN: I think we
were looking at the Barberry [phonetic] and the,
they're 31 years old.

COUNCIL MEMBER ROSE: And are you
replacing them with a different type of class of
boat?

JANETTE SADIK-KHAN: That's
actually what we're in the middle of doing right
now, is doing the preliminary ferry investigation,
to assess what's the best addition, what's the
best mix, to, for the Staten Island Ferry fleet.
And Jim DeSimone, our Chief Operating Officer for

the Staten Island Ferry, has, has embarked on that analysis.

COUNCIL MEMBER ROSE: Are you looking at the smaller class ferry boat, also, for evening runs, or maintaining those--

JANETTE SADIK-KHAN: That was one of the, that was one of the areas that was being explored.

COUNCIL MEMBER ROSE: Okay. And there's no possibility of us getting car boats ever again?

JANETTE SADIK-KHAN: I don't believe that's part of the design investigation.

COUNCIL MEMBER ROSE: Okay. And in Fiscal Year 2012, the budget for the ferry operations and maintenance included a new amount of \$5.2 million for the ferry security contract?

JANETTE SADIK-KHAN: Mm-hmm.

COUNCIL MEMBER ROSE: Extension. So, could you tell me what the original contract costs when it was first awarded, and how, yeah, how much it was?

JANETTE SADIK-KHAN: The explosive detection canine contract was awarded in 2008,

2 initially, and it was for \$12 million. And \$5.2
3 million increase represents the current annual
4 cost of the canine units, needed to assess the
5 vulnerability of the vessel sweeps, you know, the
6 whole operations there. And also, it's dealing
7 with the restrictions that have been imposed on us
8 by the Coast Guard. So, is this \$5.2 above the
9 \$12 point, the \$12 million?

10 COUNCIL MEMBER ROSE: Yes. It's
11 the first, it's the first year of the two year
12 extension.

13 JANETTE SADIK-KHAN: Okay. And was
14 this contract the sole contract? Or it was an RFP
15 issue?

16 COUNCIL MEMBER ROSE: It was
17 competitively bid.

18 JANETTE SADIK-KHAN: It was
19 competitively bid. And this was the lowest
20 bidder?

21 COUNCIL MEMBER ROSE: Yes.

22 JANETTE SADIK-KHAN: Okay. Thank
23 you.

24 CHAIRPERSON RECCHIA: All right.
25 Before we introduce the next Staten Island Council

1
2 Member [laughter] I want to recognize we've been
3 joined by Jimmy Van Bramer and Erik Dilan. We're
4 going to recognize Vincent Ignizio.

5 COUNCIL MEMBER IGNIZIO: Thank you,
6 it's our day today.

7 CHAIRPERSON RECCHIA: It's Staten
8 Island's day, Transportation's a big issue.

9 COUNCIL MEMBER IGNIZIO: Good
10 morning, Commissioner.

11 JANETTE SADIK-KHAN: Good morning.

12 COUNCIL MEMBER IGNIZIO: Clearly,
13 I, I'd read with interest your testimony which
14 spoke to safety, and I want to pretty much speak
15 to that. Some of the issues that you know I
16 raised with you and your staff for quite some
17 time. Sidewalks around City property is a huge
18 issue, in my district, in Staten Island as a
19 whole. Many of my colleagues will be shocked to
20 hear that 971 properties in my and Jimmy Oddo's
21 district have no sidewalks around them despite the
22 requirement by law that they have them. I've
23 asked for an update on the violation of City
24 properties. I was told by DOT Deputy Commissioner
25 that the City is not above the law, and those

properties, if they were brought to our attention, would be violated. And going forward, they would be under the same processes as any homeowner, which I think is great, they should be violated, they're wrong. Is that taking place, number one? And two, with such a large volume that I gave you, the financial issue of that would be, is there any additional moneys in the DOT budget that would pay for sidewalks as they do with homeowners? That if they don't have it within X amount of days, they come out and they build your sidewalk, and then they bill the homeowner. Anything going on with that?

JANETTE SADIK-KHAN: It's a good, it's a very good point, we are investigating. In fact, we are, right now, inspecting and issuing the violations.

COUNCIL MEMBER IGNIZIO: Okay.

JANETTE SADIK-KHAN: But I would also add that I, something like 50 percent, and I will get back to you on the exact number, but something like 50 percent of these were like public spaces, you know, parks, that kind of property.

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COUNCIL MEMBER IGNIZIO: Yeah.

JANETTE SADIK-KHAN: So, it's a narrower universe than what it sounds, but that doesn't take away from the fact that we need to do the inspections and get the violations out there. And we are in the process of doing that. And I have a letter to you, toward that end, which I think is - -

COUNCIL MEMBER IGNIZIO:

[interposing] Okay, yeah, I mean, even at public spaces. Maybe you have to charge back your sister agency, but they're still require to have sidewalks.

JANETTE SADIK-KHAN: We're still, we would be violating sister agencies.

COUNCIL MEMBER IGNIZIO: And they would have to violated as well.

JANETTE SADIK-KHAN: Absolutely.

COUNCIL MEMBER IGNIZIO: I think it's an important step. The fact that it was not done is probably because Staten Island was more rural and as parks were being, you know, I guess designated, there was just no thought about, you know, sidewalks, people can walk on the street.

Now with the increase of population, it's really dangerous. And with the safety initiatives that DOT is launching throughout the City, surely sidewalks should be first and foremost, you know, at minimum, should be mentioned here. Continuing on with, with the safety initiative, the merge of the Korean War Veterans Parkway and the West Shore Expressway, is a major problem, we had massive accidents there on Memorial Day. I've raised this with you and your staff for years, to put a quick curb there. I've raised this, it's been raised for 27 years, since Eric Vitaliano. And I'm just asking for a little bit of levity 'cause I recognize this is not so much of a finance issue, but I really need to put on the record that the City is finding itself liable in, in an issue and they put up quick curbs all over the City. On Victory Boulevard and Richmond Avenue there's a quick curb. But on a merge of two major highways where, where people are traveling 50 miles an hour, City DOT has refused to do so. I can't understand why.

JANETTE SADIK-KHAN: I believe, I was just apprised that we are looking at it.

COUNCIL MEMBER IGNIZIO: Yeah,
okay, okay. But I was apprised DOT was looking at
it when we met at Borough Hall last year. So--

JANETTE SADIK-KHAN: Oh.

COUNCIL MEMBER IGNIZIO: And Eric
Vitaliano was apprised of it 24 years ago.

JANETTE SADIK-KHAN: Okay. Well,
that's news, I wasn't here 24 years ago, but I
will make sure that we get back to you on that.

COUNCIL MEMBER IGNIZIO: I get you.
But I did, I did mention it to, to you and your
staff over a year ago. So, at a meeting at
Borough Hall, so.

CHAIRPERSON RECCHIA: 24 years ago
she was in High School with Jimmy Oddo.

COUNCIL MEMBER IGNIZIO: Oh, I
didn't realize. [laughter] You know, I find that
offensive, 'cause Jimmy went to an all boys, all
boys high school so I--

JANETTE SADIK-KHAN: [laughs]

COUNCIL MEMBER IGNIZIO: --I think
that is quite offensive.

JANETTE SADIK-KHAN: No, that's a
challenge.

2 COUNCIL MEMBER IGNIZIO: I would
3 [background comments] and, to continue, to
4 continue on with the, with the paving issue, the
5 Staten Island Delegation added some, some moneys
6 towards, towards paving, in addition to the
7 allocation by DOT. Your allocation was added?
8 You added money to, to the overall paving budget
9 for the City?

10 JANETTE SADIK-KHAN: The 1,000 lane
11 miles you're referring to?

12 COUNCIL MEMBER IGNIZIO: Yeah.

13 JANETTE SADIK-KHAN: Yes.

14 COUNCIL MEMBER IGNIZIO: You, so
15 that--

16 JANETTE SADIK-KHAN: That's the
17 capital money, yeah.

18 COUNCIL MEMBER IGNIZIO: Right, so
19 that will be in addition to that which we already
20 put money into, right? I, I assume that to be the
21 case, but I don't want to, I just want to be - -

22 JANETTE SADIK-KHAN: [interposing]
23 It's part of, it would've been less than 1,000
24 lane miles before. The 750, it's part of what it
25 took to get to the 1,000 lane miles.

COUNCIL MEMBER IGNIZIO: But I'm saying what me and my Staten Island colleagues did--

JANETTE SADIK-KHAN: Yes.

COUNCIL MEMBER IGNIZIO: --will all, will be in addition to, it won't be--

JANETTE SADIK-KHAN: It's part of 1,000 lane miles. That funding is part of that funding.

COUNCIL MEMBER IGNIZIO: We, you understand what I'm--the question is, whatever we add, though, is going to be sprinkles, it's not going to be, you know, co--it's not going to be like the lottery--

JANETTE SADIK-KHAN: Correct, correct.

COUNCIL MEMBER IGNIZIO: --deal up in upstate--

JANETTE SADIK-KHAN: Yes.

COUNCIL MEMBER IGNIZIO: --where they, you know, take out enough money and they supplement the, our moneys for what would be the court.

JANETTE SADIK-KHAN: Right, it's,

not a, not a, this kind of thing.

COUNCIL MEMBER IGNIZIO: Okay. All right, now that's really all I had, I wanted to put those three questions, and I hope that I'll be able to speak with you or Deputy Commissioner or somebody about those issues.

JANETTE SADIK-KHAN: Look forward to it.

COUNCIL MEMBER IGNIZIO: Thanks.

JANETTE SADIK-KHAN: Okay.

CHAIRPERSON RECCHIA: It'd be nice if you could quadruple what the Councilman put in.

JANETTE SADIK-KHAN: [laughs]

CHAIRPERSON RECCHIA: You know? All right, we're going to recognize Julissa Ferreras, and then we're going to have Peter Koo, but before that we want to recognize we've been joined by Council Member Jumaane Williams. Julissa.

COUNCIL MEMBER FERRERAS: Thank you, Chair, and good morning, Commissioner.

JANETTE SADIK-KHAN: Morning.

COUNCIL MEMBER FERRERAS: I wanted to follow up on Grace Asphalt or Harper Street

Asphalt, I don't know what we're calling it today. But also, before I did that, I wanted to thank you staff on your project at the Safe Streets for Seniors, and your Safe Roads to Schools program. They've been working with our office and I'm excited to be able to do that survey with your team. So, the Grace Asphalt project was probably one of the things, first things that I walked into when I, as soon as I got elected, in February of last year. And one of the things that was told to me by the Administration was that it's going to make things more efficient and more affordable. So my questions are going to kind of gear towards that. I know that prior to the acquisition of Harper Street plant, New York City DOT estimated that parts and costs to the City did not include the capital costs. Which at the time were estimated by DOT to be \$20 million for acquisition and \$5 million for plant replacement. We now know the actual numbers of acquisition was more around \$30 million, a better number for replacement based upon the RFP for the replacement of the Hamilton plant, which is \$10 million. And we now know that there are significant doc refurbishment issues and

1
2 repair costs due to the recent condemnation of the
3 pier and bulkhead. Please update us on the actual
4 capital costs and the expense, and what is the
5 cost going to be, so that we can get this pier to
6 be functional over at Grace.

7 JANETTE SADIK-KHAN: It was always
8 \$30 million costs that we had, that was the, that
9 was the number that we had, and that's the number
10 that we--

11 COUNCIL MEMBER FERRERAS: \$30
12 million, and it included the--

13 JANETTE SADIK-KHAN: It included
14 the repairs.

15 COUNCIL MEMBER FERRERAS: The
16 repairs.

17 JANETTE SADIK-KHAN: That was all
18 in, yeah. And we were recently noticed by DEC, as
19 you heard, on the, on the environmental issues,
20 and we had a proposed mediation that they wanted
21 us to revisit. And so, we are continuing to
22 negotiate right now with DEC, over the repair work
23 that needs to get done there. This area has been
24 a challenging site for many, many years, decades.
25 And so, we're working with DEC right now. I do

not have a number for you.

COUNCIL MEMBER FERRERAS: Okay.

JANETTE SADIK-KHAN: But I remember our early conversations on this, and so, I look forward to meeting with you to go over that in some detail.

COUNCIL MEMBER FERRERAS: Yeah, I would appreciate that. 'Cause--and I took a speed less on asphalt, as soon as I walked in. And I know that the pier has a lot to do with the wrap. Correct? And wrap makes asphalt more affordable. 40 percent of it is used to, you know, kind of recycle and be put back in. So, I don't, if you can explain to me how the cost is still \$13 less, if we're using, if we're not using wrap, and--

JANETTE SADIK-KHAN: We are using wrap.

COUNCIL MEMBER FERRERAS: You are using wrap.

JANETTE SADIK-KHAN: Yes, we are.

COUNCIL MEMBER FERRERAS: Okay. And how, at the same percentage, at 40 percent?

JANETTE SADIK-KHAN: Yes, we are.

COUNCIL MEMBER FERRERAS: Okay.

So, can you explain to me why the pier was so vital to the wrap? Because I remember the pier conversation and wrap and is it to move it--?

JANETTE SADIK-KHAN: It's just moving materials in and out.

COUNCIL MEMBER FERRERAS: Okay. So, the, the City doesn't have, is, can dispose of their wrap? Or do you have to sell that back to the private contractors?

JANETTE SADIK-KHAN: No, it, it's, it's the amount of asphalt that we recycle is that much less that has to go to a land fill.

COUNCIL MEMBER FERRERAS: Right.

JANETTE SADIK-KHAN: And again we can repurpose it and use it back in our streets. And that's what we're, that's what we're doing. So there's a savings associated with the avoided landfill costs, the avoided trucking costs, and then again we've got that material that we can use on the street beds themselves.

COUNCIL MEMBER FERRERAS: So, the, the expected savings for opening Grace is, you have seen that happen.

JANETTE SADIK-KHAN: Yes.

COUNCIL MEMBER FERRERAS: And so was, in your opinion, it's--so what is the, what is our ton cost right now, at, for Grace.

JANETTE SADIK-KHAN: I don't have that on me, but I can get that to you. And--

COUNCIL MEMBER FERRERAS: If you would, please.

JANETTE SADIK-KHAN: Yeah. I think we should sit down and do a detailed assessment about where we are with Grace.

COUNCIL MEMBER FERRERAS: Please, I would greatly appreciate that. Thank you very much Commissioner.

CHAIRPERSON RECCHIA: Thank you. We're going to recognize Peter Koo from Queens. We've also been joined by Council Member Gale Brewer. And Jessica Lappin. Yay, Jessica. Congratulations on your newborn child. [cheers, applause] She's back. She's back to save those senior centers. [laughter] [pause] Peter Koo.

COUNCIL MEMBER KOO: Thank you, Mr. Chair, and welcome, Commissioner. And as all of you know, I'm based in Flushing Downtown, and there's a stretch of road in downtown, traveled by

more than 100,000 people every day, pedestrians, I mean, you know. And along this stretch, from 41st Road to Roosevelt Avenue, on the Western side, on the west side. We have a lot of potholes, along the curbside. It's not in the middle of the road, no. It's along the curbside. And we have this problem for over like ten years. And eight years ago, seven years ago, I complained to my predecessor, known as the Comptroller, and nothing happened, ever has been done. Sometimes they just patch is a little bit, that's it, and you always bec--become bigger holes. IN the summer time, it's real bad, because a lot of the leakage from the restaurant garbage, leak out and it accumulate in these holes, and everybody covered in those when they walk by the, the--and somehow in the, people laugh and me and say, eight years ago I was person of the association, the business association, I come complaint, nothing get done. Now, I have been a Council Member for over a year, already. The same thing is there, you know. So, there, you know, my constituents ask me, no, "What happened to the City?" you know, "How come they don't, things so slow?" So, I explain to them the

1 City workforce is like dinosaur, and it's real
2 hard to tell the dinosaur to move, you know, you
3 know, and so I hope the Commissioner can ask this
4 dinosaur to move and fix our problem for
5 constituents.

6
7 JANETTE SADIK-KHAN: Okay.

8 COUNCIL MEMBER KOO: Okay.

9 JANETTE SADIK-KHAN: [laughter]

10 COUNCIL MEMBER KOO: So, there's my
11 main problem, my main problem, it cause of lot of
12 issues. And because the reason we only do this
13 because if 100,000 people, pedestrian, walk by the
14 street every day, and we cannot fix any of the
15 problems that they said, "What happened to New
16 York City? They cannot do the things they did?"
17 It takes only maybe--

18 JANETTE SADIK-KHAN: Okay, well, I
19 guess we're here--

20 COUNCIL MEMBER KOO: --little work,
21 four or five hours work, to patch all those
22 things.

23 JANETTE SADIK-KHAN: Okay, as
24 Chairman Vacca said, I think we're, we need to sit
25 down and make sure that we've got the priorities

2 of the Council Members taken, taken care of.

3 We'll - -

4 COUNCIL MEMBER KOO: [interposing]

5 And, and, and if you do this, our Flushing image

6 will increase, you know, you will up our image,

7 because otherwise they think, "Oh, Flushing's

8 another Chinatown," they don't care, you know, the

9 City doesn't care about Chinatown.

10 JANETTE SADIK-KHAN: No, we care,

11 it's, the pothole repair situation is a very

12 difficult one, as you've heard, this, this

13 morning. And so, with the difficult winters,

14 we're doing the best that we can. But I hear you,

15 and we will take a look at that.

16 COUNCIL MEMBER KOO: Now, all I'm

17 asking, just four blocks.

18 JANETTE SADIK-KHAN: Okay.

19 COUNCIL MEMBER KOO: It's not a ten

20 mile, oh, no.

21 JANETTE SADIK-KHAN: Okay.

22 COUNCIL MEMBER KOO: Okay, thank

23 you.

24 JANETTE SADIK-KHAN: Okay.

25 CHAIRPERSON VACCA: Thank you,

Council Member Koo. Council Member Koppell.

COUNCIL MEMBER KOPPELL: Thank you, Mr. Chairman. Commissioner, as you know, the Henry Hudson Parkway runs through Riverdale portion of my district, from the Henry Hudson Bridge to the Yonkers border. Is that parkway, is the maintenance of that parkway the responsibility of the City or the State?

JANETTE SADIK-KHAN: I believe the maintenance is ours.

COUNCIL MEMBER KOPPELL: So, the, and, and what about, when you talk about maintenance, does that include, for instance, the planting and maintenance of the median between the parkway and the City service road?

JANETTE SADIK-KHAN: I'm not sure, I'll have to get back to you on that, I don't know the - -

COUNCIL MEMBER KOPPELL:
[interposing] Oh, that, there's a, there's a need, and I'm discussing with your Bronx Commissioner, to look at that Henry Hudson Parkway stretch in a comprehensive way. There are a series of missing curbs, the grass is missing from certain areas,

there's walls that need new concrete. I mean, the whole corridor is deteriorated. And I was hoping maybe the State could assist the City in getting that done. So I'd like you to look at that.

JANETTE SADIK-KHAN: I will, I will investigate it and get back to you on that.

COUNCIL MEMBER KOPPELL: The other questions, and you may want to get back to me is, if there's a, we have some private streets, especially in Riverdale. But they're really through streets. If they are potholed and there's no private, you know, community organization, just private homeowners, can, can you repave that and perhaps even charge the adjacent property owners? How does that work?

JANETTE SADIK-KHAN: We don't do private, no, we don't, we don't. We have our hands full doing the public roadway - -

COUNCIL MEMBER KOPPELL:
[interposing] So if there's a private street, for instance Sycamore Avenue is an example, and it's terribly potholed, and there's no community organization, there are private homeowners along the street. How does that get done?

JANETTE SADIK-KHAN: It's not the City's responsibility.

COUNCIL MEMBER KOPPELL: Even though it's a through street?

JANETTE SADIK-KHAN: If, if it's a private street, it's a private street. I mean, it's the same issue that we've got with private communities. You know, if you are, if you're not-so, and the short answer is no, if it's not part of the City's responsibility, the new are not doing the repair work on it.

COUNCIL MEMBER KOPPELL: Maybe it's something, Mr. Chairman, we ought to look into, because it's a through street, it's not a private street that just goes to four homes or six homes. It's a through street that goes to the railroad station. And driving down the street you put your life in your hands because of the sever potholed condition. And perhaps there should be some rule that if the private owners don't fix it, that the City fix it and bill the private owners. Anyway, it's something to be looked into. Thank you, Commissioner.

JANETTE SADIK-KHAN: Okay.

COUNCIL MEMBER KOPPELL: Let me just say, since we're, that I want to congratulate you on the Plaza Program, which I strongly support.

CHAIRPERSON VACCA: Thank you.
Council Member Melissa Mark-Viverito.

COUNCIL MEMBER MARK-VIVERITO: Good morning, Commissioner.

JANETTE SADIK-KHAN: Good morning.

COUNCIL MEMBER MARK-VIVERITO: Good morning. I want to, you know, I know there's been a lot of concern with regards to the whole bike lane issue, but I do want to thank you, at least your office as of late for being very collaborative, and reaching out in terms of getting protected bike lanes north of 96th Street. I know there's a whole plan in place, and that is something the community supports. So I really want to thank the outreach that's been done. Also, the willingness to have a conversation, one of the things that we're doing in my district, in the East Harlem portion of my district, is working with the New York Academy of Medicine about making it an aging improvement district, and really

1
2 figuring out ways that we can work with DOT to
3 make it friendlier for seniors in the
4 neighborhood. So, they, I'm glad that there's a
5 willingness to have that conversation. I do have
6 a very specific, 'cause as, as Council Member
7 Ignizio was raising the issue of sidewalks in
8 Staten Island, it does bring up the issue and the
9 question about sidewalk repairs around NYCHA
10 developments. That is a real serious issue in my
11 district. I've said this a million times, but you
12 know, I have the most public housing in East
13 Harlem, is--in the City of New York, is in East
14 Harlem. And we have every block basically you've
15 got public housing developments. And there's some
16 serious sidewalk issues on around, around a lot of
17 my developments in The Bronx portion. And we had
18 to actually put money in, in order to really
19 repair those, those sidewalks. And I'm just
20 trying to understand the relationship. My
21 understanding is that there is a minimal amount of
22 money that NYCHA pays to your department, to your
23 agency, to fix sidewalks.

24 JANETTE SADIK-KHAN: I think we fix
25 the sidewalks around NYCHA properties, but I don't

1 think we have funding from NYCHA to do that.

2 COUNCIL MEMBER MARK-VIVERITO: I
3 think they say they give a million dollars to the
4 Department of Transportation. And that that
5 obviously doesn't go far enough.

6 JANETTE SADIK-KHAN: I think that's
7 inside the, the properties themselves, not on the
8 outside, but, but--

9 COUNCIL MEMBER MARK-VIVERITO: Mm,
10 I think it's--regardless, but I know that there's
11 a lot of sidewalks that are in serious need of
12 repair around my developments. So, how do, what
13 happens in those cases?

14 JANETTE SADIK-KHAN: Why don't we
15 sit down and go through the, the particular
16 concerns that you have in the, in some of the
17 specific locations?

18 COUNCIL MEMBER MARK-VIVERITO: But
19 I guess the overall, more general question, I know
20 politics is local, but more generally, how does
21 Department of Transportation do assessments of,
22 you know, sidewalk repairs. Is it just by word of
23 mouth, complaints that are filed to 311. How does
24 that--
25

JANETTE SADIK-KHAN: It's a combination, both 311 complaints go in, and then we do have inspectors go out there. We've got a whole sidewalk inspection and maintenance division. But I'd be happy to sit down and go with, go over what our approach is. And what the locations that you're concerned about are.

COUNCIL MEMBER MARK-VIVERITO:

Well, I mean, I think, yeah, I definitely would like to understand the assessment, because there's one particular stretch, about two blocks, that since, for quite a few years, has been, not been in repair. And when I ask NYCHA about it, they've thrown the buck to DOT. And it's just, it gets complicated. So I would like to sit--

JANETTE SADIK-KHAN: Why don't we sit down and go through that.

COUNCIL MEMBER MARK-VIVERITO:

Okay, so that's the more general question. That was the only question I had. I appreciate that. And maybe getting a fuller understanding of how the assessments and repairs are done for sidewalks, I would appreciate.

JANETTE SADIK-KHAN: Right.

COUNCIL MEMBER MARK-VIVERITO:

Thank you very much.

CHAIRPERSON VACCA: Okay, thank you. Council Member Williams.

COUNCIL MEMBER WILLIAMS: Thank you.

CHAIRPERSON VACCA: And I want to mention we've been joined by Council Member Diana Reyna.

COUNCIL MEMBER WILLIAMS: Thank you, Mr. Chair, thank you, Commissioner. I have some pothole questions, also, which I know we've talked about. So, you can shut me down if I'm being too repetitive. But we have a bunch of potholes in my district, we actually sent an Excel spreadsheet over to, to the Department about many of the issues that we're having. So, I just wanted to understand, actually, if there was enough money to fix all the potholes, or to do the job you need to do in resurfacing the roads?

JANETTE SADIK-KHAN: There's not enough money to get all the pothole pieces done. And we need to, more money to hire more crews and to, to do more on the streets, whether it's

1 pothole repair, whether it's resurfacing, whether
2 it's repaving. But we're doing as much as we can
3 within the financial constraints that we find
4 ourselves. But as I mentioned earlier, and, both
5 in the testimony and in response to Chairman
6 Vacca, we welcome partnership with the Council to
7 identify additional resources for the program.

8
9 COUNCIL MEMBER WILLIAMS: So I had
10 a series of meetings, and I don't want to get
11 people in trouble, but I got confusion. I
12 actually tried to give some of my capital money to
13 fix some of the potholes in my, in my street. And
14 I at first we heard that we could, and then when I
15 did I heard that we couldn't.

16 JANETTE SADIK-KHAN: We can't use
17 capital money for pothole repair, we need to use
18 expense money for pothole repair. That might've
19 been that issue.

20 COUNCIL MEMBER WILLIAMS: Well, it
21 would've been good if they told me that it was
22 expense money that I needed to give, so then I
23 would've given expense money. 'Cause we have a
24 lot of problems there. And I just want to get
25 them fixed.

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JANETTE SADIK-KHAN: Okay.

COUNCIL MEMBER WILLIAMS: I don't know if it's 'cause you don't have the resources to come to my district; if not, I want to try to work that out. But we do have a lot. I bust two tires last week on some potholes. And I've love-- and if I'm busting tires, and I'm the Council Member, I can only imagine what's going on with my constituents.

JANETTE SADIK-KHAN: Well, why don't we sit down and go over the list of locations that are of particular concerns for you, and, and make sure that, that we're, we're clear in terms of the process and program, and on the funding front. So--

COUNCIL MEMBER WILLIAMS: Okay.

JANETTE SADIK-KHAN: --I look forward to doing that.

COUNCIL MEMBER WILLIAMS: But somewhere in DOT world is a list from my office.

JANETTE SADIK-KHAN: Okay, I will, we will, I don't know about that, but I will certainly, I believe you and we'll go back and check and see where it is, and make sure that we

1
2 sit down to, to go over the list of locations
3 that--

4 COUNCIL MEMBER WILLIAMS: Thank you
5 very much.

6 JANETTE SADIK-KHAN: --you
7 submitted.

8 CHAIRPERSON VACCA: Thank you.
9 Commissioner, just to come back to the pothole
10 issue once again. Do you think you would have the
11 opportunity to devote a two week period to blitz
12 what we have out there? Is getting all the
13 resources you can command, perhaps getting more
14 support from the Administration, if it's possible.
15 But is there an opportunity to really attack the
16 problem that I spoke about at the beginning, and
17 Council Member Williams is mentioning.

18 JANETTE SADIK-KHAN: We don't,
19 we're moving into resurfacing season, again we
20 have a very limited season for resurfacing, and
21 we, as you pointed out, that's just some of the
22 most important structural fundamental work that we
23 need to get done.

24 CHAIRPERSON VACCA: Yes.

25 JANETTE SADIK-KHAN: So we are

1 dedicating our resources there, which is very,
2 very important. That said, we're doing as much as
3 we can to handle, to get a handle on the pothole
4 situation, as well. But we don't have the
5 resources right now to have a dedicated pothole
6 crew, and to do the sur--resurfacing work that we,
7 we need to get done this year. And so it's a,
8 it's the person power issue, and, and again, as
9 much as potholes, you know, are a major subject
10 and a big concern in the City, and I deeply
11 appreciate that, we need to make sure that we're
12 getting the resurfacing work that we need to get
13 done in the City, as well.

14 CHAIRPERSON VACCA: Commissioner,
15 Commissioner, I, I don't doubt that we have to do
16 resurfacing. My colleague, Councilman Oddo,
17 stressed it. I agree with the resurfacing. But
18 even using the word "pothole" at this point is
19 minimizing what I think our roads are looking
20 like. They are not--

21 JANETTE SADIK-KHAN: Well, if you
22 can identify some additional resources then, then
23 potentially we can have that conversation.

24 CHAIRPERSON VACCA: I, I need your
25

1
2 help in doing that. I'm willing to advocate with
3 the Administration. I, I can't tell you, you
4 know, that would be a prerogative you would have,
5 but I can only tell you what our streets look
6 like. I can only tell you that every borough,
7 these are not potholes. Our streets are crater
8 ridden--

9 JANETTE SADIK-KHAN: No, I
10 understand, I'm out on the streets of--I
11 understand the significance--

12 CHAIRPERSON VACCA: You're on the
13 street--shh, excuse me.

14 JANETTE SADIK-KHAN: --of the
15 situation.

16 CHAIRPERSON VACCA: I, I'm sure
17 you're on the streets, Commissioner, but I think
18 using the word "pothole" is minimizing what we
19 face. I agree with Council Member Williams on
20 that, I--these are not potholes, these are
21 craters, these have become unbelievably big.
22 Theses have become block long washboards. That's
23 what we're looking at, Commissioner, and--

24 JANETTE SADIK-KHAN: And that's why
25 we ware dedicating our resources to the

1
2 resurfacing program, which will allow us to get a
3 handle on that.

4 CHAIRPERSON VACCA: But many times
5 you're resurfacing streets that are not--these are
6 streets you, these are--the streets you're
7 resurfacing are important, and I agree with you.
8 But those streets were identified for resurfacing
9 before the winter. Those streets were identi--
10 these are not streets that are necessarily filled
11 with potholes, these are streets you identified--

12 JANETTE SADIK-KHAN: If these are
13 streets that you're talking about, the kind of
14 craters that you're talking about, that's not
15 going to be fixed by a pothole crew.

16 CHAIRPERSON VACCA: I--what does it
17 take to fix it?

18 JANETTE SADIK-KHAN: That's going
19 to need to have some strip paving--

20 CHAIRPERSON VACCA: Right.

21 JANETTE SADIK-KHAN: --or
22 resurfacing.

23 CHAIRPERSON VACCA: All right.

24 JANETTE SADIK-KHAN: So that's a
25 very different order of magnitude--

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CHAIRPERSON VACCA: What, that's--

JANETTE SADIK-KHAN: --in terms of the repair that we're talking about.

CHAIRPERSON VACCA: Well, can we prioritize strip paving, then? Is strip paving something you can prioritize? 'Cause strip--

JANETTE SADIK-KHAN: We do that.

CHAIRPERSON VACCA: --strip paving is not curb to curb. Strip paving--

JANETTE SADIK-KHAN: No, it's not.

CHAIRPERSON VACCA: --is going there and getting a patch--

JANETTE SADIK-KHAN: Correct. And I think you were out with us when we did this, this past winter, where we were doing strip paving operations, in your borough.

CHAIRPERSON VACCA: Yes, but I know much more has to be done, and I'm--

JANETTE SADIK-KHAN: Yes.

CHAIRPERSON VACCA: --I'm worried that we're going into July and August and we still have this problem.

JANETTE SADIK-KHAN: We are working as hard as we can, we are bringing as many

resources we can to the table. Again, the administration has committed additional funding to do not only the additional lane miles, we did the \$2 million for the additional pothole repair and importantly the strip paving piece to try to get a handle on the very significant problems that we've got in terms of the condition of the streets throughout all five boroughs.

CHAIRPERSON VACCA: My only suggestion, Commissioner, is that if you could, and I know we have resource problems, not just you, every agency. But if you could identify a, a two week window where we could blitz so many of these things and make a noticeable positive impact. I think I, I think I speak for most of my members when we say that this pothole thing has become a very big issue in our district. And I think it's citywide. But that was my only suggestion.

JANETTE SADIK-KHAN: We're, we'll certainly look into what we can do, but it is certainly a balancing act that we're managing right now.

CHAIRPERSON VACCA: I appreciate

1
2 that. And I know that you are, and I appreciate
3 that. Okay. I'm sorry. Oh, here. Council
4 Member Van Bramer. And I'd like to acknowledge
5 the presence of Council Member Eric Ulrich.

6 COUNCIL MEMBER VAN BRAMER: Thank
7 you very much, Mr. Chair. Commissioner, I want to
8 start off by thanking you for a couple of things.
9 First of all, the two hour meters on Queens
10 Boulevard, which have gone over very, very well.
11 And the community, and particularly the small
12 businesses are loving, so I want to thank you for
13 your responsiveness on that. And the
14 Maspeth/Maurice Avenue speed humps, where we
15 finally ended drag racing that had gone on for a
16 generation on Maspeth. This weekend I marched in
17 the Maspeth Memorial Day Parade, and people were
18 chanting from the sidelines about the end of drag
19 racing and the speed humps. So--

20 JANETTE SADIK-KHAN: That's great.

21 COUNCIL MEMBER VAN BRAMER: I want
22 to thank you for that. And, and even though I, I
23 concur with my colleagues about the severity of
24 the pothole situation, in my district I also want
25 to say that Maura McCarthy [phonetic] is pretty

responsive, and available and accessible, so I think that's really important, even if we don't always get everything we need when we need it. I certainly appreciate that, that Maura's always there to pick up the phone and, and call me back. I do want to ask you a couple of questions. One is about the twelve hour meters and where we're at, that's something that you and I have talked about a lot. And I still remain very concerned about, and I'm wondering if you have any thoughts on that you could share now, or if we want to do something more privately. But, but I still would like to see some action on that.

JANETTE SADIK-KHAN: I think we've been making some progress moving ahead with what we can do, and I think it would make sense for us to sit down and, and to try to work together to best meet the parking demand needs that we've got in the area.

COUNCIL MEMBER VAN BRAMER: So, will your team reach out and we'll--

JANETTE SADIK-KHAN: We will be following up, yeah.

COUNCIL MEMBER VAN BRAMER: Do

1 something right away. And I was hoping you could
2 give us, give me an update on the bridge. And
3 what you all have been doing with respect to the
4 accidents that occurred, as you know, exiting the
5 bridge. And what steps DOT is taking, and what
6 you're, what you're studying, what we're actively
7 doing to make sure that that area is safer.
8

9 JANETTE SADIK-KHAN: As you know,
10 the NYPD report suggested excessive speed at night
11 was the reason for this--

12 CHAIRPERSON VACCA: I'm sorry,
13 Commissioner, for the record, could you just
14 clarify what bridge and where?

15 JANETTE SADIK-KHAN: Queensboro
16 Bridge.

17 CHAIRPERSON VACCA: Yes, okay.

18 JANETTE SADIK-KHAN: And it was--

19 CHAIRPERSON VACCA: [off mic] That
20 the Ed Koch Bridge?

21 JANETTE SADIK-KHAN: Yes, excuse
22 me, the Ed Koch Queensboro Bridge. But we're, we-
23 -

24 COUNCIL MEMBER VAN BRAMER:
25 Queensboro Bridge.

JANETTE SADIK-KHAN: As to your question--

CHAIRPERSON VACCA: I'm sorry I asked.

JANETTE SADIK-KHAN: We've added 30 mile an hour signs, we've added rumble strips, we've got 20 mile an hour advisory signs. We're, we're continuing to investigate to see what we can do. But it does appear, according to the PD reports, that it was excessive speeding late at night, over that bridge. We've, we've placed protective barriers, also, on the curbside of Queens Plaza South, and a VMS sign, variable message machine, sign on the outer roadway on the Manhattan side, with the 20 mile an hour speed advisory for the construction area on the Queens side. So we continue to look to see what we can do, to address that issue.

COUNCIL MEMBER VAN BRAMER: And are you continuing to, to study the angle at which cars are coming off the bridge? Is DOT going to be studying that at all?

JANETTE SADIK-KHAN: We're investigating what we need to do on the safety

front, yeah.

COUNCIL MEMBER VAN BRAMER: Okay, I mean, I think that's, that should be an ongoing discussion with us. We've had three cars, as you know, come off the Queensboro Bridge, and crash in a very short period of time. And obviously we don't want there to be a fourth or fifth or sixth. So, I've got a few other things that we can work on more privately, but I, I do want to once again thank you for the very significant things we've been able to do together.

CHAIRPERSON VACCA: Thank you, Council Member. Council Member Brewer.

COUNCIL MEMBER BREWER: Thank you very much, and of course Margaret Forgione, your Manhattan Borough Commissioner is awesome, and we worked together on Central Park and the bicycle pedestrian issue, which I think is in, going in a good place. And of course our bike lane on Columbus Avenue, the merchants are happy, thanks to CB7, Margaret Forgione and our office, I want to thank you. It's amazing what collaboration does. Couple questions. One is the Fresh Direct. I know you don't like this idea, but I just want

1
2 to ask in terms of revenue, I'm not a Fresh Direct
3 purchaser, but I think all of my constituents are.
4 And the trucks pile up and they make noise, not
5 idling but that refrigerator, and then they call
6 and call and call. They call you, they call DEP,
7 they call 311. So, the newsstands as I understand
8 it, do plug into the grid for their electricity.
9 So, I'm just wondering if there's any possibility,
10 as long as there is a very handsome revenue
11 opportunity for these trucks to plug into the
12 streetlights in the similar grid, and then the
13 calls to 311 might stop.

14 JANETTE SADIK-KHAN: The, the way
15 that we've been trying to address the, the truck
16 delivery issue is with off hour deliveries. And
17 that's really been quite a big success. The,
18 there's a lot of security issues associated with
19 plugging into that network that you referred to,
20 and the reliability issues, and so we've looked at
21 this in the past, and it was not seen as an
22 optimal solution. But we've had a lot of success
23 working together in the past to untangle tricky
24 problems. And so, perhaps we can sit down again
25 and talk through the reasons why that might be the

best solution, but--

COUNCIL MEMBER BREWER: Okay.

Those trucks ain't coming in at night, that's the problem.

JANETTE SADIK-KHAN: Yeah, right.

COUNCIL MEMBER BREWER: They're coming in during the day. Number two, what is this Scout Program do? I've never seen a scout, except parked outside of City Hall. Do they look for potholes and help you in that sense? Or are they fini, gone, fell into the potholes?

JANETTE SADIK-KHAN: They are part of the--

COUNCIL MEMBER BREWER: Where are they?

JANETTE SADIK-KHAN: --Mayor's Office of Operations.

COUNCIL MEMBER BREWER: I know, but--

JANETTE SADIK-KHAN: And they--

COUNCIL MEMBER BREWER: Do they ever communicate--

JANETTE SADIK-KHAN: --feed that information into 311. And then that goes into

the, our request for--

COUNCIL MEMBER BREWER: So when you get your 311, does it indicate that it came from Scout, or you're just--not necessarily. 'Cause we've only seen them parked outside of City Hall. I never saw Scout anywhere--

JANETTE SADIK-KHAN: I don't know the details of the, of the, of where the Scout teams go, but I do know that when they, when their reports come in, they do, they're tagged as Scout reports.

COUNCIL MEMBER BREWER: Okay. Next question is pedestrian ramps. I know that just like Council Member Melissa Mark-Viverito, we're aging in place, and we've been working with your wonderful staff on that issue. How, who was responsible, because obviously for wheelchairs and people with walkers, the pedestrian ramps are key to getting around. And so when they need repair, is that done only when the sidewalk or road is being repairs? Or is there some other repair mechanism? And is it, I don't know if it's supposed to be done by the building or by the DOT, etc. They do, you know, they do age out, so to

1 speak, as a, as individuals are aging in.

2 JANETTE SADIK-KHAN: It's my
3 understanding that after we've put them in, it's
4 the property owner's responsibility to repair
5 them.
6

7 COUNCIL MEMBER BREWER: Right, can
8 we talk about that, to be sure, because a lot of
9 them are not in proper form, and it doesn't seem
10 to--

11 JANETTE SADIK-KHAN: Okay.

12 COUNCIL MEMBER BREWER: --be
13 cognizant as to who's supposed to fix it. 79th
14 Street ramp, it's an ongoing question at the West
15 Side Highway, between you and Parks. Do you have
16 any update? That's obviously an absolutely
17 immense capital project.

18 JANETTE SADIK-KHAN: We're working
19 with the Parks Department to get this project
20 funded.

21 COUNCIL MEMBER BREWER: Okay, so
22 that's something that's actually being discussed?

23 JANETTE SADIK-KHAN: Yes.

24 COUNCIL MEMBER BREWER: Okay. And
25 then just finally, something kind of funny, but

see I have a lot of interesting constituents, and one of them came in the other day and said he likes the potholes on his street, because he cannot get a bump, a speed bump. So, the pothole is serving. Thank you very much. [laughter]

JANETTE SADIK-KHAN: [laughs]

CHAIRPERSON VACCA: Thank you. Let me, let me remind everyone that we must be out of here by 1:00 o'clock, and we have the MTA and the TLC coming subsequent to Commissioner Sadik-Khan.

FEMALE VOICE: 11:30.

CHAIRPERSON VACCA: 1:00 p.m. So, 11:30 is the MTA, so I'd like to, you know, limit your questions to three minutes if you could, and try to stick to budget related items. Council Member Rodriguez.

COUNCIL MEMBER RODRIGUEZ: Thank you. Commissioner, as you know, thousands of bicycle riders, they've been addressing the need of having flashing yellow lights in public parks, after the park is closed for vehicle.

JANETTE SADIK-KHAN: Mm-hmm.

COUNCIL MEMBER RODRIGUEZ: Is the DOT looking at that?

JANETTE SADIK-KHAN: We are, actually. We've been working with Council Members and with the Central Park Conservancy, and other conservancies to see what we can do to upgrade the light fixtures that are in the park. What's currently the problem is that there are no advanced solid state traffic controllers which would allow us to change the light pattern. And so, we have to upgrade the signals in order to put in the flashing yellow, but we are definitely in the process of investigating that right now, and identifying funding to allow that to happen.

COUNCIL MEMBER RODRIGUEZ: Thank you. Oh, and what about in the plaza? First of all, I, I would like to thank you for the support that you've been giving to the plazas, basically the Plaza Las Americas, which is in my district. It, it does serve our community well. But in our community, we also have the need of having another plaza, working with the Commissioner Walsh for the business improvement, the business improvement, local business improvement district.

JANETTE SADIK-KHAN: Mm-hmm.

COUNCIL MEMBER RODRIGUEZ: We're

trying to look at the possibility of working with the DOT on having another plaza that will, so and the north part of my district basically looking at the number of street vendors that we had to see if we can come out with a solution, where the DOT also should be a partner--

JANETTE SADIK-KHAN: Okay.

COUNCIL MEMBER RODRIGUEZ: --
looking at a plaza.

JANETTE SADIK-KHAN: Great, will do.

COUNCIL MEMBER RODRIGUEZ: And, and I have a number of other local issues, but I, I will follow, as I agree with Gale Brewer that Margaret is a tremendous Manhattan Commissioner. And but this - - I hope that we will see that one fixed.

JANETTE SADIK-KHAN: Great, thank you, look forward to that.

COUNCIL MEMBER RODRIGUEZ: Okay, thanks.

CHAIRPERSON VACCA: Thank you.
Council Member Lappin?

COUNCIL MEMBER LAPPIN: Good

1 morning. I want to echo the compliments for
2 Margaret Forgione, who really is fabulous, and we
3 really enjoy working with her. I have two
4 questions. One, I see in your testimony that you
5 mentioned you're going to be saving money through
6 energy efficient streetlights. As you may know,
7 and I think that Mr. Woloch knows, I have a bill
8 that we've had a hearing on in the Council
9 regarding LED streetlights and a meeting, at least
10 one meeting in your office, with some of your
11 engineers about that topic. And at the time, I
12 was told that the technology just wasn't there.
13 So, I'm happy to read this, and I'm curious what
14 it is you're doing in terms of energy efficient
15 streetlights, and if it tracks with what I had
16 suggested a while back, or if it's something
17 different.
18

19 JANETTE SADIK-KHAN: I think it's
20 very much in line with what you had suggested.
21 And we have a pilot program going on 'cause we
22 want to make sure that there is a durability and
23 reliability standard that, that we're comfortable
24 with. And so we've been testing them in the park,
25 Central Park, and we've gotten funding from the

Clinton Climate Initiative, to, to move forward with this program, which is starting to be used as a benchmark nationally and internationally for what can be done in terms of innovation in, in LED streetlights. So, we're pleased, so far, with the results of the pilot. And we're hopeful what that will mean going forward on a, on a citywide basis. So it's very much in line with your suggestion in terms of what we need to be doing as City policy.

COUNCIL MEMBER LAPPIN: So, are you looking to expand the pilot? Is that what this \$2 million is? Or--

JANETTE SADIK-KHAN: We're looking to expand the pilot, and then we're also looking to see what we can do to have this become a part of our regular course of doing business. So that it's not just a pilot, that it's part of our mainstream infrastructure programs.

COUNCIL MEMBER LAPPIN: Okay. At the time, you guys testified that it was going to cost more money because you had streetlights up for a certain number of years, and you were just going to replace them naturally. So, so how does the cost savings work. Are you replacing lights

1 haphazardly across the City in places where you'd
2 be replacing them anyway? Or are you doing them
3 in targeted areas?
4

5 JANETTE SADIK-KHAN: Well, the \$2
6 million was actually from the Wattage Reduction,
7 it was not from the LEDs, but we are, we are right
8 now doing the LEDs in, in specific locations, so
9 that we can measure the effectiveness of them on a
10 quarter, on a quarter basis.

11 COUNCIL MEMBER LAPPIN: So you've
12 increa--I think at one time, the pilot was there
13 were three lights in different places, and now
14 you're in Central Park with how many of them,
15 roughly?

16 JANETTE SADIK-KHAN: I don't have
17 the exact number, but I'd be happy to give you a
18 detailed brief on the overall program. I think it
19 would be great for us to sit down to do that.

20 COUNCIL MEMBER LAPPIN: Okay,
21 that'd be great. And then, I wanted to ask you
22 about one of the three bridges that are not in a
23 state of good repair that's currently under
24 construction, but I just got word it's been pushed
25 back a few months, the one on 78th Street, on the,

1
2 you know, East River. So do you have any
3 information about that. It was supposed to be
4 open in July, and now I'm told October, something
5 to do I think with the materials. But I want to
6 make sure it's not a budget issue.

7 JANETTE SADIK-KHAN: It's not a
8 budget issue. But I'd be happy to, when we go
9 through the LED iss--situation, I'd be happy to
10 sit down with you and, and go through that as
11 well. But it's not budget.

12 COUNCIL MEMBER LAPPIN: Okay, thank
13 you, Mr. Chair.

14 CHAIRPERSON VACCA: Thank you.
15 Thank you. Commissioner, you did a pilot study on
16 the LED lighting.

17 JANETTE SADIK-KHAN: Yes.

18 CHAIRPERSON VACCA: Can you send me
19 the results of what the pilot study show?

20 JANETTE SADIK-KHAN: Absolutely.

21 CHAIRPERSON VACCA: Okay, thank
22 you. Council Member Ulrich. Ulrich.

23 COUNCIL MEMBER ULRICH: Fine, who
24 cares, all right, they voted for me, what
25 difference does it make. All right. [laughter]

Good morning, Commissioner. Good morning, Mr. Chairman, I'm sorry I'm, I'm late for class, as usual. Just a few questions regarding the budget. Regarding capital projects, and maybe you addressed this, Commissioner, already, and ,and forgive me for not being here to hear the explanation, but when Council Members fund capital projects in our district, for instance, I had approached Maura McCarthy a year-and-a-half ago, after one of my constituents was killed walking her dog on Cross Bay Boulevard outside of Broad Channel, on that long stretch of road there. And, and we worked with the Mayor's Office, and we worked with DOT, and I put in \$350,000 to install a guardrail so that, whether people are on bicycles, on the bike path, which is actually on the sidewalk, adjacent to the road, or walking their dog, or jogging, that we can ensure that they would be safe, that a car wouldn't speed off the road and god forbid kill them, which they did. And it's happened before. The guardrail still isn't there. And when I called DOT for updates, they say, "Well, we had to put it out to bid and we had to register the contract," and it seems

1 that the process is taking so long. I don't know
2 why the capital money that the Council Members
3 give for, for projects like that can't be tacked
4 onto an existing requirements contract, like we do
5 with the Parks Department, for instance. We give
6 a million dollars for a boardwalk, and they
7 already have a contractor working on boardwalks,
8 they'll tack on that money. And it can happen a
9 lot sooner. So--

11 JANETTE SADIK-KHAN: It was, it
12 was, it's pending at OMB, but it's, the work is
13 scheduled for next spring.

14 COUNCIL MEMBER ULRICH: I, I really
15 hope so. You know, two years is a long time, and
16 there are a lot of people, as you know, that walk
17 and ride and do everything up and down that
18 boulevard, and it's not safe.

19 CHAIRPERSON RECCHIA: OMB will be
20 testifying on Monday, Council Member Ulrich, and
21 you can ask Mark Page yourself on Monday.

22 COUNCIL MEMBER ULRICH: Yeah, I
23 will. I'm really, you know, I'm really concerned
24 about safety there. You know, if, if you already,
25 if you already have a contractor installing

guardrails on highways, for instance, and, and in other parts of the City, why couldn't we just use that money and tack it right onto that existing contract? So I mean, you can follow up with me, I don't, I don't need an answer right now.

Regarding the street resurfacing, and the street maintenance division. Is it true that, that Queens only has one crew for the entire borough still, that does resurfacing? We had heard that last year.

JANETTE SADIK-KHAN: I think there's two.

COUNCIL MEMBER ULRICH: There's, so there are two crews. And they, and they generally go by community board district, right?

JANETTE SADIK-KHAN: Yeah.

COUNCIL MEMBER ULRICH: So they'll go to like the 15 worst streets, they'll grind 'em all up and then they'll resurface them all at the same time. Somebody said recently, or it was mentioned among my colleagues, that under the Giuliani Administration, we used to be able to subcontract out or contract out to private contractors the grinding up of the streets, and

then actually--

JANETTE SADIK-KHAN: We still do that.

COUNCIL MEMBER ULRICH: We still do that. Right?

JANETTE SADIK-KHAN: Yes.

COUNCIL MEMBER ULRICH: So how, how do we go about that process if the Council Member, for instance, wanted to supplement that money [time bell] so that we can add and get more streets resurfaced in the borough?

JANETTE SADIK-KHAN: We'll look forward to working with you to identify the additional resources for that.

COUNCIL MEMBER ULRICH: Okay, all right. And the last thing I'll just mention, I know my time is up, could we please just keep an eye on HWQ411B, it's really important, it's 30 years in the making. I think DDC is dragging their feet. Maura McCarthy's done a great job, but it's really important to my constituents. Thank you, Commissioner.

JANETTE SADIK-KHAN: Okay.

CHAIRPERSON RECCHIA: Thank you,

1 Council Member. Council Member Lander, then
2 Council Member Halloran. But before that I want
3 to recognize we've been joined by Council Member
4 Fidler, Council Member Halloran, Council Member
5 Leroy Comrie. Council Member Lander.

7 COUNCIL MEMBER LANDER: Thank you,
8 Mr. Chairman. Thank you, Commissioner. Thanks
9 again for your partnership with our, with our
10 neighborhood. I know perhaps not in every corner
11 of the City are they as enthusiastic, but in Park
12 Slope people are overwhelmingly thrilled with the,
13 what's going on in Prospect Park West, and in
14 general with the traffic calming in the, in the
15 neighborhood. A couple of other, of budget
16 questions. First, one thing that I'm especially
17 enthusiastic about, in your capital, in your, in
18 your plan, is the rolling out of additional
19 transit, signal priority and select bus service.
20 I wonder if you can just give a little more
21 detailed update that you say in the testimony
22 there are ten corridors where you're going to be
23 doing transit signal priority, which I think is
24 great. That's more than the set of places that I
25 guess have been announced for select bus service,

1
2 so you can just kind of give us an update on what
3 select bus service are those places getting some
4 of the additional treatments that bring things,
5 you know, that make it even better for bus riders,
6 and then are there a broader set of places where
7 you're doing transit signal priority but not off
8 board loading, or--

9 JANETTE SADIK-KHAN: That's
10 correct. We are doing everything we can to bring
11 technology to help us manage our streets better.
12 And so, whether it's the select bus service full
13 treatment, where we have the dedicated lanes and
14 the off board fare collections and the transit
15 signal priority, and bus islands, etc., that's one
16 set of treatments. But we don't always have the
17 funding to do the SBS treatments citywide, so, but
18 we can still make improvements to the network and
19 the functionality of the network through TSP. So,
20 again, once we get more advanced solid state
21 traffic controllers in place, we've got 7,200 in
22 place now, we've got 12,000 signalized
23 intersections in the City of New York, so we're
24 about halfway there. And so we will continue to
25 bring TSP to the streets of New York to better

1
2 manage on a real time basis our network and make
3 our buses work better, and make it better for
4 traffic flow, and pedestrian safety.

5 COUNCIL MEMBER LANDER: So, can you
6 just update us on which, what, where, where
7 there's full SBS--

8 JANETTE SADIK-KHAN: I can give you
9 the list of the--

10 COUNCIL MEMBER LANDER: --and where
11 there's--Okay, you can follow up with that.

12 JANETTE SADIK-KHAN: I'll follow up
13 with that.

14 COUNCIL MEMBER LANDER: I'd love to
15 know which ones are specifically--

16 JANETTE SADIK-KHAN: I mean, we've
17 got SBS on Fordham Road, we've got it on 1st and
18 2nd Avenue, we've, we're working on 34th Street,
19 we're working on Nostrand Avenue, we're working on
20 Highland Boulevard, we're, we're taking a look at
21 La Guardia, and an alternatives analysis there.
22 And then we've got the ten locations for TSP with
23 not the full SBS treatment, but I'd be happy to
24 sit down with you and go through the status of
25 where we are on that.

1
2 COUNCIL MEMBER LANDER: All right,
3 that'd be great, we would love to kind of get that
4 list and see if we can, in my neck of the woods,
5 get TSP moved along. I guess the final point that
6 I would make, and I don't have time to ask for
7 details about what the capital plan reductions are
8 going to specifically mean. You say in your
9 testimony that those reductions will have an
10 impact. And I just want to say, and I said this
11 to Mark Page the preliminary budget hearing, and
12 I'm going to say it again, the logic that because
13 we're in tough economic times we cut the capital
14 budget, is a 100 percent backwards. When
15 Republicans say that in Congress, we say that is
16 foolish thinking, this is exactly the time when
17 you invest additional resources to create jobs, to
18 create economic [time bell] activity, and using
19 the excuse of kind of the short term economic
20 difficulties to withdraw from long term
21 investments in our City, is a--

22 CHAIRPERSON VACCA: Okay.

23 COUNCIL MEMBER LANDER: --starve
24 the City way, a Republican way of governing, and,
25 and not a, not a Demo--not a way that I think we

want to see in New York.

CHAIRPERSON VACCA: We--okay, we--

JANETTE SADIK-KHAN: Okay.

CHAIRPERSON VACCA: We will have to talk about that in Washington. I thank you--

COUNCIL MEMBER LANDER: No, no, they're choosing it here.

CHAIRPERSON VACCA: Council Member--
-

COUNCIL MEMBER LANDER: They're cutting the capital budget to street maintenance--

CHAIRPERSON VACCA: Okay. Okay, thank you.

MALE VOICE: [off mic] Put it on Twitter. [laughter]

CHAIRPERSON VACCA: Thank you. Thank you - - , next is Council Member--
[background noise, gavel] Council Member Halloran. And I want to mention, Council Member Wills has joined us.

CHAIRPERSON RECCHIA: All right, let's keep it down, let's keep it down, as the question, we're running out of time. I have the MTA outside waiting to go. Councilman Halloran,

you're on the clock, go ahead.

COUNCIL MEMBER HALLORAN: Okay, just lost seven seconds, thank you. Commissioner, appreciate the work that you're doing; however, I have a couple of areas of concern. The first is the Harper Street DOT Asphalt Plant, formerly known as the Grace Plant. The City decided to acquire this plant, telling us it was going to save us money in contracting, told us we would be saving from the \$61 per ton we pay with contractors to \$48 per ton. After I pulled back the veil a little bit on the, on the details, it turns out that the City never worked in the capital acquisition costs when it figured we would get \$48 a ton. I plugged those numbers back in, we're now paying \$103 a ton to get asphalt, when we were getting it for \$61, and we acquired a big plan that sits in between two preexisting asphalt plants, the plant, the Tully Plant and the Cofire [phonetic] Plant, who both have contracts with the City. We were told it would cost \$20 million to acquire this property, and cost \$5 million in replacement costs. It wound up costing us \$30 million to acquire and \$10 million to replace. We

were told that there was going to be a dock refurbishment, but the dock has been condemned. We were told we were going to get recyclable asphalt, which would bring down the costs, and 40 percent of the product were going to be recyclable, and that hasn't happened because the City condemned the pier, and so there's no delivery possible of the materials to recycle. Could you explain that to me, please?

JANETTE SADIK-KHAN: Actually, this question was asked and answered by Council Member Ferreras, and we spent a lot of time on this, but I'd be happy to sit down with you and go through that in detail, after this hearing.

COUNCIL MEMBER HALLORAN: Okay, that's fine. Little Neck Traffic Island, I'm sure you saw it on the news, couple of newspapers covered it, couple of media outlets. The engineers told us it was completely safe. We had people making--DOT engineers told us it was completely safe--we had cars making a left hand turn six inches away from moving trains. Could you tell me if any of those engineers have been disciplined or sent back to engineering school so

that they could learn that's not a good idea to put cars six inches away from a moving Long Island Railroad.

CHAIRPERSON RECCHIA: Shhh!
Council Member, could we please keep the conversations down. We have to give the Councilman the respect that he deserves when asking questions.

JANETTE SADIK-KHAN: The, the issues that were raised occurred during the construction of the islands, and since then we have not heard any issues associated with the safety islands that we installed.

COUNCIL MEMBER HALLORAN: 26th Avenue was indicated as a potential bike lane. I know that the DOT's been forced to not go forward with bike lanes in other locations because of economic distress that it would cause the business owners. Is the Department of Transportation undertaking economic analysis when we're putting these bicycle lanes everywhere, to look at the impact on our small businesses who will lose traffic, lose the ability to have parking there. And I guess in districts like mine, on 26th

1 Avenue, there are homeowners in the co-ops and
2 condos behind it, on 26th Avenue, that would be
3 adversely impacted by such a bicycle lane. Are
4 those factors being looked at when DOT's making a
5 decision as to where to throw in bicycle lanes?
6

7 JANETTE SADIK-KHAN: Actually, we
8 have not seen anything that, that has to do with
9 the negative impact on bike lanes. And that's not
10 part of what the decision is. But as you know, or
11 as you should know, the decisions are generated at
12 the community board level in terms of the requests
13 that come in, and so we continue to work with
14 members of the community board and Council Members
15 on those bike lanes. We are actually in, we are
16 working--we do not have funding in place for an
17 assessment of the economic benefits of bike lanes
18 and the economic impact, but we are looking for
19 funding from the National Academy of Science, to
20 have an established institution do the analysis
21 with us. There's not really been that work done
22 anywhere in the country, so we're continuing to
23 look for ways to not only secure the funding for
24 that, but make sure that we've got an established
25 research entity to do the analysis. It's a very

2 good point.

3 COUNCIL MEMBER HALLORAN: Okay.

4 And just, Commissioner, I guess we'll follow up on
5 the Cofire and Tully and Grace plant information.
6 Were any of my numbers wrong, though? Did that
7 come up specifically in Council Member Ferreras--?

8 JANETTE SADIK-KHAN: Yeah, your
9 numbers were wrong, but I'd love to--

10 COUNCIL MEMBER HALLORAN: All
11 right, okay.

12 JANETTE SADIK-KHAN: --go through
13 that with you.

14 COUNCIL MEMBER HALLORAN: All
15 right, thank you.

16 CHAIRPERSON VACCA: Thank you,
17 Commissioner. And--

18 CHAIRPERSON RECCHIA: Hold on,
19 Council Member Halloran, are you finished? You
20 want anything else to say?

21 COUNCIL MEMBER HALLORAN: Actually,
22 I just have one thing to say.

23 CHAIRPERSON RECCHIA: That's--

24 COUNCIL MEMBER HALLORAN: It has
25 nothing to do with DOT.

CHAIRPERSON RECCHIA: Go ahead, say what you're going to say.

COUNCIL MEMBER HALLORAN: I'd like to congratulate my brother, firefighter Terence Halloran on the birth of his daughter Riley Grace Halloran, born this morning at 10:24 a.m.

CHAIRPERSON RECCHIA: Oh, congratulations, he's an uncle. [applause] All right.

CHAIRPERSON VACCA: Commissioner--

CHAIRPERSON RECCHIA: I want to introdu--hold on, we have David.

CHAIRPERSON VACCA: I'm sorry, yeah, there's more question, yeah, one - -

CHAIRPERSON RECCHIA: You have a question?

CHAIRPERSON VACCA: Yes.

CHAIRPERSON RECCHIA: Go ahead.

CHAIRPERSON VACCA: I do want to indicate, Commissioner, we have one more Council Member with a question. But my, the consensus of the Members here, Council Member Williams especially wanted me to voice it, is that your Borough Commissioners are doing a very good job.

JANETTE SADIK-KHAN: Thank you.

CHAIRPERSON VACCA: And we thank them for their work. Council Member Greenfield.

[background noise]

COUNCIL MEMBER GREENFIELD: Dan, in honor, in honor of your brother's birth, we suspended alternate side parking today.

[laughter] So. Not sure what more you want us to do. - -

CHAIRPERSON RECCHIA: [interposing] It's a Catholic holiday, Mr. Greenfield.

COUNCIL MEMBER GREENFIELD: I know, I know. I actually would just, just, I would reiterate the Chair's remarks, in Brooklyn, Commissioner Palmeri is doing an outstanding job and we're all quite pleased with the work that he's doing, and I want to thank you for your service, as well. I just want to follow up on an issue that we've chatted about here before, with some of the Deputy Commissioners. There, there were some reports that the, the island on Fort Hamilton and New Utrecht Avenue, the safety, pedestrian safety island is going to be removed. Is that correct?

JANETTE SADIK-KHAN: We're, we are investigating the concerns that have been raised in that district, and we're taking a look at it right now.

COUNCIL MEMBER GREENFIELD: Okay. So, is that, is that legalese for--[laughs]

JANETTE SADIK-KHAN: We're taking a look at it right now.

COUNCIL MEMBER GREENFIELD: That's it? So it's, the reports were inaccurate?

JANETTE SADIK-KHAN: We are taking a look at it right now.

COUNCIL MEMBER GREENFIELD: I'm sorry, I spent \$100,000 on law school, so I just, I'm just, is there any more, is there any more you can tell us? That's as--

JANETTE SADIK-KHAN: That's as far as I'm--we are taking a look at the, at the issue.

COUNCIL MEMBER GREENFIELD: Okay, in general, just, just for instructive purposes, when, when there are issues like this, 'cause I know we chatted about this before with the Deputy Commissioner, and we were told that, that these, these islands sometimes are modified but, but

1
2 there's a general policy of them not being
3 removed. What is the process, what is the process
4 in terms of when communities are opposed to
5 projects like this, how would you like to see them
6 approach, approach your office or work with you?
7 And is there sort of any appeals process that
8 allows them to, to address issues like these in
9 different communities?

10 JANETTE SADIK-KHAN: We continue to
11 work with communities throughout the construction
12 process and the planning process. And when there
13 are issues that raise, there's virtually no
14 project that we haven't tweaked or tailored in
15 some way to address concerns. So, we continue to
16 do that for Hamilton as we do for many of our
17 projects citywide.

18 COUNCIL MEMBER GREENFIELD: So,
19 Fort Hamilton's going to be tweaked then, or is it
20 going to be removed?

21 JANETTE SADIK-KHAN: I, as I said,
22 we are in the process of examining what the issues
23 are there, and we will look forward to getting
24 back to you once we've made that determination.

25 COUNCIL MEMBER GREENFIELD: Can't,

1
2 can't blame me for trying, Commissioner. Let me
3 ask you about the, the bridges. There were some
4 reports recently of some bridges in very poor
5 conditions. I know that not all of them fall
6 under the bailiwick of the DOT, but can you sort
7 of give us an update, an update on that.

8 JANETTE SADIK-KHAN: We have 786
9 bridges in the City of New York, and all of them,
10 virtually all of them are in a state of good
11 repair. There are four that are in, in poor
12 condition, and all of them are in, under
13 reconstruction. And so, we have a record that's
14 unmatched in any city in the United States, thanks
15 to the \$5 billion that Mayor Bloomberg has
16 committed to our, our bridge program. And so, our
17 bridges are, have the most rigorous inspection
18 program, they've got the most, most robust funding
19 program, and I'm quite proud of the work that
20 we've done to make sure that these vital links are
21 in a state of good repair for the City of New
22 York.

23 COUNCIL MEMBER GREENFIELD: So the
24 four bridges that are troublesome are going to be
25 [time bell] are going to be taken care of?

JANETTE SADIK-KHAN: They're all, they're all scheduled for reconstruction work, yes, sir.

COUNCIL MEMBER GREENFIELD: Great. Well, I want to thank you, Commissioner, for your service, and I also want to thank, sitting right next to you, David Woloch, who's doing a great job on your behalf out there, reaching out to the communities, as well. And we appreciate that, and I wish you a nice day.

JANETTE SADIK-KHAN: Thank you.

CHAIRPERSON RECCHIA: Okay, and Commissioner I want to thank you for showing up today and testifying. Hold on. And I just want to, when you do have a decision on the Fort Hamilton Avenue issue, if you could, before you make an announcement, if you could contact the Council Member, he would greatly appreciate that.

JANETTE SADIK-KHAN: I've got that message.

CHAIRPERSON RECCHIA: You got the me--okay. [laughter] And--

COUNCIL MEMBER GREENFIELD: [off mic] Subtle, very subtle.

CHAIRPERSON RECCHIA: Subtle. And

I just want to thank you for working with all of the Council Members. We look forward to having a work relationship moving forward. And like before decisions are finalized, I hope that we can have input before the announcements are made, and we've been heading that way. And I thank you for all of your support. And thank you for working with us. And I wanted to tell you one thing: there's no doubt about it, that you need more funding for these potholes and the issue I have been looking-- Okay, just want you to know--I am going to make a recommendation to Mark Page, that he should take money out of Corporation Council, move it--No, I'm very serious about this. Because it's connected. The more potholes, the more lawsuits, the more trouble, the more we have to pay out in the long run. And Corporation Council, I believe if, you know, we could save money on judgments by moving a little money around to help fill in these potholes. I just want you to know, this is my opinion, okay. And I think this is something we should look at, 'cause we really want to try to help you to get these things worked out this

2 summer. And thank you for your hard work.

3 JANETTE SADIK-KHAN: Thank you, Mr.
4 Chairman.

5 CHAIRPERSON RECCHIA: Okay? We're
6 going to take a two minute recess, MTA's next.

7 [break in audio, new tape starts
8 mid-presentation]

9 LOIS TENDLER: --the economic
10 crisis and our unprecedented cost cutting, we also
11 pushed forward with the most significant service
12 improvements in generations. We eliminated the
13 toll gates at the Henry Hudson Bridge in a test of
14 cashless toll operations across all our bridges
15 and tunnels. We brought new countdown clocks to
16 over 100 stations, so customers know when they're
17 train is coming. We successfully piloted a new
18 smart car that makes it easier for riders to pay
19 for their--

20 CHAIRPERSON RECCHIA: Excuse me,
21 hold on, could we please have quiet. If you need
22 to have a conversation, even staff, take your
23 conversations outside, please. Shh. Sorry.

24 LOIS TENDLER: Thank you.

25 CHAIRPERSON RECCHIA: - -

LOIS TENDLER: We successfully piloted a new smart car that makes it easier for riders to pay for their fares, and more efficient for the MTA to collect revenues. And this year, we're entering into contracts to begin a full roll out of this new fare payment system across our entire network. We installed more than 3,700 security cameras throughout our network connecting cameras at key hubs directly to the NYPD's command center. We introduced select bus service to the most heavily used bus route in the nation, reducing travel times by nearly 20 percent. And we're piloting bus time so customers can simply look at their cell phones to know when the next bus will arrive. All these changes are finally bringing our transit system up to speed, with the information and modern technology we use in every other aspect of our lives. Overall, the point here is clear: in one short year, we've worked to create a new culture at the MTA, based on tangible actions and tangible results. This has allowed us to both cut costs and improve service, and we've managed to do it during these very lean financial times. Even with all our cost cutting efforts,

the MTA's financial structure remains fragile and dependent on the critical subsidies and fare and toll income we receive. And, as you all know, the current economic environment is presenting challenges here and all across the State, with the adopted State budget reducing funding to the MTA by a net \$100 million. We intend to plug this \$100 million hole with additional expense reductions that will not impact our customers, and by not making a planned \$47 million contribution that was intended to help fund our OPEB liability for retiree health benefits. The result of this plan will be no service cuts, no fare hikes above the planned biannual cost of living increases, and no need for additional support for our operating plan from either Albany or New York City. Much like our efforts on the operating budget, we've similarly focused on the MTA's vital capital program. Over the past 30 years, the capital program has sparked a remarkable revitalization of our transit system, transforming it from a symbol of urban decay, to today's modern, safe and vital economic engine. This series of five year capital investments has been so successful, in fact, that

we at the MTA are often asked if we reached the point where we can stop investing. The reality is that continued investment is more important than ever for a few very important reasons. The first is reliability. Operating a 24/7 system in a place as crowded as New York, puts an extremely high premium on the reliability of our service, and keeping our service reliable requires continuing investments in our core infrastructure. It also requires investments to expand the system and eliminate choke points. These investments are made possible only through the capital program. Jobs and economic growth are more reasons why we must continue investing in our transit system. According to the New York Building Congress, the MTA alone is expected to account for 25 percent of New York City's construction industry in 2012. But the program's reach extends far beyond New York City. It also has a profound direct impact on jobs and economic development in every corner of New York State. In fact, the 2010/2014 Capital Program will create about 350,000 New York jobs and \$60 billion in economic activity throughout our state. The critical importance of our capital

program, however, does not excuse the need to implement it as a officially and effectively as possible. That's why last year we searched for and found ways to deliver our investments more efficiently, saving \$2 billion in the process. But our work is far from over. This year, just as we did with our operating budget, we're overhauling our entire capital program, starting the process by slashing administrative expenses across the board, to save \$50 million a year, or \$150 million in this capital program alone. Of course, these efforts will not eliminate the need for continued support from the MTA's funding partners. As I'm sure you all know, the program is only funded through 2011. After that, we're looking at a \$10 billion gap, and depending on the situation in Washington, that number might grow larger. Filling this gap is the MTA's number one priority right now, and we're committed to working with all our funding partners, including all of you here today, to help us to do so. It is vital to our transit system, our way of life, and our economy that we succeed. In closing, let me say that while none of this has been easy, we're doing

1 everything we can to make every dollar count. In
2 so doing, we're laying the foundation for a
3 sustainable transit system. No one here questions
4 the value of the transit system to New York, and
5 no one should question the MTA's commitment to
6 doing our part. Together we can protect what is,
7 without a doubt, the single most important public
8 service in New York State. Thank you again for
9 the opportunity to address you. We're now happy
10 to answer your questions.
11

12 CHAIRPERSON RECCHIA: Thank you
13 very much. And I'm going to turn it over to Chair
14 Jimmy Vacca. But before we do that, I want to
15 recognize we've, Robert Jackson has been here for
16 the DOT portion, I forgot to introduce him and
17 recognize him, and my apologies. So Rob Jackson
18 is also--I have to apologize. All right, Jimmy
19 Vacca has quick questions.

20 CHAIRPERSON VACCA: Thank you, Ms.
21 Tendler, and the, the MTA. I'm concerned with the
22 capital budget as I think your testimony points
23 out. Am I correct to say that on January 1st of
24 2012, the MTA does not have a capital budget? Or
25 are you--are you confident you have the resources

1
2 to complete jobs only underway? What does--what
3 does it mean if there is no capital budget for the
4 next three year period, coming from Albany by
5 January 1st?

6 LOIS TENDLER: We have a capital
7 budget that is not funded after 2012. So, the
8 CPRB, the legislature approved a capital plan for
9 five years, which is what, how we've presented the
10 capital program since the '80s. When they
11 approved that plan, they only approved funding for
12 the first two years of it, with the understanding
13 that we would be back to fund the remaining three
14 years of the program. On January 1st, if a, if
15 that plan is not funded, we will not have money to
16 begin new projects. Every project that we begin,
17 and that'll continue up to December 31st of this
18 year, every project that we begin we have enough
19 money in the bank to finish.

20 CHAIRPERSON VACCA: We're talking
21 about a deficit of about \$10 billion?

22 LOIS TENDLER: That's correct.

23 CHAIRPERSON VACCA: And you're
24 seeking \$10 billion but Albany has not allocated
25 that money? Are you in discussions with Albany?

Or have those discussions progressed to the point where you're confident you will get that money?

Can you tell me the status?

LOIS TENDLER: We are hopeful we'll get the money. The, the conversations, I think, are in a very incipient stage because of the work that's going on in Albany. But I believe everybody is quite aware that come January 1, 2012, we do not have a funded program. And I believe everybody's working towards the goal of finding the funds to support the program.

CHAIRPERSON VACCA: So, we're looking at the prospect that in the current session, which is about to end in about three weeks in Albany, you do not expect to have resolution. This may be something going into the next session.

LOIS TENDLER: I believe that's accurate. We, we are hopeful that in the fall we will work with the legislature and come up with a plan.

CHAIRPERSON VACCA: Okay. You, you mentioned the jobs aspect of the capital program. And that how this capital program fuels the

economy and the construction industry.

LOIS TENDLER: Uh-huh.

CHAIRPERSON VACCA: Beyond that, what significant projects are in danger of falling by the wayside should there be no allocation of additional money? What significant projects that we as Council people would know right off the bat that represent a lifeline to our straphangers?

LOIS TENDLER: I would say that everything included in the plan is a significant project. It's hard to distinguish. I know that the Council's very aware of things that are above ground: stations, things like that. But it's the whole infrastructure that makes the trains run and run reliably, that we have to pay attention to. So, I would say everything that we put in the plan in the first inception is a significant project.

CHAIRPERSON VACCA: Are we also talking about delayed maintenance on our existing trains and buses? Are we also talking about maintenance needs that would have to be pushed back?

LOIS TENDLER: No.

CHAIRPERSON VACCA: That's a

separate allocation of money.

LOIS TENDLER: Mm-hmm.

CHAIRPERSON VACCA: Okay. [pause]

Now, when we talk about the capital budget, I also wanted to mention the expense budget.

LOIS TENDLER: Okay.

CHAIRPERSON VACCA: We are in a hole next year for--no pun intended as a straphanger, I shouldn't have used that term--but we are in a deficit of \$245 million next year?

DOUGLAS JOHNSON: The February plan projects it at \$247.

CHAIRPERSON VACCA: \$247 million deficit.

DOUGLAS JOHNSON: That's correct, million dollar deficit, right.

CHAIRPERSON VACCA: Now, does, does that include the one, a \$100 million cut you got in State aid? Tell me what that, tell me where that deficit came from.

DOUGLAS JOHNSON: That, that \$100 came, came after the \$247.

CHAIRPERSON VACCA: So it's really \$347.

DOUGLAS JOHNSON: \$347 with the, if we only look at those two items.

CHAIRPERSON VACCA: Is the real deficit.

DOUGLAS JOHNSON: That's correct.

CHAIRPERSON VACCA: All right, so we're talking \$347.

DOUGLAS JOHNSON: That's right, so-
-

CHAIRPERSON VACCA: Now, if we're talking \$347, my understanding is the \$100 million cut from the State was going to be implemented by the MTA without service cuts and without reduction to maintenance of trains and buses.

DOUGLAS JOHNSON: That's correct.

CHAIRPERSON VACCA: That was the commitment we had from the MTA at a previous hearing. Tell me about the remaining \$247 million.

DOUGLAS JOHNSON: Well--

CHAIRPERSON VACCA: How, how will that be realized, that savings?

DOUGLAS JOHNSON: We--we're going to have a, a detailed plan that will come out with

the July financial plan, that--

CHAIRPERSON VACCA: Please ID yourself, I'm sorry.

DOUGLAS JOHNSON: Oh, I'm sorry, I'm Douglas Johnson, I'm the MTA Budget Director. So, between now, we're right now coming up with plans to, to solve the 2012 deficit. We have some concrete ideas, some of which are still in the developmental stage, but in July we will present a plan with a, that will have a balanced 2012, one way or the other. We're still committed to the same, not a fare increase until 2013. We'll, no service reductions. We have some, we have some ideas for MTA initiatives that we're developing and some of 'em are underway. But it's two premature to identify any dollar savings. But we're confident that we have a, a strong plan to solve, solve this problem, understanding that it will be difficult and it'll take a lot of cost cutting and a lot of discipline on the part of management and the agencies.

CHAIRPERSON VACCA: You are still aiming for an increase in 2013 of 7.5 percent. That's been authorized and you intend to go forth

with that.

DOUGLAS JOHNSON: It's not, it's part of our financial plan that's been approved by the Board. Sure, I'm sorry. That, it wouldn't actually be approved, the Board would have to approve the actual fare and toll increases at that time. So that wouldn't happen until December of 2012.

CHAIRPERSON VACCA: But we have an, we have an assurance on the MTA that the \$247 million, in additional money, as well as the \$100 million cut that you've already gotten from the State, will be done without service cuts and without a fare increase.

DOUGLAS JOHNSON: That's correct. That's certainly, that, that is absolutely the plan.

CHAIRPERSON VACCA: Okay. Where do you see a significant savings coming from?

DOUGLAS JOHNSON: Well, if you were to look at our finances through April, we're under spending, agencies are aware of our current fiscal situation and we're, we had some favorable 2010 results. We have a general reserve in the 2012

1 budget that carries for an entire year. We're
2 already going to be halfway through that, so we'll
3 cut that. There's a lot of, lot of this a lot of
4 that, a lot of MTA efficiency programs that we're
5 looking at, we're trying to develop. So, in
6 combination we expect to, we'll have some debt
7 service savings. You know, a little bit of this,
8 a little bit of that, and you get very close.
9 That's our goal.

10
11 CHAIRPERSON VACCA: Thank, thank
12 you.

13 DOUGLAS JOHNSON: Sure.

14 CHAIRPERSON VACCA: Questions?
15 Where's the list? Oh.

16 CHAIRPERSON RECCHIA: I want to
17 recognize the first Council Member, Peter Koo.
18 We're going to go on the clock. Nick, on the
19 clock.

20 NICK ECONOMO: Yes. Thank you.

21 CHAIRPERSON RECCHIA: Go ahead, Mr.
22 Koo, you can begin.

23 COUNCIL MEMBER KOO: Thank you, Mr.
24 Chair, and thank you, you coming from the MTA. As
25 a member representing downtown Flushing, we have

1 the number seven train and the Long Island
2 Railroad Station, and actually we are in a very
3 good location for transportation wise. And I want
4 to ask the status on the number seven train
5 repair. The seven train is always on repair and
6 it cause a lot of hardships for our riders. Now,
7 especially senior citizens. They have no way to
8 go to, you know, they don't know how to go to--
9 using a different bus or to go to their
10 destinations, especially if you are like
11 immigrant, they don't speak that much English. So
12 can you tell us where, how soon will finish the
13 repair on the number seven train?

15 LOIS TENDLER: Sure. Two things
16 are going on on the number seven line, currently.
17 One was planned and one less planned. This winter
18 we experienced a sharp decline in reliability on
19 the number seven. That was the result of deferred
20 maintenance, if you will, in the Steinway Tube,
21 the tunnel that connects Queens and Manhattan.
22 The Steinway Tube, originally constructed as a
23 trolley bar, for trolleys, is the most narrow of
24 the 14 tubes we have, and it requires that no
25 train go through the tube for us to do the kind of

work that needs to be done there. There were actually track signals, circuits were failing. So, as you might be aware, we, last weekend, I believe it was, shut down the seven line between Manhattan and Queensboro Plaza, to being working on those repairs. We have two more weekends set up, one June 25th, one July 30th, and we should be in better shape in terms of reliability. But to make sure we don't get in the situation again, there's going to be ongoing outages scheduled to keep up with the maintenance activities. The really exciting thing for the seven line is going to come with a little bit of pain, but when we get there we'll get there. It's CBTC, that's communication based train control. It's a 21st Century signaling technology to replace the 19th Century one that's there. And we last year awarded a contract, I think it's probably \$500 million, to put in CBTC on the Flushing line. That job extends out to 2016. When the job is finally done, when the fin--job, it will allow us to run more trains on the Flushing line. So, and that's going to require outages, different kinds of outages. To do the work, people are going to

1 have to travel differently. We're committed to
2 working with you, your community, your
3 constituents, to make it as easy to understand as
4 possible. We, as you know, do things in
5 languages. I'm happy to talk to you [time bell]
6 about the outreach. And that's what's happening.
7

8 COUNCIL MEMBER KOO: Okay. I have
9 a second question, but maybe I go second round to
10 ask it.

11 CHAIRPERSON RECCHIA: Second round,
12 ask your question, quick question, go ahead, Mr.
13 Koo, there is no second round, I got to move it
14 on. We've been joined by Council Member Lew
15 Fidler. Go ahead, Mr. Koo, ask your question.

16 COUNCIL MEMBER KOO: Oh.

17 CHAIRPERSON RECCHIA: Hurry up.

18 COUNCIL MEMBER KOO: Okay. My
19 second question is just on the Long Island
20 Railroad Station in Flushing, this is the most
21 outdated station in, I ever seen. We are, if you
22 go to the Long Island Railroad Station in
23 Flushing, it's like we go to a third world country
24 station. There were garbage all over, it's in
25 the, with little escalator to go down, the

handicapped people go, cannot use it. And
meanwhile it's a, it's a very good station. It's
very convenient, go to, go to Penn Station, takes
only 15-20 minutes to go to Penn Station. But
somehow it's the most outdated. So, I want to
know in your budget, when do we have money to
update the station?

LOIS TENDLER: I, I'm going to need
to get back to you on that Councilman. I believe
there is money in the budget. But I'm not
precisely sure where it is or how much it is and
how much it's for. So if I can get back to you,
I'd appreciate it.

COUNCIL MEMBER KOO: I can--I hope
we can do it as soon as possible, but otherwise
the handicapped people, they can go, go to court
and file a class action suit against the MTA for
not providing the service to the disabled people.

LOIS TENDLER: I will get back to
you with that information.

COUNCIL MEMBER KOO: Thank you.

CHAIRPERSON RECCHIA: Thank you.

Council Member Ydanis Rodriguez, will be followed
by Council Member Greenfield. Go ahead, Mr.

Rodriguez.

COUNCIL MEMBER RODRIGUEZ: Thank you, Chairman. I have a comment, brief, and few question. One is that I hope that the train station at 181st, as you know there have been suffered, especially big time when it come to the elevators and other major work should be donating the - - I know that somewhere we're doing, like some question about how much money has been invested in the last couple of years, you know, what, and what was it they resold of the work [phonetic]. But I just hope that moving forward we do the necessary repair, so that we protect the safety of the passenger, since a number of people were stuck in the elevator a few months ago. And my three question is, one is, for how many year can we guarantee New Yorkers that we will not have another fare increase? Second, is the MTA giving consideration to you as in-house staff to do more project, at lower cost, instead of using a, a private, a, to hire private, private, doing private contracts. And the last one is, does the MTA have a separate line items in this budget for use of various consultants?

LOIS TENDLER: Okay. I'm going-- the fare increase, as, when we had the State bailout, I guess it was 2009, they passed the mobility tax. We agreed to fare increases every two years for cost of living. And so the next scheduled fare increase is 2013 and that's scheduled for 7.5 percent across the board, includes tolls as well. We are constantly, as to your second question, we're constantly looking at the issue of in-house staff versus contractors. We have our own construction force at transit that competes against contractors for jobs. And we, not always cheaper, so we, we try to get the best price on the work we do. But we have in-house capability and we do keep those guys plenty busy.

COUNCIL MEMBER RODRIGUEZ: Is there any separate line?

LOIS TENDLER: And I don't know the answer to that question, does any--?

DOUGLAS JOHNSON: Well, there--the costs for consultants would show up in either maintenance services or professional services. But, yes, they obviously, they are captured separately within the financial statements of

transit and the MTA as a whole.

COUNCIL MEMBER RODRIGUEZ: And thank you for the great work that you're doing at Dyckman Station, that train station there, you're renovating. I hope that in the future, when we are doing better financially, and we do major renovation of the 207 station, we will be able to put elevator. Since there's a major num--they said number, large number of senior citizen who live close to the Dyckman Station, the 207, that's, you know, they've been demanding to have elevator, I think it is fair.

LOIS TENDLER: And I just should comment about 181st Street on the One, which is what you were talking about, not the A.

COUNCIL MEMBER RODRIGUEZ: Mm-hmm.

LOIS TENDLER: We have the money and we will have a contract early next year to actually repair the, the ceiling roof on the platform level. There and at 168th Street.

COUNCIL MEMBER RODRIGUEZ: Thanks.

CHAIRPERSON RECCHIA: Okay, thank you. Council Member David Greenfield, Council-- followed by Council Member Debbie Rose.

Greenfield.

COUNCIL MEMBER GREENFIELD: Thank you, Mr. Chairman. You know, one of the biggest frustrations that my constituents have, deals with the phenomenon known as bus bunching, right, and that's basically where you're waiting for a bus, only to discover that right before you, I'll just throw out--[time bell] I hope that wasn't me-- right before you, you know, two, two or three B11s at the same time just passed, so now it means you're going to have to wait an hour until you get there. I was encouraged, however, because I see that you guys have a bus time pilot program. So I'm wondering if you can give us some more information about the pilot program and especially as it relates to bus bunching. Will the technology that you utilize in the pilot program be used to combat the bus bunching phenomenon?

LOIS TENDLER: I could do all those things if I could remember what they are. The bus time is a project which we're piloting on the B63 bus in Brooklyn. That's the 5th Avenue bus. And it allows people to access the next bus arrival information using a variety of mobile devices.

We're also working to putting TV screens with this information along the route at places that might like 'em, like a coffee shop. And it's going very, very, very well. The, the rollout plan is by the end of this year, and the end of 2011, all Staten Island buses will have the bus time. And the whole City will be done by 2013. We have not decided after Staten Island what comes next. We are using it to combat the issue. There, there is a way it hooks up with our dispatchers to look at bus bunching.

COUNCIL MEMBER GREENFIELD: Happy news, thank you. Next question for you. What's the revenue that you make on advertising on MTA buses and trains? And have you considered in some cities they, they wrap the trains in advertisements? Have you considered doing that?

DOUGLAS JOHNSON: We started on--

LOIS TENDLER: What's the revenue?

DOUGLAS JOHNSON: We just started on Long Island Railroad, it's very minimal.

LOIS TENDLER: Well, I'll answer, I'll answer the second part of the question about the wrapping, and then maybe somebody here has the

number of what we get in revenue, I don't. We've looked at wrapping in different configurations. There are people who are for it or against it. I think that we've very open minded if it produ--you know, we're, we're looking for money, so if it - -

COUNCIL MEMBER GREENFIELD:

[interposing] It prevents a fare hike, I think more people would be open minded about it.

LOIS TENDLER: So, we, we are certainly open minded about it. Do anybody here know what we get? I'll have to get back to you on how much money we get from the advertising.

DOUGLAS JOHNSON: Yeah, we obviously try to maximize that. We have a real estate department that tries to maximize all of our assets and all of our capabilities for, for generating advertising and concession revenue. I don't have that number offhand, but it's a significant number. And I'd be happy to get that for you.

COUNCIL MEMBER GREENFIELD: My final question is on Access-a-Ride. How are we doing, how much money are, are we losing? It's always a sore spot among my constituents,

1
2 especially seniors and the disabled. What can
3 you, what update can you give us? Where are we?
4 Are you cutting back? What should we be aware of
5 in the Access-a-Ride department?

6 LOIS TENDLER: Okay, Access-a-Ride,
7 which is, for years been the biggest growing part
8 of our budget, was out of control, and as I think
9 we testified last fall, when we came in to talk
10 about the Access-a-Ride program, we have been
11 making some changes. Budget driven, but totally
12 in compliance [time bell] with the ADA law. So,
13 we talked last time about better enforcement of
14 what's conditional eligibility status for people.
15 And that leads into, for those with conditional
16 eligibility, we now analyze the trips they're
17 making and those people who can use the fixed
18 route for part of their trip, we're doing what's
19 called "feeder service." So somebody who is able
20 to take a bus to where they're going, but are too
21 far from the bus, we provide the Access-a-Ride
22 service to the bus stop. And that program has
23 been ramped up because we've finally, we've
24 installed the software which allows us to analyze
25 trips. And I think I--I know it's of concern of

all of you because I get letters every day, so--

CHAIRPERSON RECCHIA: Sum up,
Councilman.

COUNCIL MEMBER GREENFIELD: So
what's, what's been the growth and, and the loss,
if you can just wrap up for us that point. You
say that we've seen unprecedented growth.

Obviously I can tell you as the Chair of the
Senior Center Subcommittee, we're seeing
unprecedented growth in seniors in New York City.
So, I don't, I don't necessarily know that the
growth is not warranted. So, what has been that
growth and, and what are the losses that you're
projecting on Access-a-Ride this year?

LOIS TENDLER: I would say, it's
been about 17 percent a year. I would--

DOUGLAS JOHNSON: [off mic] Over
the, over a number of years.

LOIS TENDLER: Over, if you'd look
at the trend. And I would say that--I feel
compelled to say that Access-a-Ride is not a
seniors program. It's a disabled program. So,
just being a senior does not qualify you for
Access-a-Ride. We have about 150,000 registrants

today. And we provide 27,000 weekday trips and between 13,000-14,000 trips on each of the weekend days.

CHAIRPERSON RECCHIA: Okay.

COUNCIL MEMBER GREENFIELD: My final point, just to respond to that is that my, it's absolutely not a senior program, but the, my point is that statistically, if we're seeing a rise in seniors, we're also seeing a rise in disabled seniors as well, and so there is a correlation in terms of, in terms of that population.

CHAIRPERSON RECCHIA: Okay, Council Member, thank you very much.

COUNCIL MEMBER GREENFIELD: Thank you, Mr. Chairman.

CHAIRPERSON RECCHIA: Want to recognize Darlene Mealy who joined us. And we're going to go to Debbie Rose, followed by Oliver Koppell and Gale Brewer. Deborah Rose, Councilwoman from Staten Island.

COUNCIL MEMBER ROSE: It's on now? Yeah. Hi, thank you VP. My question really was around Access-A-Ride and I thank Council Member

2 Greenfield for touching on all aspects of it. So
3 I'm going to ask more of parochial questions. The
4 Staten Island rapid transit which is a poor
5 replication of the city--New York City subway
6 system, they are going through this capital
7 renovation program of stations, is there any
8 intentions to make those stations ADA accessible?
9 Primarily with elevators?

10 FEMALE VOICE: I would have to
11 check the plan, I know that we're trying to build
12 a new Arthur Kill Station to replace Atlantic and
13 Nassau Stations, that will be accessible but via
14 a ramp system. I think as we look at each
15 renovation, each station will make a decision.

16 COUNCIL MEMBER ROSE: Okay. And
17 the--is there a line, a capital line in the budget
18 for equipment, are you planning to purchase new
19 equipment and how are you determining where this
20 equipment is dispatched?

21 FEMALE VOICE: You're talking about
22 trains for--

23 COUNCIL MEMBER ROSE: [interposing]
24 I'm talking about buses--well we have no subway so
25 I'm talking now about busses.

FEMALE VOICE: Yeah, we're buying a lot of busses. We just I think I can't remember the number, I think we just went to the MTA Board with another 400--a contract for another 400 busses. There is another procurement we are testing 90 busses of a different car manufacturer with an anticipation of ordering more busses from them. I can't get you the exact numbers because I don't have them here.

COUNCIL MEMBER ROSE: Okay, I would appreciate that, and I need to tell you my constituents hate the new buses. There is just not enough room.

FEMALE VOICE: Actually we have the number right here, it's--we are planning on buying 2,090 new busses.

COUNCIL MEMBER ROSE: And that will be--

FEMALE VOICE: [interposing] Over five years.

COUNCIL MEMBER ROSE: distributed throughout the five boroughs?

FEMALE VOICE: Yes.

COUNCIL MEMBER ROSE: Okay. And

1
2 then at the bus time and select bus service, will
3 those be options that will be provided at our
4 Staten Island ferry terminals, at--?

5 FEMALE VOICE: Bus time will be on
6 every bus express and local in Staten Island and I
7 can't imagine we wouldn't put up a big screen at
8 the terminal showing when busses are coming. The
9 SBS Select Bus Service which is--it's intended for
10 Highland Boulevard, we're working closely with DOT
11 and the community on Staten Island, we're still a
12 couple of years away.

13 COUNCIL MEMBER ROSE: Would you
14 consider also Victory Boulevard and Richmond
15 Terrace?

16 FEMALE VOICE: We certainly can
17 consider it, right now we've identified five
18 routes but we're going--it's so successful we're
19 moving on with it but we will look at that, sure.

20 COUNCIL MEMBER ROSE: And I just
21 have a bus bunching question, when a driver does
22 not report to work we have a large number of
23 busses that just don't leave the bus barn. Is
24 this some sort of cost savings mechanism? Because
25 it happens much too frequently there, if the

driver is not available a bus does not leave and so oftentimes the wait time is an hour?

FEMALE VOICE: Employee availability is always an issue, it's not just in Staten Island. If they don't have somebody to take the bus out they have to find another employee to do it. It's an issue.

COUNCIL MEMBER ROSE: So but this is not some sort of cost savings--?

FEMALE VOICE: [interposing] No, no, no, we want our employees to come and take that bus out.

COUNCIL MEMBER ROSE: [interposing] Okay, so then you need to do better because it's happening much too frequently on some of my lines.

FEMALE VOICE: If we let us know where those lines are we pay particular attention.

COUNCIL MEMBER ROSE: Okay, thank you.

CHAIRPERSON RECCHIA: Thank you Council Member Rose, thank you. Council Member Koppell.

COUNCIL MEMBER KOPPELL: Thank you. Well, it figures. The mobility tax, I know that

1 initially the collections were much below
2 anticipated levels. In part, I believe, because
3 it isn't collected along with the regular income
4 taxes. Can someone report where collection rates
5 are and whether--

7 MALE VOICE: [interposing] Sure.

8 So a good question obviously, that's a very
9 important income stream for us. Our forecast for
10 2011 are extremely accurate, they're within less
11 than 1% variance on the favorable side for 2011.
12 So we seem to have a much better handle on this
13 forecast now that we have a little bit of
14 experience at looking at when those taxes come in.

15 COUNCIL MEMBER KOPPELL: Is it your
16 belief that a large percentage of the obligated
17 tax amounts are in fact being collected?

18 MALE VOICE: It's--yes. We have
19 been in discussions with the State and they have
20 enforcement mechanisms in place and it seems as
21 though that is not really the problem, what was
22 happening was there were some timing issues at
23 first and there was an economic downturn in the
24 State. So there actually was less--less wages
25 being earned that were subject to those taxes.

Right now--

COUNCIL MEMBER KOPPELL:

[interposing] But enforcement mechanisms are in place so that we should be--I mean we should be collecting whatever it is, more than 90% of the obligated amount.

MALE VOICE: Yes.

COUNCIL MEMBER KOPPELL: Do we know what percentage is being collected?

MALE VOICE: Well, that would be hard to say because I don't think they have 100% audit but they certainly look at all the large--

COUNCIL MEMBER KOPPELL: But you can do it by estimate?

MALE VOICE: Yeah.

COUNCIL MEMBER KOPPELL: Could you get back to us and give us an estimate?

MALE VOICE: Sure.

COUNCIL MEMBER KOPPELL: Because initially it was a very small percentage, but you say it's better now.

MALE VOICE: Well what was happening was you had small business owners that didn't really understand the tax.

COUNCIL MEMBER KOPPELL: That's true.

MALE VOICE: And they had to learn-it was something new for them.

COUNCIL MEMBER KOPPELL: I agree. I'd just like a report as to estimate of collection as opposed to obligation. On Access-A-Ride, are you using both yellow taxis and livery vehicles in place of the large Access-A-Ride vans where they can be used?

FEMALE VOICE: We are doing both, there is a pilot program we began late last year which is for yellow cabs. We got--I'm looking for the number, 413 Manhattan customers have been given debit cards basically to use yellow cabs. Those are people who have subscription service, so they make the same trip basically everyday so it's easier for us to estimate what their costs are. It's very positive, the average cost of those trips including tip is \$12.87 and that's opposed to an average cost for our carriers of \$59. So we think this is great, we are looking to expand that. We also have another--yellow cabs aren't often in Outer Boroughs, we have another program

which deals with black cars livery cabs and we are pursuing that as well.

COUNCIL MEMBER KOPPELL: I ask this question and you probably can't answer it but I would like to get an answer not necessarily right away as to whether what the savings would be if all yellow cabs in the city were accessible to wheelchairs and we could use those wheelchair cabs instead of Access-A-Ride vans for X percent of the wheelchair users?

Obviously I'm interested in the yellow cabs being wheelchair accessible which they are not under the mayor's plan and I would like to know what the MTA might be able to save if every yellow cab was wheelchair accessible.

FEMALE VOICE: I will just say that only 70% of our Access-A-Ride customers do not require lifts.

COUNCIL MEMBER KOPPELL: So 30% do?

FEMALE VOICE: Yes. I just--

COUNCIL MEMBER KOPPELL: I see.

Well, that's a helpful statistic but--so it's \$12 as opposed to almost \$60?

FEMALE VOICE: Yes.

COUNCIL MEMBER KOPPELL: Thank you.

CHAIRPERSON RECCHIA: Thank you, I would like to mention we are joined by Council Member Karen Koslowitz. Our next speaker is Council Member Fidler.

COUNCIL MEMBER FIDLER: Council Member Koppell brought up an issue that's usually mine which is my affinity for the mobility tax. I am curious as to what--he was talking about collection, what is the gross amount that's collected from the mobility tax? Does it go into your general operating fund or is it used for a specific purpose? And were it that some of our State legislative colleagues got their wish and eliminated it, what exactly would the effect of that be on the transport system?

MALE VOICE: Well I can tell you that our 2011 budget for PMT is \$1.415 billion, okay. And a lot of that--the majority of that goes to New York City Transit. If we were to lose that, that would a terrible--a tremendous hole in our budget, really that's a deal breaker.

COUNCIL MEMBER FIDLER: Just for sport, what would it do to the fare, what would it

do to your capital program?

MALE VOICE: Well it would be a tremendous--it would be--

FEMALE VOICE: It was part of--

MALE VOICE: [interposing] Multiple percentages.

FEMALE VOICE: It was part of the rescue package and if we lost that as a subsidy we would expect our funding partners to substitute something else for it because we would--it would blow up the whole deal. So that's what it is.

COUNCIL MEMBER FIDLER: I'm not generally fond of taxes but this one just makes so much sense.

MALE VOICE: Seven and a half percent yield at \$450 million, this is more than three times that and then you would have elasticity losses, so you would need a staggering fare increase.

COUNCIL MEMBER FIDLER: So it was a swimmingly good idea, wasn't it? Thanks.

CHAIRPERSON RECCHIA: Councilman Brewer.

COUNCIL MEMBER BREWER: Thank you.

1
2 Thank you for all your support on the Westside, a
3 couple of questions. One is the maintenance
4 budget. I know it was alluded to in your
5 testimony, it's been asked but that does seem to
6 be something that we live with, overflowing trash
7 and so on, is there a different projected budget
8 for last year, this year and in the future?
9 What's your budget for maintenance and is it
10 changing at all?

11 AARON STERN: I'm Aaron Stern, NYCT
12 Budget Director, there are separate budgets for
13 all of the maintenance and cleaning titles as well
14 as the material that they use to do the
15 maintenance functions. Your question is very
16 general in terms of what that amount is but if you
17 gave us some specific--

18 COUNCIL MEMBER BREWER: Sure, we're
19 just trying on the subways in particular and on
20 the platforms. We always assume because of budget
21 cuts there are a lot of overflowing baskets, and
22 of course we do see rats and I could go on because
23 you know what it's like. So my question is has
24 there been a cut to the maintenance budget,
25 particularly the cleaners and also is it possible

to get more trash cans?

AARON STERN: In last year's budget reduction plan in 2010 when the MTA faced this unprecedented financial crisis, we looked for budget reductions in every area of the budget and there was a cut in the cleaning--cleaner positions, I believe the number was 116 cleaners but I could give you an exact number later.

COUNCIL MEMBER BREWER: Okay.

AARON STERN: So we are operating how with a somewhat reduced cleaner workforce, there are still over 1,500 station cleaners performing station cleaning and we are doing our best to maintain all of the cleaning cycles and keep the trash cans being emptied on a scheduled basis.

FEMALE VOICE: And I would add I am happy to take any requests for additional trash cans and evaluate them.

COUNCIL MEMBER BREWER: Okay, and I mean I just think in general as the economy improves, picking up on some of my colleagues that's a place to hire more people. Obviously it's good for jobs, it's good for the cleanliness

1
2 and I assume you pick up some pest issues if you
3 keep it cleaner, or you have fewer pest issues.
4 So I don't know, everybody would like to see
5 cleaner subways, and we know it's budget
6 challenges but it's a huge issue.

7 Second issue is in other hearings
8 up to now, yesterday at DCAS, I'm never clear on
9 what building the MTA owns and has a long-term
10 lease on--might sell, can you just update us on
11 any maybe one shots for some of your buildings if
12 at all, Madison, Brooklyn, et cetera?

13 FEMALE VOICE: We hold most of our
14 property, not all, pursuant to a master release
15 for the City of New York, and it's ours unless we
16 decide not to use it for a transit use and then it
17 reverts back to the city. That's the case with
18 the building in Brooklyn 37DJ [phonetic] Street,
19 we're still talking to the city about the future
20 of that building. I believe that we recently
21 announced it's our intent to sell the Madison
22 Avenue properties which we hold that right.

23 COUNCIL MEMBER BREWER: And what
24 would be the timing on that?

25 FEMALE VOICE: I want to say three

years but I would have to confirm that.

COUNCIL MEMBER BREWER: Okay, so it's no money for this year's budget, is my question.

FEMALE VOICE: No, no.

COUNCIL MEMBER BREWER: And then just finally just because they forgotten me earlier, the smart card, maybe you could identify if there is a timing on them, if there is a budget allocation, I know it's been successful as I understand on some of the lines but we would love to have it citywide. It's a capital and an expense I assume, or just capital, I don't know?

FEMALE VOICE: I think it's mostly capital in the first instance. We expect to have it done by 2014, system-wide.

COUNCIL MEMBER BREWER: And what's the cost of that? Do you know yet?

MALE VOICE: Approximately 80 million.

COUNCIL MEMBER BREWER: Eighty million?

MALE VOICE: Yes.

COUNCIL MEMBER BREWER: Okay. And

you expect to have it by the close of business on 2014 to have it ready, to have it available?

FEMALE VOICE: I have 2014, my colleagues are saying 2015, we will clarify.

COUNCIL MEMBER BREWER: Okay, thank you Mr. Chairman.

CHAIRPERSON RECCHIA: Thank you.

We also have been joined by Councilman Rivera.

Okay, does any other Council Member have a question? Any other Council Member want to make a statement?

[off mic]

CHAIRPERSON RECCHIA: You want one quick statement? They're finding out if Commissioner Yassky is here yet.

FEMALE VOICE: He is not, he can wait. My question--if he doesn't mind waiting.

FEMALE VOICE: What difference a day makes.

CHAIRPERSON RECCHIA: Go ahead.

FEMALE VOICE: He can wait. The issue is transit and police and forget the mayor and that whole thing. We are on the subways, we see more individuals asking for money, et cetera.

What's the--is it your budget, is it PD's budget.

What is the way to address this issue?

FEMALE VOICE: The subways are policed by NYPD's transit bureau.

FEMALE VOICE: Right.

FEMALE VOICE: It is the police's budget, it is the police's deployment strategy.

FEMALE VOICE: Right, so you have no say in it whatsoever?

FEMALE VOICE: Well, we are very close with Chief Diaz and we work together on issues as they emerge and--

MALE VOICE: [interposing] Do you get any Homeland security money?

FEMALE VOICE: We do.

MALE VOICE: Oh, what do you use that for?

FEMALE VOICE: We've been using it for cameras and other security-related projects.

FEMALE VOICE: Because it sends a message unfortunately that not enough funding, a little bit out of control, it may not be your issue but I just think that you might want to put more, we love Chief Diaz, but more pressure and if

2 there is more opportunity for reducing those who
3 are using the subways to get revenue that would be
4 helpful. I mean it's a real issue, so--

5 FEMALE VOICE: Okay.

6 FEMALE VOICE: All right.

7 MALE VOICE: If I can echo that, I
8 have to say that we have people on the trains that
9 bring concert paraphernalia, they're not just
10 panhandling, we get full shows, we get full shows.

11 FEMALE VOICE: I saw a magic show.

12 MALE VOICE: You saw a magic show?

13 FEMALE VOICE: I get full shows.

14 MALE VOICE: One TV Station showed
15 a man doing a dance on the pole and--

16 FEMALE VOICE: [interposing] We
17 have it every day on the New York--on every day.

18 MALE VOICE: This is--this has, but
19 those of us who use the subways we see it every
20 day. So--

21 FEMALE VOICE: I agree.

22 MALE VOICE: And I do think it has
23 to be addressed, I'm glad it was brought up.

24 CHAIRPERSON RECCHIA: Okay, one
25 quick question by Greenfield then that's it.

COUNCIL MEMBER GREENFIELD: Final
question--

CHAIRPERSON RECCHIA: Commissioner
Yassky has just arrived, hurry up Greenfield.

[off mic]

CHAIRPERSON RECCHIA: Hurry up, ask
your question.

COUNCIL MEMBER GREENFIELD: Our
mayor has said that there is no more panhandling
on the--in the subway system, I'm wondering have
you found that's the case, has panhandling
magically disappeared in the subway system?

FEMALE VOICE: I do not believe so.
I ride the trains all the time as does many of you
and you see what you see.

COUNCIL MEMBER GREENFIELD: Thank
you.

CHAIRPERSON RECCHIA: Okay, that's
not a budget question. Okay, any other budget
questions. Well, I see no other budget question,
I want to thank you all for coming to the MTA,
we're going to take a two-minute recess, then we
have Commissioner Yassky, he will testify about
the TLC and the budget.

[off mic]

CHAIRPERSON RECCHIA: Okay. All right, we're moving right along everybody, we have a long afternoon. Jerry [phonetic], you're ready? The tape's in? We will now resume the City Council Hearing on the Mayor's Executive Budget for Fiscal year 2012. The Finance Committee and the Committee on Transportation. We now hear from Taxi and Limousine Commissioner Chairman and former Council Member, David Yassky.

But before I do I want to the floor over to my colleague, the Chair of our Transportation Committee who is doing a great job. Mr. Transportation, I will turn it over to himself, Jimmy Vacca.

CHAIRPERSON VACCA: Don't say that. Commissioner Yassky, we welcome you and we know that you have many initiatives you're working on and this council has been especially interested in the refusal issue and I think we've played an important role in addressing that. We enacted legislation increasing fines for those who refuse to take people to boroughs outside of Manhattan.

We've also been instrumental in

many of the overcharge issues from last year addressing cab issues regarding cab drivers who do not use EZ pass lanes and we addressed the out-of-town rate situation where we found that legislation was required relative to cabbies who use the out-of-town rate for in-city travel. So that's just some of the areas that we've dealt with and we look forward to your testimony today. Thank you.

DAVID YASSKY: Thank you very much. Good morning Chairs Vacca and Recchia and members of the committees on Transportation and Finance. I am David Yassky, Chairman of the Taxi and Limousine Commission, and Commissioner, apparently. And I am joined here today by Deputy Commissioner Conan Freud. Thank you for the opportunity to speak to you today about our fiscal 2012 executive budget.

I am told that you have NYCHA scheduled for 1:00. So you have the prepared testimony rather than read it to you I will--

CHAIRPERSON VACCA: 1:15.

DAVID YASSKY: And I am told also that you have questions, so happy to get to those

1 as soon as we can. Let me just touch very briefly
2 on the highlights. First, I want to make sure
3 that you appreciate the extraordinary work of the
4 men and women who work at the TLC particularly in
5 improving their productivity over the past couple
6 of years. It's really quite an astonishing story.
7 Our Inspections Division is performing 50% more
8 inspections today than they were two years ago.
9 Our fine revenue is up 88% and that is entirely--
10 and that is with virtually no increase in
11 headcount.
12

13 As of today we have exactly four
14 additional personnel compared to two years ago.
15 So that is entirely due to the work that the men
16 and women who work at the TLC are doing in getting
17 more out of their hours. And that is why we are
18 able to come to you with a budget proposal, as you
19 know \$32 million, 25 million for personal service,
20 7 million for TPS but a budget proposal that does
21 not include any reduction in personnel, rather we
22 are meeting our responsibility to contribute to
23 solving the budget gap by getting more out of the
24 personnel who we have today. And it really is a
25 testament to their remarkably hard work.

1
2 I do want to thank the Council for
3 the--for approving the increase in fines for
4 refusals that you did just recently. This is, I
5 know, very important to the members here but and
6 also to us at the TLC.

7 We are continuing our aggressive
8 enforcement on service refusals, we are committed
9 to making sure that the industry serves all five
10 boroughs, Manhattan, Brooklyn, Queens, Bronx,
11 Staten Island, all five Boroughs deserve first
12 rate service both in terms of being able to take a
13 taxi to any destination in the five boroughs and
14 then in terms of being able to hail a taxi
15 anywhere in the city.

16 And that brings me to my last--the
17 last thing I want to highlight, we have been
18 working, I think, terrifically collaboratively
19 with Chairman Vacca and the staff of the council
20 on the Five Borough Taxi Proposal, as you know in
21 January Mayor Bloomberg called to attention to
22 what really has been a decades-long failure of the
23 city government.

24 The City government by failing to
25 have rules that permit adequate and legal taxi

1
2 service in all five boroughs has both done a
3 disservice to customers and put industry people,
4 frankly, in an impossible situation where their
5 only choice is to ignore customers or to put
6 themselves at risk of getting tickets. That's
7 just an unacceptable situation.

8 Mayor Bloomberg in January asked--
9 called upon the Council to rectify this by
10 changing the law, we have been working--we put
11 forward a proposal, we have been working, again as
12 I say in collaboration with the Chair to improve
13 that proposal, I think it has, the legislative
14 process is doing its job here. We have now an
15 even better proposal on the table but I will urge
16 you to act on this as speedily as you possibly can
17 so we can get customers the service they need and
18 put the industry on the right footing. I'm happy
19 to discuss any of these items and others.

20 And last, I would just point out,
21 part of our--part of the budget proposal, frankly,
22 for 2011, was an increase in certain TLC fees that
23 date back in many cases to 1986, so it is really
24 just accounting for the cost of providing the
25 service that we need to increase the fees. This

1
2 was agreed upon by the Council staff and the
3 administration staff back in the--in budget
4 discussions in, I believe, in February or maybe
5 even in January. No, in November, I'm sorry.

6 It was not unfortunately adopted
7 though as part of your budget, midyear budget mod.
8 I really just would point out, again, the
9 necessity of including that in your budget
10 adoption package because without it there is a
11 hole in the budget that would be filled by
12 reduction in services somewhere since we cannot
13 run a deficit as you know.

14 So Council members I just would ask
15 you to make sure that you include that budget
16 adoption, not omitted as was done in the midyear
17 budget correction. Thank you for your attention,
18 I am happy to take any questions.

19 CHAIRPERSON VACCA: Thank you
20 Commissioner. I just want to--you attached the
21 Bill here that you would like for us to pass?

22 DAVID YASSKY: So again, in January
23 the Mayor called for a remedy to this longstanding
24 problem of the lack of legal taxi service outside
25 the Manhattan central business district. We put

1 forward a proposal for one way to do it, I think
2 it was a very good proposal but in collaboration
3 with the Chair, we've improved it over time and
4 what I have included with my testimony both the
5 original Bill and the current State legislative
6 bills that reflect the improvements, and I would
7 ask that the council act on these as speedily as
8 possible.
9

10 CHAIRPERSON RECCHIA: Okay, so all
11 the Bills are attached to the Commissioner's
12 testimony in there. All right. Jimmy Vacca.

13 CHAIRPERSON VACCA: Okay, thank you
14 Commissioner. I wanted to go first into this
15 issue that of refusals. I mentioned before that
16 we enacted legislation. I want to know the degree
17 of commitment that the TLC has to implementing a
18 program where we address the refusal issue. I say
19 that because just the other day I was told that
20 there was someone here in front of 250 Broadway
21 who was refused a ride to Brooklyn. And this is
22 after the Mayor signed our legislation of course
23 which I hope goes a long way to addressing this.
24 But what kind of manpower are you prepared to
25 commit and what type of a priority are you going

to be giving this so we could address this issue?

DAVID YASSKY: Okay. There are two parts, the simple answer is a very, very high priority, as reflected both in our deployment of field staff and in our beefing up of our customer service operation. So here is how we enforce that.

Once a week we devote a squad's worth of time to field enforcement in which our inspectors act as testers. And we've discussed this previously. That's not as effective as it ought to be. I think our best theory as to why that is, is that the drivers are able to identify our testers as testers. Maybe they even know them by face, but if not that they are able--they have a pretty good sense of who is a TLC inspector.

So in an effort to improve that, we did an experiment with CUNY where we got some CUNY students to come in and be testers. That worked like gangbusters. Whereas our inspectors get a 3 or 4% refusal rate, the CUNY inspectors got a 50% during the--they were out for 240--they did 240 tests. So we are now in the process of--we have to operate by agreement and contract and what not

1 so there is paperwork, we are working on the
2 paperwork with CUNY to make that a permanent part
3 of our operation, where they will supply us with
4 students to be testers who we think will be harder
5 for the drivers to identify them as testers.
6

7 That's part one, but even apart
8 from that the best way really for enforcement is
9 through passenger complaints. And I don't know if
10 the person that you're referring to who tried to
11 hail a cab outside 250 Broadway called 311 or not,
12 I hope he or she did because that is our best way
13 of enforcing this rule.

14 We have devoted increased resources
15 to that within our--again, without increasing our
16 headcount because--but we have from other areas
17 added to our passenger complaint staff so that now
18 first of all, every passenger complaint that goes
19 to a hearing has a TLC official acting essentially
20 as prosecutor, that's improving our conviction
21 rate significantly. And second, so that we can
22 process them faster because it had become really
23 way, way too long between the time somebody called
24 in a complaint and the time it went to hearing.
25 As of today that's about six weeks. If somebody

calls in a complaint today the hearing will be in about 6 weeks, about 40 days, that's still too long, we are working our backlog down.

We have as our target, three weeks from complaint to hearing, and that's not just a target in a sense of gee, I hope to, we have a plan in place for how to get to three weeks, we will get to the three weeks and we are on our way there.

CHAIRPERSON VACCA: Okay, thank you. Council Member Rodriguez has the first question. Just let me stress that each person will be limited to three minutes because of our time limit. Okay?

COUNCIL MEMBER RODRIQUEZ: Thank you. First of all, I would like to say the tactic that has been used trying to persuade New Yorkers on the issue or address on the five borough plan is wrong when it comes to giving a number of ticket by the month of April as it was reported in New York Post, TLC gave 1,300 tickets this year compared to 64 given last year by the same time in April.

I think that this plan as it is, is

1
2 going nowhere. That's the feeling that I get,
3 that's the feeling that I have from many council
4 member here, that's the feeling that I got from
5 the Black and Latino and Asian Caucus and that's
6 the feeling that I got also from many legislators
7 in Albany. I know that my colleague who is a Co-
8 chair of the Black and Latino Caucus he can share
9 about how we feel about it.

10 But I think that it is our
11 responsibility to address the issue of
12 transportation, is through [phonetic] hailing I
13 believe that is should be decoupled [phonetic]. I
14 think that we should address the issue of the
15 yellow taxi medallion, whoever can afford, whoever
16 has the money 600,000 to a \$1 million should have
17 the right to purchase. I know that I would not be
18 able because even two people making \$200,000 at
19 this particular moment even with the support of
20 the city we have possibility to get finance from
21 the bank.

22 So I think that reality is that the
23 1,500 yellow taxi medallion is affordable. I
24 believe it will hurt the city to get revenue, I
25 believe that it should give the opportunities for

1 people to have the money to purchase those
2 medallion. But I think that a 38 or about 30,000
3 drivers that we have with license to be liberal
4 taxi drivers they should have another opportunity.
5 And I believe that--I hope that with the
6 leadership of Chairman Vacca and now more present
7 for the Bronx Ruben Diaz, and all the Council--
8 legislators in Albany, I hope--and also with your
9 leadership I hope at the end of the day we will be
10 able to come up with a plan that benefit both,
11 that benefit the yellow taxi industry, that
12 benefit the liberal taxi industry and that also
13 help the city to get the revenue.

14 DAVID YASSKY: I think I agree
15 with--I know that wasn't a question, I think I
16 agree with your statement, although how--what are
17 you proposing and how should we change the rules?

18 COUNCIL MEMBER RODRIQUEZ: I
19 believe that it should be decoupled--I believe
20 that we should create a different type of license
21 or medallion, I don't know what it is but
22 something that will give the liberal taxi drivers
23 an opportunity to purchase that. Even if it is
24 something a 10-year license so that the yellow
25

1 taxi industry they can come back 10 years from now
2 and say we should revise it.

3
4 DAVID YASSKY: That's essentially
5 what the Mayor proposed back in February, that was
6 included again with the testimony February 7th of
7 2011. So I don't know if there is something that
8 you have introduced or proposed formerly but what
9 you have just said is what the Mayor called for
10 several months ago. And I agree with you that the
11 rules should be changed. So I urge you and your
12 colleagues to do that as speedily as you can.

13 CHAIRPERSON VACCA: You want to say
14 something else?

15 COUNCIL MEMBER RODRIQUEZ: Sure. I
16 also hope that in this period of time in order to
17 have a fair conversation we give a moratorium
18 [phonetic] to those liberal taxi drivers that we
19 have, working so hard, working 70 hours a week.

20 DAVID YASSKY: They are.

21 COUNCIL MEMBER RODRIGUEZ: But they
22 are not the one--this is the other may [phonetic]
23 supply and demand. There is a demand that we put
24 in the street in Washington and in the South Bronx
25 in Brooklyn when we don't have a car and we ask

them can you please take her to the hospital.

DAVID YASSKY: Right.

CHAIRPERSON VACCA: Yes.

COUNCIL MEMBER RODRIGUEZ: And I think that at this moment when we're having this conversation, if we can come out with a plan more flexible, having more flexible--

DAVID YASSKY: [interposing]

Council Member, I saw--indeed, I saw your public statement to that effect. Our job at the TLC is to enforce the law. We do not write the laws, right? You do that, you write the laws, our job is to enforce it and I do have to say, I think that men and women who work at the TLC just do an outstanding job in doing that. And I think that they will continue to do that.

COUNCIL MEMBER RODRIQUEZ: Okay.

DAVID YASSKY: I have here--well just, I--Section 19-504 of the Administrative Code of City of New York. No motor vehicle other than a duly licensed taxi cab shall be permitted to accept hails from passengers in the street. I agree with you, that that law needs to be changed and updated. That is for you to do and as soon as

you do that I guarantee you the TLC enforcement staff will follow your direction.

COUNCIL MEMBER RODRIQUEZ: Okay.

CHAIRPERSON VACCA: And I recognize the Council Member from Brooklyn, Lew Fidler.

COUNCIL MEMBER FIDLER: Thank you Mr. Chairman, Commissioner. First of all [phonetic] with Commissioner. First, I want to say because you began your testimony, your written testimony with I think the TLC and the administration missed a huge, huge opportunity with the taxi cab of the future, not making everyone of them handicapped accessible and not making every one of them fuel efficient in progress alternative hybrid kind of way, and most of all, I am freaking out at the idea that you wouldn't wait an extra year so we can build them in Brooklyn and get that tax revenue, get those jobs and with 500 jobs at stake, I think you ought to go back to the drawing board and start that one all over. I don't think that we are in a situation where if we waited another year, or year and a half to get it online and do it right that we wouldn't have taxi cabs. Lord knows, go out on

1
2 6th Avenue and all you see is yellow. So I wish
3 you would do that.

4 And your testimony--your written
5 testimony you wrote, furthermore, we know that
6 there is a demand for street hail service beyond
7 Manhattan and it is currently being met with
8 illegal service. So my question here is two-
9 point, I'm not sure how you know that, maybe down
10 in Court Street people were looking for a cab, the
11 first time someone walks out on Avenue P in Marine
12 Park looking for a cab would be the first time
13 that's ever happened.

14 I think--I am questioning whether
15 or not this entire issue is a solution in search
16 of a problem, but I do want to go to the
17 enforcement issue. In my neighborhood it's not
18 liveries that are operating illegally, I think
19 they are all operating as they are supposed to,
20 it's illegal dollar and commuter vans. They are
21 still out of control Commissioner, we've had this
22 conversation, it is the Wild West on Flatbush
23 Avenue, particularly in and around Kings Plaza.

24 And so I would like to ask you, you
25 say you're adding enforcement personnel and I'm

sure and it's absolutely should be the case that the refusal issue get's top priority but in my neighborhood I need enforcement of the existing laws before I will consider putting a single additional for hire vehicle on the street with the ability to do street hails. Because the ones that are there now, that are doing it illegally are doing it openly and with impunity.

So my question is when you add an enforcement personnel, does that not in fact pay for itself budget-wise in terms of revenue you generate and if that is the case why aren't we adding 25, 35, 50 more of them since my understanding is from a prior commissioner that 20 years ago your enforcement personnel was maybe 200 higher than it is today.

DAVID YASSKY: Okay--yes. Much of that is absolutely correct. In terms of the enforcement staff paying for themselves, it has been one of my goals to increase their productivity to the point where they do pay for themselves, we are making progress in that direction, they don't quite yet, that's why I don't--

COUNCIL MEMBER FIDLER:

[interposing] Send them down to Flatbush Avenue, they will pay for themselves.

DAVID YASSKY: Our friends at OMB are pretty rigorous about that, they're holding me to a high standard but they're giving me an opportunity to prove that as we add people we bring in enough revenue to pay for it.

Part of the way we will accomplish that is--part of the way we have accomplished part of the progress we've made, we have changed our rules so that not every time that an officer issues a ticket that then they have to go to the hearing to defend the ticket, so we are having more of our tickets defended by not the field staff, I think that's been a big improvement. The next big improvement will be with handheld devices so that they don't have to write by hand and then go back leave their shift two hours early so that they type it in, they do the data entry. That will be an enormous increase in productivity.

So--but in terms of your point, I just, I would say--you asked what's the proof that there is a need for street hails service and then

1
2 also why isn't there more enforcement of people
3 picking up illegally when they're not supposed to,
4 and I would say it's that, that is the evidence.
5 In deed our observation of illegal street hails
6 the, one of the highest instances of illegal
7 street hails is in your district outside the Kings
8 Plaza Mall.

9 Part of that is commuter vantage
10 [phonetic] you say, but also a lot of that are
11 livery cars that wait outside for people who are
12 leaving with bags and want to take a car
13 somewhere. Another hotspot is right nearby in the
14 Cherokee district in the Canal [phonetic] subway
15 stop, where again livery cars just wait outside
16 the subway, people--and Council Member Koppell
17 spoke about eloquently about the same situation in
18 his district, wait outside the subway where people
19 get out because they want to take a car home.
20 That violates the rules as we just discussed, the
21 section of the administrative code that I just
22 read, we think that there is a need for that
23 service to be provided but it needs to be legal,
24 that's why we've asked for that law to be changed.

25 But--and in terms of your point

1
2 about enforcement, yes, I can commit that we will
3 devote enforcement specifically to the Flatbush
4 area you're talking about and I can get you a
5 periodic list of the tickets issued in that
6 precinct.

7 COUNCIL MEMBER FIDLER:

8 Commissioner, I don't need the list, I know what
9 my eyes see. I recognize your point that the
10 illegal activity is evidence of the need, quite
11 frankly, what it really is, is a need I think for
12 enforcement that would perhaps put many of those
13 people back onto the MTA buses that run right
14 along those routes, except for the people with
15 bags and I think you and I have discussed a
16 solution that that we need to discuss further.

17 But I will tell you that before I
18 consider any plan that's going to increase the
19 number of medallions, non-medallions, quasi-
20 medallions that are going to be on the streets, I
21 need to know that there's going to be the kind of
22 enforcement that's going to make my street safe
23 again and that is going to curb the illegal
24 activity. I'm not going to increase the other
25 activity without knowing that the enforcement is

going to be there.

DAVID YASSKY: Fair enough.

CHAIRPERSON VACCA: Okay, Council Member Robert Jackson followed by Council Member Koppell and Greenfield.

COUNCIL MEMBER JACKSON: Well thank you, and David, welcome back to the City Council. I've got a couple of questions for you concerning this Act about 1,500 taxi cab licensed with 6,000 as my colleague indicated, the industry of car services, saying it needs to be decoupled.

And right now as it currently stands, if this was currently pending I oppose it. And I ask you is it necessary for fiscal year 2012 executive budget that you must have these 1,500 yellow taxi cab? Is it a budgetary issue or is it a programmatic issue?

DAVID YASSKY: It's a programmatic issue.

COUNCIL MEMBER JACKSON: Okay, so it's not money then. You are not after the money?

DAVID YASSKY: No.

COUNCIL MEMBER JACKSON: Okay, good. And then also you talked about tickets and

you'll provide those tickets to Lew, can you provide us with the number of tickets for illegal street hails in the 26, 30th, 32nd 33rd and 34th precincts. And in fact you talked about the fact that you are waiting for--

DAVID YASSKY: [interposing] I'm sorry, can you--I'm sure somebody else wrote it down but--

COUNCIL MEMBER JACKSON: Twenty-six, 30th, 32nd, 33rd and 34th precincts.

DAVID YASSKY: I'm sorry, 26--

COUNCIL MEMBER JACKSON: I'll give it all to you.

DAVID YASSKY: Okay.

COUNCIL MEMBER JACKSON: I don't want to waste my time I only have three minutes. The bottom line is those are all the precincts that cover the seven council manning [phonetic] Districts which I represent.

And I'll say to you as I said at a rally, in the neighborhoods in which we live, and which you've been up there, when you have groceries in your hand and it's raining outside you are going to go like this. And in our

neighborhood, that is not illegal. That is real and practical and to find [phonetic] that the TLC inspectors or police or whoever they are in my opinion is totally off the wall.

And I say that because it is absolutely absurd to give someone that's struggling, struggling to feed their family a first fine of \$350. Insane. Now if that is a midtown where people--the yellow owners are paying up to 950,000 or \$1 million for their medallion to work, okay, because they have to pay a mortgage on their medallion, that's a different story--

DAVID YASSKY: Understood.

COUNCIL MEMBER JACKSON: but not in the communities where that I represent and in the Outer Boroughs. So I'd say that to you loud and clear--

DAVID YASSKY: [interposing] So thank you, may I just say--answer your question?

COUNCIL MEMBER JACKSON: Sure, just before you answer my question I need to ask another question because I am time limited.

DAVID YASSKY: Go ahead please.

COUNCIL MEMBER JACKSON: And the

whole issue of this contract with this company for new yellow cabs, I understand they are not wheelchair accessible. Huge issue.

DAVID YASSKY: Yes.

COUNCIL MEMBER JACKSON: David, you and I, we don't use a wheelchair right now--

DAVID YASSKY: Not yet.

COUNCIL MEMBER JACKSON: but God--

DAVID YASSKY: No kidding.

COUNCIL MEMBER JACKSON: God willing--not God willing, God forbid, we could use one tomorrow.

DAVID YASSKY: Most people will at some point.

COUNCIL MEMBER JACKSON: And that's a problem when people in our city that need accessible cabs, this company will not be doing that.

DAVID YASSKY: Most people will at some point. Okay, so let me just take your two questions.

COUNCIL MEMBER JACKSON: Sure.

DAVID YASSKY: When you say go like this, it's not--and the car pulls up--

COUNCIL MEMBER JACKSON:

[interposing] In our community it's not illegal.

DAVID YASSKY: Well, when you say it's not illegal I assume that you mean it shouldn't be illegal, because--

COUNCIL MEMBER JACKSON: Right.

No, I'm saying it's not--from a realistic point of view, Dave, but from the law it is and I understand that you requested a change.

DAVID YASSKY: Yeah, but I am saying it says here in the Administrative Code that it's illegal.

COUNCIL MEMBER JACKSON: I understand that.

DAVID YASSKY: So that is why we have asked you--

COUNCIL MEMBER JACKSON:
[interposing] To make the change.

DAVID YASSKY: To please change that.

COUNCIL MEMBER JACKSON: It will.

DAVID YASSKY: It doesn't say except above, you know, it doesn't say only in Midtown or whatever--

COUNCIL MEMBER JACKSON: 96th Street.

DAVID YASSKY: Perhaps it should say that, and that would be great. But that's for you to change and that's why we do beg you and implore you [phonetic].

COUNCIL MEMBER JACKSON: And I have heard it three times and I appreciate your honesty and sincerity on that.

DAVID YASSKY: [interposing] Yes, so on the accessibility issue.

COUNCIL MEMBER JACKSON: Go ahead please.

DAVID YASSKY: You are right that we need to increase access. We need to make it so that somebody in a wheelchair can have a taxi. The way to do that is enable them to call 311 and have a taxi come to them. And let me just say if you look at what the city has done it's actually a pretty great story and it's the council that has led the way. Ten years ago, zero accessible taxis. Council said we are going to put some on the street, 81. First 81 went on the street, worked fine. Let's have some more. Another 150,

so now it's 230. They went on the streets--

COUNCIL MEMBER JACKSON:

[interposing] I think you were directly involved in that too, right?

DAVID YASSKY: Can I tell you something? I wish I could say I was, but the reality was it was your colleagues, Margarita Lopez and others who really led the way. And okay, now there are 230. So then this--okay, let's connect them with people who need them. We put in place--again it was the council that did this. He said here is money to set up a system for call 311 and the car comes to get you, the yellow taxi, did that, did it till the money run out.

We learned a lot of lessons about how to do it well, how we can operate it without the need for continued taxpayer funding, and we now, we put out an RFP in sometime--

MALE VOICE: Next week.

DAVID YASSKY: maybe a month or so ago. The responses are due next week for an operator to operate this permanently. And--so that is the solution. I agree with you it's

overdue and I agree with you it's been too long in coming and all but we are actually on our way with real concrete steps.

COUNCIL MEMBER JACKSON: And your solution I say to you that someone that I know personally that was an intern, a volunteer in my office, on several occasions--he is a wheelchair user, and he's called and literally had to wait an hour. Do you know what I mean? Too long.

DAVID YASSKY: Understood.

COUNCIL MEMBER JACKSON: Too long and just finally--

CHAIRPERSON VACCA: [interposing]
Okay, I have to move on, the limit's up.

COUNCIL MEMBER JACKSON: I understand just one little thing if you don't mind 30 seconds, Mr. Chair, 30 seconds.

CHAIRPERSON VACCA: Very quickly.

COUNCIL MEMBER JACKSON: I would like to see the enforcement out there writing tickets of those individuals that are using their private vehicles without TLC or call service or anything like that, no insurance, those are the ones that we need to go after. Those are the ones

that are hurting everyone.

DAVID YASSKY: We are, and short answer we are doing that as well to the tune of many tickets.

COUNCIL MEMBER JACKSON: Thank you.

[off mic]

CHAIRPERSON VACCA: Thank you.

Next we have--

DAVID YASSKY: [interposing] To the tune of 2,000--1,942 tickets for exactly that offense this year to date.

COUNCIL MEMBER JACKSON: Okay, thank you.

CHAIRPERSON VACCA: Council Member Koppell, Council Member Koppell.

DAVID YASSKY: Thank you.

COUNCIL MEMBER KOPPELL: Let me say first before I get to the issue of accessibility, as you know when you announced the Bill that you attached at the beginning of the year I said I supported. And I do Mr. Chairman, want you to know and I associate myself with the remarks of Ydanis Rodriguez with respect to this and Council Member Jackson as well.

The fact is as Council Member Jackson said we have a reality. We have it in my district we have it in virtually every part of the city it's a reality we have to recognize and then respond to appropriately. And the appropriate way, frankly, is not to give people \$150 fines, but--

MALE VOICE: [interposing] Three hundred and fifty.

COUNCIL MEMBER KOPPELL: well whatever it is.

DAVID YASSKY: That number by the way is in the Administrative Code.

COUNCIL MEMBER KOPPELL: And we should change it. And I supported your original legislation and I still do. Now you are negotiating a final contract with Nissan which doesn't include the requirement of wheelchair accessibility. What is the timetable on that enforcement because I want you to know that I have a legislation sponsored by 37 members of the council that say that all those yellow cabs should be wheelchair accessible. So I want to know when I have to get that passed to do it before you

enter into your contract.

DAVID YASSKY: I see. So how about if I just--not framing it that way but really when do I think?

COUNCIL MEMBER KOPPELL: Yes.

DAVID YASSKY: I would aspire to conclude that in four to five months but--and perhaps more realistically would be seven to eight months.

COUNCIL MEMBER KOPPELL: Okay, that gives us a little time. Well also does either the--I know there is a lawsuit to require wheelchair accessibility.

DAVID YASSKY: There is.

COUNCIL MEMBER KOPPELL: Is there any stay of the current contract in that lawsuit? There is no stay to prevent you from entering into a contract.

DAVID YASSKY: There is no order of any kind that has resulted from that lawsuit.

COUNCIL MEMBER KOPPELL: Have they--and I understand there is a federal investigation as to whether the current proposal might violate federal law.

DAVID YASSKY: The Department of Justice received a request to investigate. They have begun an inquiry and they've asked us for a bunch of information which of course we are providing.

COUNCIL MEMBER KOPPELL: But have they requested you to withhold entering into a contract until the investigation is complete?

DAVID YASSKY: No.

COUNCIL MEMBER KOPPELL: So the only impediment to a contract is the fact that you have to negotiate all the terms with Nissan?

DAVID YASSKY: Yeah, and when you put it that way, you are right, it's why it should take six months it's hard to understand. You are right.

COUNCIL MEMBER KOPPELL: Yeah, well I--at this point you know where I am coming from.

DAVID YASSKY: I do, but you're right--

COUNCIL MEMBER KOPPELL: But so I am not so unhappy about six months, but the--I guess the other question is that you have said to me privately and I think you may have said

publicly that the Nissan model that you anticipate approving could be modified to make it accessible to wheelchairs.

DAVID YASSKY: Absolutely. We have--we don't have a contract we have a term or a letter of intent with Nissan that covers the some--many of the key points that a contract ultimately will cover. Among those are that the vehicle must be capable of being modified for wheelchair accessibility, that Nissan will designate authorized up-fitters to perform that conversion and then we'll stand behind that, that's a critical part of this, and--

[off mic]

DAVID YASSKY: that the agreement which in general makes the NV200 the exclusive taxi, is not exclusive with respect to wheelchair accessible vehicles. Meaning that any taxi owner who wishes could purchase a wheelchair accessible vehicle.

COUNCIL MEMBER KOPPELL: And is there a contemplation or estimate at this point as to what the conversion--since you are going to require that Nissan make a convertible vehicle, is

there an estimate as what that conversion might cost?

DAVID YASSKY: We--about \$14,000 is our understanding subject to--they'll have to find somebody that actually does it. But that's what they expect that--

COUNCIL MEMBER KOPPELL:
[interposing] And what is the life of the Nissan vehicle anticipated to be? That is how frequently will it have to be replaced?

DAVID YASSKY: Three--the same three to five years as today.

COUNCIL MEMBER KOPPELL: So it would cost an extra \$14,000 every three to five years to an owner to have an accessible rather than a non-accessible vehicle?

DAVID YASSKY: Correct.

COUNCIL MEMBER KOPPELL: That information is useful. Thank you.

CHAIRPERSON VACCA: Thank you. I wanted to come back to one or two things. Commissioner Yassky, relative to Councilman Koppell's Bill, am I correct in stating that you do not support Councilman Koppell's Bill for total

accessibility of the taxi fleet?

DAVID YASSKY: That is correct.
The administration--yes.

CHAIRPERSON VACCA: You've been
clear. Why do you oppose the Bill?

DAVID YASSKY: Because there is, we
believe, a more efficient, faster way to provide
wheelchair users with taxi cab transportation and
that is through a dispatch system.

CHAIRPERSON VACCA: Okay--

DAVID YASSKY: [interposing] We
think that that's a superior way to achieve the
goal.

CHAIRPERSON VACCA: Okay, also when
you spoke before about your two Bills concerning
for hire and not for hire vehicles--

DAVID YASSKY: Yes.

CHAIRPERSON VACCA: the first local
law that you proposed which was the Mayor's
original proposal, you are aware this was never
introduced in the council?

DAVID YASSKY: Absolutely.

CHAIRPERSON VACCA: It was never
introduced.

DAVID YASSKY: [interposing]

Absolutely, and to be clear--

CHAIRPERSON VACCA: And tell us--
excuse me. You attached both pieces of
legislation. Explain why it was never introduced.

DAVID YASSKY: Because we received
extremely constructive feedback from you and
others in the Council as to how to improve it. We
have worked diligently with you to improve it. I
believe that the Assembly and Senate bills that
are attached reflect an improved proposal
incorporating input not just from the Council but
of course from other stakeholders that resulted in
a proposal that--

CHAIRPERSON VACCA: [interposing]
Let me say something.

DAVID YASSKY: Okay.

CHAIRPERSON VACCA: This was not
introduced because it was requested that the
administration and the Council try to bring
stakeholders together because most stakeholders,
livery and yellow, were not in favor of this bill.
And you are unclear as to whether or not anyone in
Albany favored it also. Am I correct?

DAVID YASSKY: Sure.

CHAIRPERSON VACCA: Okay, thank you. The second bill that you introduced the Act in the current position, who is the sponsor of this bill in Albany? Senate and Assembly.

DAVID YASSKY: I believe Carl-- Assembly Member Heastie introduced it in the Assembly and Senator Golden in the Senate.

CHAIRPERSON VACCA: Because there are no names here.

DAVID YASSKY: I apologize for that.

CHAIRPERSON VACCA: There is no one as a matter of record who are the sponsors.

DAVID YASSKY: And to be clear, Councilman Jackson says that this is dead. I am not even certain that the sponsors are prepared to move either of those bills at this point to be absolutely clear with you. I am not saying--

CHAIRPERSON VACCA: [interposing] I appreciate you saying that.

DAVID YASSKY: Indeed I am not here saying this problem is about to be solved, that would be even better. What I am saying is this is

a problem that needs a legislative solution and we stand ready, willing and able to work with you on whatever legislative solution the members of this body would like to see.

CHAIRPERSON VACCA: As Chair of the committee I want to indicate that I have spent unbelievable amount of hours--

DAVID YASSKY: [interposing] Hours and hours and hours, and--

CHAIRPERSON VACCA: working on this for a solution to bring everyone together and to do the right thing by the city and I want the members to know that. And I will not have anything stated that I could view as disingenuous and let that stand. Okay, next, Council Member Greenfield.

COUNCIL MEMBER GREENFIELD: Thank you Mr. Chair and thank you for your consistent leadership on this issue. Commissioner, I am a tad perplexed and I am hoping you can help me out over here.

On the one hand we've got my colleague from Brooklyn and we are talking about obviously a massive on problem on Flatbush Avenue.

I will admit it's not my district but I do have friends there. Hope it's okay with you Lew and I visit from time to time--

MALE VOICE: You go girl
[phonetic].

COUNCIL MEMBER GREENFIELD: and I too experience reckless drivers from these unlicensed cabs. They are running through stop signs and red lights, they are cutting people off. On the flipside, we have Council Member Jackson who is telling us that apparently in his neck of the woods it's actually not illegal to capture a street hail. And your recommendation to us is that we should pass a law.

So as the expert--and first I want to commend you because I have to tell you that I didn't even know that the TLC existed until you became the commissioner so you are doing a fine job.

DAVID YASSKY: Oh yes, you did.

COUNCIL MEMBER GREENFIELD: And as, and as, and as the expert in the field, what's the solution because it doesn't seem to me like the proposed legislation is really going to solve the

1
2 problem of the illegal hails. Am I incorrect? So
3 what would you suggest, right, I mean me we are
4 happy to introduce legislation and write
5 legislation but this is your expertise. So how do
6 we solve the problem that Council Member Fidler
7 has which is that in his district he doesn't want
8 these illegal vans and the problem that Council
9 Member Jackson has which is in his district he
10 doesn't want these hails getting ticketed.

11 DAVID YASSKY: I am glad you asked.
12 Very simply, the solution is to create a license--
13 what we call a license, medallion, permit,
14 whatever, create a license that enables vehicles
15 other than the 13,237 medallion taxi cabs that
16 exist today to serve the boroughs other than
17 Manhattan. Okay? That is the solution.

18 Now when we--when the Mayor
19 proposed , the Chair of this committee and other
20 council members and staff rose to the occasion and
21 said okay, you've called the question, now we are
22 going to do the very difficult, down and dirty,
23 nitty gritty legislative work of filling in all
24 the details that your bill does not fill in. And
25 the Chair of your committee has spent I'm going to

say well over 100 hours in conversation just with me in meetings--

COUNCIL MEMBER GREENFIELD:

[interposing] It's a good thing he gets paid by the hour.

DAVID YASSKY: to try and fill in all the details. And I think that we, working together, came up with improvements to that original proposal that took into account the very legitimate concern of yellow medallion holders, that their investment be protected and that was the reason for linking the new license to existing medallion--to a regular city wide medallion.

There are--some of your colleagues don't like that idea, and I have to say because Chair--I think--what I think is disingenuous would be to say don't ticket people, don't enforce the law that exists today but I am not supporting any change in the law. I think that that I would have a problem with.

That I don't--I know that's not what you are saying and I don't--I'm not--I don't know if that's what anybody else in the committee is saying, but if you don't like the law the way

1
2 it exists today which I don't either, then let's
3 get a solution. I think nobody has worked harder
4 to find that than Chairman Vacca. It's a
5 legislative process, it's not easy, it's not
6 simple. It takes time. There is a reason for
7 that. That's because there are a lot of different
8 interests and they all need to be protected, and
9 that's what this committee has been doing for--
10 very diligently for weeks and weeks and weeks.

11 I think that a lot of progress has
12 been made and now that a broader group of
13 committee members and council members is here, I
14 think it's appropriate for me to ask them to join
15 their Chairman in grappling with the difficulties
16 of this question and coming up with a solution
17 that people can vote for rather than just vote
18 against.

19 COUNCIL MEMBER GREENFIELD: Well
20 you know I would just--

21 CHAIRPERSON VACCA: [interposing] I
22 have to ask you to conclude Council Member.

23 COUNCIL MEMBER GREENFIELD: I will
24 conclude by saying that I support my Chair and the
25 work that he has done and the compromise that he

1 is fashioning but I just want to be clear about
2 this final point. So this legislation is the
3 solution. So when we pass this legislation we are
4 going to come back here, if it's a year or two
5 from now, whenever it is, we are going to come
6 back and we are going to say problem solved. We
7 are going to unfurl the banner mission
8 accomplished and we won't have this issue any
9 more. Am I correct?

11 DAVID YASSKY: I think much like
12 the federal healthcare legislation in microcosm it
13 will be a--

14 [off mic]

15 DAVID YASSKY: huge step forward
16 and huge progress will have been made and I am
17 sure there will still be more work to done--more
18 work to be done in fine-tuning it and in fixing
19 unanticipated things that come up. But you know,
20 just as I think that the President and the
21 Congress took a huge leap forward with healthcare,
22 I think this will be a big leap forward on this
23 problem.

24 COUNCIL MEMBER GREENFIELD: All
25 right, I'm going to hold you to it [phonetic].

CHAIRPERSON VACCA: Thank you.

COUNCIL MEMBER GREENFIELD: Thanks.

CHAIRPERSON VACCA: Thank you
Council Member. Council Member Ferreras.

COUNCIL MEMBER FERRERAS: Thank you
and thank you Chair and good afternoon
Commissioner. So I have a few questions. Can we
start off, how many yellow cabs are there
currently in the city?

DAVID YASSKY: Thirteen thousand,
two hundred and thirty seven.

COUNCIL MEMBER FERRERAS: Okay, do
you believe--I am having a hard time understanding
just the geography of the Outer Boroughs. That if
we add 6,000 new cabs to the Outer Boroughs we are
going address this issue. It just seems--just
thinking about Queens and Brooklyn and Staten
Island and Upper Manhattan, if it's included on
the Bronx it just seems that we have 13,000 for
mostly Manhattan and a couple of--maybe a couple
of thousand in the airport. Do you think that
this is going to be addressed by adding 6,000?

DAVID YASSKY: That's a fair question. I think
6,000 is the minimum necessary to supply the

1 demand outside Manhattan. I--we were comfortable
2 going forward with a plan for 6,000 on the theory
3 that that has a real shot at being enough to meet
4 the demand and then if it proved not enough we
5 would go back later and ask for more. The data
6 here is very sketchy. We don't have--we have only
7 a very scant maybe--we don't have a ton of data.
8 We've tried to use what data we have to come with
9 the best guess, 6,000 is the low end of the range
10 of the number of cars necessary. It could well be
11 more than that.
12

13 COUNCIL MEMBER FERRERAS: Well I
14 think if we have scanty or sketchy numbers we are
15 making a huge decision and you are asking us to
16 vote on things that are going to change people's
17 lives. And I am not comfortable as of right now
18 with making this decision on scanty numbers or
19 sketchy numbers. Now the LaGuardia Airport it
20 just borders my district.

21 DAVID YASSKY: I understood but
22 just so we are on the same page, right, the status
23 quo is that there are precisely zero authorized
24 taxis other than those 13,237 to serve the
25 boroughs. So I think we do agree that the

1
2 necessary number--the number that's needed is well
3 in excess of zero. Maybe you are saying I don't
4 think 6,000 is enough, fair enough, but I don't
5 see why the answer to that would be let's leave it
6 at zero.

7 COUNCIL MEMBER FERRERAS: I don't
8 think that it's about leaving it at zero, I think
9 we really need to--

10 DAVID YASSKY: [interposing] But
11 that's what the status quo is.

12 COUNCIL MEMBER FERRERAS: No, the--
13 if we are going to talk about the status quo is
14 that people are hailing in my district. The
15 status quo is they go outside, you call the base
16 and you hail. And if you go out and we are going
17 to talk about status quo when doing a survey, how
18 much has the--has your agency invested in
19 education people about it being illegal? Because
20 if you go out and survey and you stand on
21 Roosevelt Avenue and Junction Boulevard and you
22 ask those people that are--I'm sorry Chair, and
23 you ask my constituents whether it's even illegal
24 to hail, most of them think that it's legal. So
25 it just seems--

DAVID YASSKY: So I just want to be clear, are you asking me to accept that it is and will remain permanently illegal--

COUNCIL MEMBER FERRERAS:
[interposing] No, I'm asking--

DAVID YASSKY: and try and educate the populous, or are you asking me to work with you in changing the law?

COUNCIL MEMBER FERRERAS: No, I am asking you to recognize that this is an issue in our community and--

DAVID YASSKY: [interposing] I do.

COUNCIL MEMBER FERRERAS: And before and I know I just want to go to one thing. I know that you've come in and you've ticketed, and you are ticketing for the hail.

DAVID YASSKY: I am asking you recognize that it is--the problem is that the law as it exists today puts the enforcement officers who work for me in an impossible position of having--

COUNCIL MEMBER FERRERAS: And I--we hear you and we've acknowledged and we are hearing that you want--what the processes to change it.

1 But in this process of adding this 6,000, 6,000 is
2 not going to address the need in the community and
3 I think it's very unfair that if you live in
4 Queens, if you are in Manhattan you can hail but
5 if you are in Queens you can't, and yellow cabs
6 are not coming to our community and that is very
7 real.
8

9 DAVID YASSKY: I agree.

10 COUNCIL MEMBER FERRERAS: And we
11 have an industry that perhaps if there is other
12 ways that we can help strengthen the industry
13 which is delivery industry without weakening it I
14 think it's very important. And also we have
15 LaGuardia Airport if you are talking about
16 enforcement and enforcing the black cars and the
17 issues that we have, I have an entire community of
18 East Elmhurst that's greatly impacted by the black
19 cars parking there, double parking there, using
20 lawns as restrooms in the community. So if we are
21 going to be ticketing I would love for you to take
22 some of those hailing agents and enforce some laws
23 in some of the issues that we have in East
24 Elmhurst.

25 DAVID YASSKY: Okay, thank you. On

that, just on that point, Council Member, because I appreciate you people bringing community issues to us. I mean the--because people have brought this to us, there is no--they are not breaking-- certainly public urination is breaking the law, but parking on the--and waiting to go into the airport is not against the law. I am not saying it doesn't create a neighborhood problem but for us to go out and ticket people we need something to ticket. And I am not--

COUNCIL MEMBER FERRERAS: Well the double parking is, I'm sure is an issue and I would love to kind of meet with you on this--

DAVID YASSKY: Sure, let's do that.

COUNCIL MEMBER FERRERAS: separately because I think this is more detailed to the community.

DAVID YASSKY: Let's do that.

COUNCIL MEMBER FERRERAS: Thank you.

CHAIRPERSON VACCA: Thank you.
Council Member James quickly.

MALE VOICE: There is no quickly.

COUNCIL MEMBER JAMES: So this is

really not an exchange, Commissioner, and it's great to see you in that position. You and I have worked before when you were a member of the City Council, we had bordering districts. But I am just going to give you some points and allow you to think about it and we can have a private conversation.

DAVID YASSKY: And I'll stay quiet.

COUNCIL MEMBER JAMES: Yes, thank you.

DAVID YASSKY: I understood.

COUNCIL MEMBER JAMES: Got it. He knows my language. One, let me just tell you that--I don't understand how competition somehow threatens the investment of some of these yellow medallions. That's one.

Two, I believe that competition is a good thing. I believe that taxi medallions unfortunately have operated as a monopoly. I think that the cost associated with getting a yellow medallion in the City of New York have been cost prohibitive particularly for individuals who are interested in purchasing a medallion, particularly for individuals who are black and

brown.

Four, I just would like more taxis to operate in Brooklyn which unfortunately have not been doing so and I do not think that it should be illegal to engage in street hails. That being said let me move on, and last let me just say that I think that there is too much testosterone involved in this discussion--

DAVID YASSKY: Agreed.

COUNCIL MEMBER JAMES: and I think--yeah, I think if more women were involved in this discussion we could resolve this, because I just think that there is just too many egos involved and so I am getting applause from like women--women caucus so I thank you--

CHAIRPERSON VACCA: [interposing]
This is a budget hearing, you have a budget question?

COUNCIL MEMBER JAMES: Yeah, I understand that, yes, the budget is there is too many men in the room and if we would anyway--

MALE VOICE: [interposing] We don't agree with you, I don't agree with you.

COUNCIL MEMBER JAMES: I am sure

you wouldn't, anyway--

CHAIRPERSON VACCA: All right,
let's hear a budget question, hurry up.

COUNCIL MEMBER JAMES: Last two
questions--it's not a question because I don't
have time so because a man just told me to limit
my questions. But let me just, let me just--

MALE VOICE: [interposing] The
Chair, the Chair.

COUNCIL MEMBER JAMES: go on to say
this. One, let me just that--

MALE VOICE: Quiet please.

COUNCIL MEMBER JAMES: let me say
also that the tow trucks, the tow cars that tow
cars in the City of New York operate with reckless
abandon. And they obviously--you need more
reinforcement with regard to tow cars, tow trucks,
I see them zigzagging throughout traffic,
unfortunately disobeying the law. They really
need to be reined in.

Someone is going to have a really
bad accident, they do operate in the City of New
York with reckless abandon. I saw a terrible
video on You Tube where some individuals who

1
2 unfortunately were refused a hail, refused service
3 to Bedford-Stuyvesant by a yellow medallion--

4 DAVID YASSKY: Unbelievable.

5 COUNCIL MEMBER JAMES: I am glad
6 that you increased the fines, I hope that we would
7 have more officers to enforce that law. It is
8 unconscionable in the City of New York that people
9 refuse service based on one's destination and they
10 should be penalized to the fullest extent of the
11 law. I thank you Commissioner and I thank you
12 Chair Vacca as opposed to the other Chair. Thank
13 you.

14 CHAIRPERSON VACCA: Both Chairs
15 thank you. I thank you Commissioner and I thank
16 the TLC and their staff. Domenic, do you adjourn
17 the meeting officially or do I?

18 CHAIRPERSON RECCHIA: Yeah,
19 officially we are going to adjourn this. We are
20 going to take a two-minute recess, we have the
21 Housing Authority next. Commissioner Yassky,
22 Chair Yassky, whatever Yassky, we want to thank
23 you for your hard work and your staff. Okay.
24 Unfortunately that was just James making a comment
25 that it's all Mendez [phonetic] said it. All

right. You are ready Jerry?

We want to thank our Sergeant at Arms because they are doing a great job in controlling everyone, thank you very much. We will now resume the City Council hearing on the May's executive budget fiscal year 2012. The Finance Committee has been joined by the Committee on Public Housing chaired by my colleague Council Member Rosie Mendez. To hear from New York City Housing Authority and its Chairman, John Rhea. Before we hear that I would like to recognize the Chair, my Co-Chair who is doing a great job and I turn the microphone over to Rosie Mendez.

CHAIRPERSON MENDEZ: Thank you Mr. Chair. Good afternoon everyone? I am Rosie Mendez, the Chair of the Public Housing Committee, and today we will hear from the New York City Housing Authority on fiscal 2011 on their fiscal 2011 budget, the deficit and any proposed measures to close its budget gap.

Through the years NYCHA has faced chronic budget deficits and last year the authority embarked on an ambitious new mixed finance modernization plan that leverage federal

1 stimulus dollars in order to federalize the 21
2 City and State developments. Our hopes were that
3 this would go a long way towards helping NYCHA
4 close its structural budget deficit. With the
5 mixed finance modernization plan and an unexpected
6 surplus of operating funds from HUD, NYCHA has
7 achieved a balanced budget for fiscal year 2011.
8

9 We are eager to hear NYCHA's new
10 initiatives to address the backlog of maintenance
11 repairs and layered access security as well as how
12 the authority will deal with federal budget cuts.
13 And what, if any, negative impact set cuts would
14 have on these new initiatives and on services to
15 residents. I look forward to hearing from
16 Chairman Rhea now and I thank everyone for being
17 here. Our colleagues, we introduce our
18 colleagues, you want to do that?

19 CHAIRPERSON RECCHIA: We're joined
20 by Dan Halloran, Erik Dilan, Ruben Wills, Tish
21 James, Margaret Chin, Maria Carmen Arroyo, Julissa
22 Ferreras, Rob Jackson, we got everybody? Okay,
23 all right Mr. Chairman it's all your show, short
24 and sweet, sum it up.

25 JOHN RHEA: Thank you. Chairwoman

Rosie Mendez, Chairman Domenic Recchia, members of the respected committees and other distinguished members of the City Council, it is good to be with you today and have the opportunity to score-- discuss NYCHA's operating budget.

I am John Rhea, NYCHA's Chair, and joining me this afternoon are Vice-Chair Emily Youssouf, Chief Financial Officer Felix Lam and members of NYCHA'S senior management team.

Unfortunately, Commissioner Lopez can't be with us today, unfortunately for her she is on vacation but obviously she is always here to support the effort.

Let me begin by congratulating my colleague Vice-Chair Youssouf on her appointment. Vice-Chair Youssouf has spent her career in government, academia and the private sector committed to building the strong, vibrant neighborhoods that every New Yorker deserves. She is familiar with the communities NYCHA serves and we are grateful to have her considerable expertise, energy and talent in our effort to preserve and strengthen public housing in New York.

EMILY YOUSSEF: Thank you.

JOHN RHEA: The operating budget I will present today reflects NYCHA's core priorities for strengthening New York City communities and our commitment to improving the quality of life of our residents. I would like to highlight those priorities as well as some of the major challenges and opportunities we face.

I am looking forward to working even more closely with the committee because there is enormous amount that we have to do together. Just last month, NYCHA organized a series of community conversations with residents of public housing and participants of NYCHA's housing choice voucher program, known as Section 8, to discuss the plan to preserve public housing.

A strategy to address what our residents as well as NYCHA's own research have told us are the authority's most pressing concerns, including maintenance and repair of NYCHA's invaluable yet aging housing stock, the safety and security of NYCHA communities and the authority's long-term financial strength.

As you may have heard, these

community meetings were unique in their approach to engaging our residents. Through 10 community conversations we sat with more than 800 residents and Section 8 participants of all ages, backgrounds and experiences to share our work and research in developing the plan to preserve public housing. Community conversations were held in every borough.

NYCHA provided translation services of Spanish speakers at seven of the meetings and held separate community conversations for speakers in Cantonese, Mandarin and Russian. We also held a meeting for young adults ages 18 to 25.

Planning and hosting the community conversations involved the direct participation of hundreds of NYCHA employees from every department in our organization. NYCHA employees including myself, Vice-Chair Youssef and Commissioner Lopez, service meeting coordinators, discussion facilitators, note takers and team members.

We created a phone bank and made calls to more than 12,000 NYCHA households, we posted flyers at all developments, placed flyers under apartment doors and directly mailed or

1
2 emailed thousands of residents. And we worked
3 with members of the Citywide Council, the
4 President and our resident associations to further
5 inform residents of these meetings.

6 While we were engaging our
7 residents and Section Eight participants, we also
8 briefed and sought input from advocates, NYCHA's
9 employees and elected officials at all levels of
10 government. This engagement will continue.

11 The success of these meetings is
12 just the latest example of how important it is
13 that we work together and the tremendous impact
14 our partnership can have on resident engagement.
15 Resident leaders, members of the City Council and
16 community advocates were invaluable in helping to
17 make the community conversation so successful and
18 we look forward to working with you on similar
19 efforts in the future.

20 Ensuring that the authority is a
21 more open and transparent organization attuned to
22 the needs and aspirations of our residents is a
23 commitment that Mayor Bloomberg made central to
24 his charges for moving NYCHA forward. We stand by
25 the Mayor's principle that openness is linked to

improving the quality of life for residents, because we recognize that through open constructive partnership NYCHA can better not only understand how to serve our residents but also engage our residents and Section 8 participants in making the tough financial decisions that ultimately impact their quality of life. That shared responsibility must begin today.

In 2011, because of the support of our leaders in government the partnership of our residents, sister agencies and community advocates, and the commitment of our employees, NYCHA's operating budget is balanced. Most important, NYCHA balances budget through innovation rather than severe cuts. But as I will discuss, although our budget is balanced this year, NYCHA faces a series of challenges that without continued support of our leaders and City, State and federal government will grow ever more serious and hinder NYCHA's ability to serve our residents, Section 8 families and the tens of thousands New Yorkers whose lives are enriched by NYCHA housing service and our centers.

In 2011, the authority will

administer 3.059 billion in funding, including prior year surpluses and over 2.1 billion in federal funding for the Section 8 and housing programs. And NYCHA will spend the same amount, 3.059 billion, including more than 2 billion in operating expenses and another 969 million that the authority will pay private landlords under the Section 8 program.

This achievement was due in large part to the unprecedented federal support of the Obama administration's first budget which funded housing authorities across the country at 103% of our eligibility subsidy for 2010. This support translated into 42 million that NYCHA was able to apply to its budget in 2011. Additionally, as you know NYCHA's signature achievement last year was a successful execution of two mixed finance transactions involving the 21 developments built by the city and State of New York better known as Federalization.

In addition to the capital improvements underway as a result of federalization the 21 developments became eligible for annual federal operating capital subsidies.

For the first time this created additional federal operating subsidy of approximately 56 million that further contributed to balancing the authority's operating budget in 2011. NYCHA's 2011 operating budget surplus supports a workforce of 11,800 employees and continues to fund priorities at NYCHA's development with no layoffs or reduction in service levels.

Specifically, 1.2 billion or 38% of our 2011 operating budget is allocated for personal services and 1.9 billion or 62% is allocated for expenses other than personal services.

The 1.2 billion PS budget includes salaries and benefits such as pensions, healthcare and workers comp. Approximately 84% of the personal services budget is allocated for support of the authority's core priorities, providing service that include maintenance, elevator modernization, interior and apartment repairs and pest control services.

In addition, NYCHA staffing resources are dedicated to providing community programs and resident services, administration of

the Section 8 program, direct support of the capital program and other administrative functions. The OTPS budget of 1.9 billion remains relatively flat over last year's expenses. As I mentioned, this year's budget allocated 969 million for payments to landlords who provide housing to Section 8 residents. This amount represents a decrease of 20 million as compared to last year primarily as a result of the transfer of approximately 2,000 vouchers to HPD in 2010.

Thirty-five percent of NYCHA's OTPS budget, 669 million, can be categorized as non-discretionary. This allocation is primarily driven by \$531 million in utility costs. Rising costs for all commodities are a cause for concern which only helps to increase the importance of our conservation initiatives. NYCHA's electricity cost increased by 25 million from 2009 to 2010. This increase was a result of higher than average summer temperatures which created higher demand for energy.

However, NYCHA was able to mitigate against these increased cost because of savings achieved through heating plan efficiency measures.

These efficiency initiatives have yielded reduction in heating field consumption for three consecutive years and we anticipate additional savings in the future as more developments are fitted with improved energy efficient technology.

The remaining 13% or 247 million of the OTPS budget can be categorized as discretionary and provides funding for operating expenses which include supplies, leases and contracts for resident services such as painting, elevator maintenance, fire safety and private management.

Although it is our goal to completely eliminate the need for unplanned fund transfers between the capital and operating budgets, it is important to note that our contracts budget does include 11 million that was transferred from NYCHA's capital budget that will be used to begin tackling the authorities backlog of interior apartment repair needs.

To put this in historical context, in 2009 NYCHA transferred 76 million from its capital to operating budget. This reflects an 86% decrease from two years ago. When I was here in

1
2 March, I discussed the substantial work NYCHA,
3 this committee and our partners through our
4 government and the non-profit and private sectors
5 have already done to preserve our communities and
6 support NYCHA families.

7 Our progress is significant but our
8 work is ongoing. As you know, because of the
9 leadership of President Obama the Department of
10 Housing and Urban Development Secretary, Shaun
11 Donovan and the 111th Congress included a decisive
12 action of New York's congressional delegation.
13 Public housing communities throughout the U.S.
14 received an unprecedented financial support in '09
15 and 2010. In 2009 alone NYCHA received the
16 largest single grant made to public housing
17 authorities from the ARRA Stimulus Act.

18 And as I mentioned earlier, an
19 unprecedented level of federal operating support
20 in 2010 helped NYCHA balance its current year
21 budget. A significant step forward after a decade
22 of reduced funding that resulted in a cumulative
23 loss of \$666 million. The current budget
24 conversations in Washington are very different
25 than they were over the past two years. The

President's 2012 budget for public housing recognizes a need for 4.9 billion to fund public housing authorities at 100% of their estimated eligibility of operating subsidies.

However, only 3.9 billion or 80% is being requested from the 112th Congress. It is proposed that the additional \$1 billion be offset by using local housing authorities' operating reserves. It is unclear how the federal government will recapture the operating reserves from housing authorities.

If HUD abandons this plan to recapture operating reserves as NYCHA and industry associations advocate, the 1 billion funding shortfall will be proportionally distributed among all housing authorities and will result in NYCHA losing \$200 million. As NYCHA's operating reserves are already pledged to cover long-term liabilities including employer crude leave time, pension obligations, a 200 million funding loss would have a rippling effect that would be the equivalent for example, of 3,000 direct service positions being cut or 69,000 apartments going without even basic maintenance.

The potential risk outlined in the President's 2012 budget are not currently reflected in the operating plan I present today. But NYCHA has developed a preliminary contingency plan which includes a drastic reduction in community programs, agency-wide layoffs, renegotiation of contracts and large transfers from the capital to operating budget. An unprecedented cut of this magnitude over multiple years will force a more rapid change in NYCHA's business model. To avoid these draconian cuts, NYCHA residents, community advocates, industry stakeholders and elected leaders alike must work together to increase public support for our communities today and in the future.

NYCHA is ready to act. When we met in March I said that NYCHA was laying the groundwork for a comprehensive strategy, the plan to preserve public housing for fully assessing the authority's strengths as well as our challenges, organizing NYCHA's assets to support our priorities and forge partnerships with residents, elected leaders and stakeholders who share our commitment to fostering strong public housing

communities.

As we continue to develop and ultimately implement our strategy, collaborative decision making concerning the harsh realities of investments and service priority tradeoffs with residents, elected leaders and advocates is critical. While NYCHA continues to face challenges, it is important that we not lose sight of our core priorities, the preservation of our invaluable yet aging housing stock.

Preservation does not come without significant cost. Recent inspections of more than 14,000 apartments conducted at 13 developments generated an average of eight work orders per apartment at a cost of approximately \$2,900 a unit. Based on this data, NYCHA estimates that it would cost approximately half a billion dollars to make interior repairs to all of NYCHA'S apartments.

To address the most severe conditions, NYCHA has allocated an additional 31 million of funding over the next five years, 11 million of which is dedicated to 2011. As part of this budget process, NYCHA is actively seeking

matching funding of 31 million in the City's fiscal year 2012 budget to support this initiative.

Another concern that was voiced at all 10 community conversations was the safety and security of NYCHA's developments. An early work on the plan to preserve public housing revealed the opportunities to improve upon NYCHA's prior efforts to promote safety and security in our communities. Developed in a cooperation with key partners, NYCHA's safety and security taskforce report outlines a new strategy to enhance community safety including implementation of a layered access approach to building security.

The City Council has remained steadfast, a steadfast partner to NYCHA particularly on issues of resident safety. One area where the council has been particularly helpful is in providing funding for CCTV cameras. Currently 20% of NYCHA developments have some form of CCTV, most of which were made possible by approximately 21 million in funding from council members' discretionary budgets over the past decade.

And currently NYCHA has an additional 30 million from the Council's prior allocations which we plan to invest in additional CCTV and our new layered access control system. We estimate that the layered access system with CCTV will cost 219 million for all properties.

NYCHA's plan is to prioritize the 60 developments with the highest rates of crime which will cost 100 million over five years. We ask that the Council work with the authority to secure the remaining funding for this phase of the initiative.

We have tried to limit our requests to the issues that are most pressing to residents and where the Council has engaged the authority. Although not comprehensive, these funds will programmatically support the plan to preserve public housing which we will present in full to the Council this fall.

I also want to discuss some other investments NYCHA is making to improve our residents' quality of life. As you know, in 2009 NYCHA formed the Office of Resident Economic Empowerment and Sustainability to create and

1
2 implement a strategy to expand economic
3 opportunity to our residents. REES in
4 collaboration with residents, partners and other
5 stakeholders spent 2010 redesigning the ways in
6 which NYCHA can support residents to achieve their
7 career and financial goals.

8 REES has already launched several
9 cornerstone initiatives as part of our new model,
10 including the NYCHA resident training academy, the
11 Financial Independence Today Initiative and the
12 planning and launch of the third Jobs Plus site
13 which will be in the South Bronx. We are already
14 seeing results.

15 NYCHA overall--NYCHA's overall job
16 placements have increased by more than 200% from
17 318 in 2008 to 663 in 2009 to 953 placements in
18 2010. The number of NYCHA section three job
19 placements has expanded from 41 in 2008 to 621
20 last year, an increase of over 1,400% in just
21 three years. And in 2011, as we continue to
22 implement our new strategy we are working to
23 accelerate that growth. Another REES initiative
24 that the NYCHA Resident training academy was
25 launched in the fall of 2010 and as a partnership

among NYCHA, the Robin Hood Foundation and some of the best employment trainers in New York City, NYCHA set a first year goal of training up to 150 residents for a minimum of 75 jobs as NYCHA caretakers, or for construction-related jobs with our contractors. To date, 179 residents have participated in RTA training, 112 have graduated, 27 currently are in training and 87 are currently working.

In the second year, NYCHA expects to train more than 400 residents and place 300 of them in jobs with NYCHA and its vendors, including 80 residents who will serve as commercial pesticide technicians. All of this has been achieved through leveraging partner resources and external funding.

If we are to succeed in reinvesting in public housing communities, we will need a renewed focus on the threats to its survival. We ask the Council and other public officials make the preservation of public housing a budget priority, particularly given the risks we face with the proposed federal budget cuts.

In the plan to preserve public

housing, NYCHA has already begun to develop the revenue and expense strategies to evolve our financial model in support of preservation and focus development of additional affordable housing. We are committed to forging partnerships that create value, economic, environmental and social for our communities and our residents, and we are taking action to empower residents to be co-owners of this effort to strengthen and secure our communities.

This work will take all of us, NYCHA's is grateful to Mayor Bloomberg and to the City Council for standing with us, but there is much more to be done and we look forward to working with each of you to make public housing and all New York City stronger one family at a time. Thank you and look forward to questions.

CHAIRPERSON RECCHIA: Okay. Thank you Commissioner. I am going to hold off my questions till the end. First I'm going to recognize my Co-Chair Rosie Mendez.

CHAIRPERSON MENDEZ: Thank you Mr. Chair, I am only going to ask one question now and then I'll let my colleagues go. So I just want

clarification on page five of your testimony. The first full paragraph where you talk about your annual federal operating in capital subsidies, and you say approximately 56 million came to federal operating from the mixed finance?

JOHN RHEA: That's correct. So in 2011 based upon the over 11,000 units that are part of our LLC 1 and that are eligible for both operating capital subsidies, we receive a full year operating funding of \$56 million in support of those units.

CHAIRPERSON MENDEZ: And is--that is the full amount that you could get this year?

JOHN RHEA: That is correct.

CHAIRPERSON MENDEZ: And how much did you get in capital?

JOHN RHEA: We will not receive capital in 2011, the capital will begin in 2012 but it will be roughly another \$10 million. So that's how we've historically said it's roughly \$65 to \$75 million of incremental operating capital support from the federalization plan is rolling in our first full year in 2011 at 56 million for operating alone and next year we will

begin to receive the full amount of operating and capital.

CHAIRPERSON MENDEZ: Did you anticipate that, that you would get it in 2012 instead of 2011?

JOHN RHEA: No, we anticipated that we would get the capital in 2011 as well, but it's not going to turn out until 2012.

CHAIRPERSON MENDEZ: Okay, what does that do for your capital plan now?

JOHN RHEA: Well obviously just given the nature of the capital plan in terms of the substantial historical backlog, every dollar counts but it's \$10 million on billions of dollars in need. So it's obviously painful but it is not the driver of our capital program.

CHAIRPERSON MENDEZ: Okay. Vice Chair Youssouf, welcome, I give you my congratulations and my condolences at the same time. And I look forward to working with you.

EMILY YOUSSEUF: Thank you and I look forward to getting to know all the council members I didn't know when I was at HDC. Thank you very much.

CHAIRPERSON MENDEZ: Thank you.
Council Member Maria Carmen Arroyo.

[off mic]

COUNCIL MEMBER ARROYO: I will get
to it. Oh, there it is.

Good afternoon Mr. Chair, thank you
for your testimony, I have one question clarifying
on the--I lost it, Rosie made me turn my page. On
the resident training academy and the number of
jobs, et cetera, of the individuals that have been
placed, these are residents, are we concerned
regarding their one long-term employment,
secondly, what's the impact on family income and
the amount of rent that they are now going to be
responsible for since in theory the family income
compensation has increased?

JOHN RHEA: So first of all, we are
very pleased with the initial results of the
training academy, as I said we had set out to
place 75 people in what we believe are very
attractive, good wage jobs and we have obviously
exceeded that in the first year alone. And based
upon the results that we have achieved the
preliminary conversations with Robin Hood are

1
2 actually to expand their investment in the program
3 with no additional cost to the housing authority.

4 So we have a goal to have as many
5 as 400 participants this year, and to place as
6 many as 300 residents in high paying jobs. So we
7 aren't "concerned" about whether or not these are
8 good jobs and jobs that provide a real pathway to
9 long-term, sustainable employment for our
10 residents. But we are very focused on ensuring
11 that and that's why this program does a lot of
12 pre-employment screening, it does a lot of work
13 with residents around barriers to employment and
14 obviously most importantly it provides them with
15 hard skills that have a value in the marketplace.

16 And that's translated into the
17 wages that they receive in the jobs, I mean the
18 average salaries for the construction jobs are
19 roughly \$35 an hour and the average salary for the
20 caretaker and maintenance aid positions are
21 \$26,000 a year plus benefits. Obviously the
22 nature of construction work in and of itself is
23 project-based and so a worker will be placed on
24 the job site will work for the duration of that
25 project but not only do they have skills that are

1
2 marketable beyond that, but they have a resume and
3 they have begun to develop relationships with
4 contractors.

5 So not only do we believe that that
6 puts them in a position to be rehired on future
7 work, but not just working at NYCHA sites but non-
8 NYCHA work. Out of the training academy just
9 recently we had eight graduates who immediately
10 went into the union. The roofers union, and so we
11 believe that not only are they being placed in
12 jobs, but they are being placed in-they are
13 gaining marketable skills, they are developing a
14 resume, real income going into their households
15 and gaining important credentials like a union
16 card that will make them much more eligible for
17 future work.

18 COUNCIL MEMBER ARROYO: That's a
19 long answer.

20 JOHN RHEA: It's the truth.

21 COUNCIL MEMBER ARROYO: The impact
22 on family income and the amount of rent that they
23 will pay, I mean it's a good thing for both the
24 family and NYCHA because you will be able to
25 increase your rent roll.

JOHN RHEA: Right, it's--so I want-

-

COUNCIL MEMBER ARROYO: Do you want--do you know what you can expect to gain out of the additional income in these families?

JOHN RHEA: So I again I just for the sake of, reiterating maybe the obvious but our goal is to strengthen our families' earning capacity, and their financial fitness. It doesn't necessarily work [phonetic] "to the benefit if NYCHA" as a financial matter, because obviously whatever we receive from residents in rent we just received less from the federal government in terms of operating subsidy. So I just want to put that on the table.

Having said that, obviously more income in our families' pockets and strengthening them economically is a positive thing. We, because of the earned income, disregard the wages that residents are receiving in their first year of employment don't actually go to offset their rent calculations. So it is, it we will be a bit--until we actually are into this program, year two, year three, seeing the sustainability of

1
2 their earnings, seeing that actually go through to
3 their annual income verification and therefore,
4 their rent adjustments, I can't give you a number,
5 I would actually be pulling something out of the
6 air.

7 COUNCIL MEMBER ARROYO: So
8 hopefully moving forward in future conversations
9 that will be one of the numbers that you can bring
10 to us. On the security issue, we've had several
11 conversations and I know that the authority has
12 proposed a preference for how to move forward with
13 the layered access part of the security system.
14 But I have to tell you, Mr. Chairman, in my
15 community my residents are asking for video
16 cameras in the lobbies and in the elevators, and
17 on the roofs. And I know that we are scheduled to
18 have a conversation with your staff and the
19 resident leaders in my district, but I cannot tell
20 you that overwhelmingly what they want to see is
21 the security video cameras, and so I hope that we
22 can somehow bridge the authority's preference with
23 what the residents are overwhelmingly requesting.
24 And I will leave it there.

25 CHAIRPERSON RECCHIA: Thank you

Council Member.

JOHN RHEA: Thank you.

CHAIRPERSON RECCHIA: Chairman Rhea, I would ask that you keep your answers a little short, you have a habit of going on. Right, we will go to Council Member Jackson, then Melissa Mark.

COUNCIL MEMBER JACKSON: Well thank you and Mr. Chairman and your staff thank you for coming, I appreciate your seem to be very concise report, but I'm questioning now the need, I believe you requested that the City Council help NYCHA as a partner with \$31 million for this fiscal coming year to support your initiative. Now I understand that you are on a fiscal year January to December and the City Council is on the fiscal year July to June. Isn't that correct?

JOHN RHEA: That is correct.

COUNCIL MEMBER JACKSON: Okay. Now what will the \$31 million you are asking for the City of New York City Council to help you support your initiative, what will that be used for if in fact that was granted?

JOHN RHEA: Okay, so first of all,

a clarification, we are requesting that of the 31 million, it's a five-year total.

COUNCIL MEMBER JACKSON: Okay.

JOHN RHEA: Cumulatively, and we are asking for 11 million of the 31 million in our 2011 and your fiscal year. The money would be used specifically for maintenance and repairs in interiors of residents' apartments and in apartments in which we have identified the most need where--

COUNCIL MEMBER JACKSON:
[interposing] In essence the most need and the worst repair that needs to be done immediately?

JOHN RHEA: Correct. And--

COUNCIL MEMBER JACKSON:
[interposing] And what if you didn't get that \$11 million, what would happen?

JOHN RHEA: We would do fewer of those.

COUNCIL MEMBER JACKSON: And people would be complaining?

JOHN RHEA: Correct.

COUNCIL MEMBER JACKSON: Okay.

CHAIRWOMAN ARROYO: Can I just get

1
2 a clarification, so you said apartments, Chairman
3 Rhea, do you mean apartments or you mean
4 developmental--

5 JOHN RHEA: [interposing] No, I
6 mean apartments, this is interior repair of
7 individual units.

8 CHAIRWOMAN ARROYO: Correct, so if
9 you have, if you can do 100 apartments, are you
10 going to do them all in different developments or
11 are you going to do 100 and you are going to
12 target 100 in a development?

13 JOHN RHEA: It's going to be
14 triage, obviously where we can--where we have high
15 need developments that when you aggregate a number
16 of apartments in that development and it scores
17 high on the list and therefore, we can deploy
18 crews to do those repairs in a very cost effective
19 way, we will look to do that, there would be other
20 cases where there will be individual apartments
21 that just have egregious needs that we have to
22 address even if they would be on a more one-off
23 basis.

24 COUNCIL MEMBER JACKSON: So now
25 since you are asking the City Council for fiscal

year '12 to allocate \$11 million part of a five-year \$32 million campaign in order to take care of the most needed repairs that need to be done in developments, in apartments throughout NYCHA's developments. Yes?

JOHN RHEA: The short answer it's a 64--it's a \$62 million because we have allocated 31 million of our own. And it is a down payment on as we have referred to, what is a \$500 million need, and I want to repeat, a \$500 million need, now obviously different apartments have different levels of urgency.

COUNCIL MEMBER JACKSON: Right, now Commissioner Lopez and staff were--was in front of the Black, Latino and Asian Caucus last week and I think what was expressed in the documentation is that the total need for NYCHA repairs, for maintenance repairs is I think it's how much, well how many billions of dollars?

JOHN RHEA: So again, two different numbers. The information that--I wasn't at meeting.

COUNCIL MEMBER JACKSON: Right.

JOHN RHEA: But my understanding is

1 she shared with you the capital backlog which is
2 roughly 6 billion, that's a number I'm assuming
3 she shared with you in terms of the actual
4 maintenance backlog, what we would call repairs
5 that need to be made to apartments on a relatively
6 urgent basis, that's a half a billion dollars to
7 interiors.
8

9 COUNCIL MEMBER JACKSON: Okay.

10 JOHN RHEA: Okay.

11 COUNCIL MEMBER JACKSON: Well, I
12 say to you as the Chair, obviously you know that
13 when some residents call up the call center in
14 order to log like tile is falling in my bathroom,
15 and they say, okay, we will get to you in December
16 of 2012. What? I mean it's like that's insane,
17 totally unacceptable by any normal standard, and I
18 understand that you are short of cash.

19 But I just say to you that as you
20 know, you have heard the saying a stitch in time
21 saves nine. So somehow I guess that I have to
22 look at your system and understand your priorities
23 because obviously if someone has a hole in their
24 wall that needs to be addressed and things like
25 that, but I truly appreciate the fact that you are

telling me that you have your list segregated out as to the highest needs. How do you rank those needs? I mean for example, the New York City school construction authority, the highest need is classified as a number five, four, three, two, one being the lowest category of need as far as work that needs to be done. How does NYCHA categorize the most emergency repair that needs to be made in an apartment?

JOHN RHEA: It's the same basic categorization and obviously that deals with immediate risk to life and safety. And so that's the categories I would say.

COUNCIL MEMBER JACKSON: And finally I just wanted to say this quickly, the \$30 million from Council prior allocations for the CCTV, how long does it take once money is allocated to get the job done, that's number one, and number two, as far as I had to read a report in the news about some elevator repair people are being forced or are being told to not put down things or take elevators out of service and being pressured by their supervisors, if you can address those two things.

JOHN RHEA: So on the CCTV or layered access, in general the right timeline is, there is call it 90 to 120 days around our designing and planning, there is a six-month period to contract out and then to mobilize and you can take up to another 6 to 12 months to install, right, so I mean all in all it's a--

COUNCIL MEMBER JACKSON: About a two-year?

JOHN RHEA: It can be an 18-month cycle.

COUNCIL MEMBER JACKSON: Okay.

JOHN RHEA: So that's to answer your first question. In terms of your second question, I mean we are, we stand by the investments we have made in our elevator maintenance and safety program which is substantially comprehensive that we rolled out two years ago, which all the data is still online, we track how we're performing against things [phonetic] we installed, doors on restrictors on all our elevators, we've had improved performance in terms of reduced downtime, we have allocated more dollars to maintenance staff, and so we stand

by the program.

COUNCIL MEMBER JACKSON: Okay thank you, I appreciate it, keep up the good work, I look forward to working with you and your staff in order to work as partners in order to move forward to make sure that our residents are safe and secure in clean affordable units.

JOHN RHEA: Thank you.

COUNCIL MEMBER JACKSON: Thank you very much.

CHAIRPERSON RECCHIA: Thanks Council Member Jackson, we are joined by Council Member Gale Brewer, council member Al Vann and--

COUNCIL MEMBER BREWER: I was here before.

CHAIRPERSON RECCHIA: I know you were here before, you came back. All right, I have to hear [phonetic] that beautiful speech you gave in Brooklyn on technology.

COUNCIL MEMBER BREWER: Yes, thank you.

CHAIRPERSON RECCHIA: Thank God. Melissa Mark-Viverito.

COUNCIL MEMBER MARK-VIVERITO:

2 Thank you Mr. Chair.

3 CHAIRPERSON RECCHIA: But you have
4 to know we will not be the same without Gale
5 Brewer.

6 [off mic]

7 COUNCIL MEMBER MARK-VIVERITO: Good
8 afternoon--

9 CHAIRPERSON RECCHIA: Everybody
10 Gale was here, everybody heard that. Okay.

11 COUNCIL MEMBER MARK-VIVERITO: Good
12 afternoon chairman.

13 JOHN RHEA: Good afternoon.

14 COUNCIL MEMBER MARK-VIVERITO: I
15 wanted to first of all because I know you
16 mentioned it in your testimony but say that we
17 love our Jobs Plus program and Jefferson houses
18 and we don't want it to go anywhere, and I look
19 forward to working with NYCHA to see how we can
20 expand it because there are some parties within
21 the community that are interested in providing
22 jobs for our community and we could avail
23 ourselves at working with expanding job plus to
24 other developments.

25 But we had the DOT Commissioner

1 here earlier, and I raised the question about
2 sidewalk repairs, I have obviously a large number
3 of developments in my district and there is a lot
4 of sidewalks surrounding developments that are in
5 need of repair. Now she seemed to be unaware when
6 I had spoken to NYCHA about this, it's been
7 indicated that there is an allocation that is made
8 to DOT for sidewalk repairs around developments, I
9 was told it's about a million dollars.
10

11 She seemed to be unaware of it,
12 which I was really surprised, I wanted to find out
13 if in fact that is the case, if there is some sort
14 of memorandum of understanding between NYCHA and
15 DOT on sidewalk repairs, how does that go about?

16 JOHN RHEA: So quickly on Jobs Plus
17 thank you and we are not taking Jefferson houses
18 away to open the one in the Bronx.

19 COUNCIL MEMBER MARK-VIVERITO:
20 Thank you.

21 JOHN RHEA: And I do want to thank
22 the Bloomberg administration and CEO for investing
23 in the new Jobs Plus site they were opening in the
24 Bronx and we continue to talk about additional
25 locations.

COUNCIL MEMBER MARK-VIVERITO: And actually to touch on that, is NYCHA allocating any money for that or that's being paid strictly out of CEO and the administration.

JOHN RHEA: CEO is paying for the operation of the Jobs Plus sites.

COUNCIL MEMBER MARK-VIVERITO: The Jobs Plus sites, okay.

JOHN RHEA: But the coordination and much of the work is done with NYCHA staff and so we have to share that responsibility. In terms of the--I think there is some confusion around the nomenclature in the funding mechanism, but the bottom line is there is an existing formal understanding between DOT and NYCHA which is NYCHA is responsible for the sidewalks on the interiors of the developments and DOT is responsible for sidewalk repairs on the perimeter.

I think the \$1 million plus that you referenced to Commissioner Sadik-Khan is not money that we provide to them. What we provide to them is a list--it's our responsibility to put a list of priorities on the table with DOT, obviously like in any budget exercise and check

constraints, our priorities always add up to more than they can afford to fund in any budget year.

The numbers that we identify is somewhat around \$20 million of important needs on perimeter work and about a million dollars or so is spent annually on the perimeter work on NYCHA sidewalks. So--

COUNCIL MEMBER MARK-VIVERITO:

[interposing] That's by DOT?

JOHN RHEA: By DOT.

COUNCIL MEMBER MARK-VIVERITO: So that's part of their budget?

JOHN RHEA: Correct.

COUNCIL MEMBER MARK-VIVERITO: That they allocate for--?

JOHN RHEA: For NYCHA perimeters.

COUNCIL MEMBER MARK-VIVERITO: So they only get to one-twentieth of the need?

JOHN RHEA: Right, and again as in many of the issues around public housing, a lot of it is cumulative, if we could snap our fingers and fix all the 20 million, maybe the annual ongoing upkeep might be closer to 2 million or something like that, 1 or 2 million, but certainly there is

a lot of historical unmet need on the perimeters just like there is in the overall physical stock.

COUNCIL MEMBER MARK-VIVERITO:

Okay, well, we did ask and the Commissioner was willing to sit down to kind of really provide a thorough assessment about how they go about determining what sidewalks need repairs and all that, and I know that to the extent that there have been some cases where there has been such a severe neglect, in the Bronx in particular I've had to allocate capital monies for that.

JOHN RHEA: Correct, we appreciate that.

COUNCIL MEMBER MARK-VIVERITO: And clearly we believe in partnership but also we do believe this administration has a responsibility to the quality of life of our residents. So leaning into that question, when you talk about the \$11 million, you said \$31 million over a five-year period, \$11 million is being requested from us in this fiscal year. How have those conversations that I am assuming you have had with the Bloomberg administration about allocating that money on--from their side, how have they gone?

JOHN RHEA: So we made the exact same request to both parties and obviously we are looking for support from both the administration and from the City Council.

COUNCIL MEMBER MARK-VIVERITO: And what has been the response from the administration?

JOHN RHEA: Well the--as you know the administration has been very supportive of NYCHA in our current five-year budget we have over a hundred, a hundred and--

[off mic]

JOHN RHEA: Yes, we have over a hundred--in our five-year capital plan is over \$100 million that's been allocated from the administration, and so we are working very closely with them on the broader plan to preserve public housing and to really try to quantify the full kind of ticket of what that would be and to talk about where the priorities are from the administration and from the Council.

What we have identified is that there are two programs that we spend a lot of time with the Council on, and with our residents which

1
2 is safety and security and interior repairs and
3 even though we know that's only a small portion of
4 the overall need, they are programmatically
5 consistent with the overall plan. And so that's
6 why we focused on these two areas, and the--we
7 continue to have conversations with the
8 administration.

9 COUNCIL MEMBER MARK-VIVERITO:

10 Okay, well I'm hoping that they will step up, I
11 know that capital money is usually a lot easier to
12 provide for which is what the administration has
13 done and over the years we've provided expense
14 money, so I would hope that they would step up on
15 that end.

16 But just the last question touching
17 on what Council Member Jackson was raising, which
18 is this article that I also got forwarded, and I
19 heard your answer but it didn't really touch on
20 the issue, I mean the article specifically is
21 saying that inspectors are inspectors, and they
22 are inspecting NYCHA elevators, they are saying
23 that they are being forced to fake NYCHA elevator
24 inspections. That's exactly the crux of the
25 article.

1
2 So I heard your answer but that
3 doesn't speak to exactly what is being said, so
4 what has been done by NYCHA to find out or to
5 ensure, or to figure out that there is no faking
6 of inspections and that elevators that are really
7 unsafe, being put, kept online. So if you can
8 maybe address that, I'm assuming you have seen the
9 article.

10 JOHN RHEA: Absolutely, I have seen
11 the article, I'm just going to say two things.
12 First of all, our policy obviously does not
13 encourage, condone anyone to do anything other
14 than follow proper protocol and procedures which
15 is to identify the current status of our elevators
16 from a safety standpoint and a maintenance
17 standpoint. If there is someone who's been
18 identified to violate those policies and
19 procedures, they will be brought up on employee
20 disciplinary charges as it relates to--

21 COUNCIL MEMBER MARK-VIVERITO:
22 [interposing] Have any been found?

23 JOHN RHEA: As it relates to the
24 particular allegations that you are referring to,
25 I can't comment on it because it is, it is a point

of litigation.

COUNCIL MEMBER MARK-VIVERITO:

Okay, now would you say since in the past two or three years that there has been, would you say that there has been definite improvements in the way that inspections are done?

JOHN RHEA: Absolutely.

COUNCIL MEMBER MARK-VIVERITO:

Okay.

JOHN RHEA: And that's what I mentioned earlier to Council Member Jackson through the elevator maintenance initiative, we had a number of direct recommendations on how to improve our program, both in terms of physical investments we made in the elevators themselves as well as investing in people in training of our maintenance staff and hiring more elevator mechanics, creating elevator teams for the developments that have the top number of outages, and all of that has led to improvements.

COUNCIL MEMBER MARK-VIVERITO:

Okay, now the last thing I will just say is not budget related per se, maybe it is.

CHAIRPERSON RECCHIA: It's not.

COUNCIL MEMBER MARK-VIVERITO: But with regards to the Resident Commissioner, I know it's been--letters have been written but many of us encourage that that should be done through an election process, and that respect be given to that Resident Commissioner and in terms of the remuneration that's going to be given to that individual, so that is selected.

I'm hoping that we will get a positive response in the requests that have been made and that we can make some progress to that end. But--

JOHN RHEA: Okay, so we are very excited about the resident board member joining NYCHA in July and so that's something that I speak on behalf of the board on the authority. In terms of the recommendations that have been made by advocates and other supporters, I mean I think that you should be making that recommendation, which I know you are, to the sponsors and other legislation and NYCHA didn't create the legislation, NYCHA is only implementing legislation as is City Hall.

COUNCIL MEMBER MARK-VIVERITO: I'm

1
2 sure it was done with consultation with NYCHA, so
3 you can't say that you do not have any level of
4 involvement in the creation or writing up of that
5 legislation. I'm sure it was done in consultation
6 with the authority and as such the authority also
7 has the ability to influence and to advocate that
8 a resident commissioner go through an election
9 process, and I would hope that we could be in
10 partnership with you as Chair to ask for that to
11 happen. That would be the request that I have.

12 We will be having, and we are
13 having those conversations. So I appreciate it.
14 Well, thank you.

15 CHAIRPERSON RECCHIA: Any comment?

16 JOHN RHEA: Yes, well I feel very
17 strongly that we already have a very democratic
18 process for electing resident leadership through
19 tenant president election process, and their vice
20 president and treasurers and so on, through our
21 reps [phonetic] throughout citywide council--

22 COUNCIL MEMBER MARK-VIVERITO:

23 [interposing] But the appointment of the resident
24 commissioner as is stands, Chair, is done through
25 mayoral appointment, that is not a democratic

2 process, that is not an open process. That's what
3 we are talking about, it's how--

4 JOHN RHEA: So I'm saying don't
5 bring that up with me, take it up with people who
6 passed the legislation.

7 CHAIRPERSON RECCHIA: Right.
8 That's an Albany issue.

9 [off mic]

10 CHAIRPERSON RECCHIA: you know.
11 Okay, anything else Melisa?

12 COUNCIL MEMBER MARK-VIVERITO: No,
13 I'm good [phonetic].

14 CHAIRPERSON RECCHIA: You okay?

15 COUNCIL MEMBER MARK-VIVERITO: Yes.

16 CHAIRPERSON RECCHIA: Take a deep
17 breath, okay. Tish James is going to pass over
18 her time to Ruben Wills. Ruben Wills has to--
19 Ruben just thank Tish James.

20 COUNCIL MEMBER WILLS: Thank you
21 Tish James.

22 CHAIRPERSON RECCHIA: Okay. All
23 right, go ahead.

24 COUNCIL MEMBER WILLS: I appreciate
25 you coming down today, I come out of NYCHA complex

1
2 itself, Jamaican Queens Bridge to be mentioned and
3 Queens Bridge NYCHA itself, Jamaica, it has to be
4 mentioned.

5 Your staff has been incredible, as
6 soon as we called them they came down and they did
7 a walk through for some of the NYCHA complexes in
8 my district so I really appreciate that. I just
9 wanted to ask you a couple of quick questions and
10 then I will yield the rest of my time to Tish
11 James, Council Member James.

12 On page nine you said that the
13 contingency plan which includes a drastic
14 reduction in community programs, in the citywide
15 layoffs and renegotiation of contracts. Which
16 contracts would those--would fall onto that sphere
17 of renegotiation, which types of contracts?

18 JOHN RHEA: We'd have to look at
19 every contract, I mean as direct and as sincerely
20 as I can. We would have to look at every single
21 contract that NYCHA has.

22 COUNCIL MEMBER WILLS: Okay, the
23 next thing is it's not often that we get a chance
24 to do more compliments than going after
25 commissioners, but I would like to complement you

1
2 guys again on your REES program. It's going a
3 long way to make sure the residents, especially
4 the NYCHA residents in my district are becoming
5 employable. It has given them a lot more
6 confidence, and it just raises their self esteem
7 level dramatically. The \$31 million is going to
8 go towards the apartment maintenance, so that
9 speaks to the \$2,900 per apartment that you guys
10 found.

11 So and theoretically when the
12 people are, when the residents go through the
13 training program, if they're hired by the
14 contractors that are doing the work, is that,
15 would that be a cycle that is theoretically
16 possible? The money is given to you, the jobs are
17 contracted out to maintain the apartments and the
18 residents are hired by those contractors?

19 JOHN RHEA: That's correct, so
20 residents would benefit from the interior repair
21 work that we are doing in a couple of ways.
22 Number one, there is a training track that's
23 obviously both on the construction side but also
24 on maintenance aids. And so we are taking people
25 directly out of the graduates of the training

academy and bringing them to work into NYCHA right now on a number of maintenance-related situations.

With the \$31 million we would not only increase the repair work that we are doing with the existing NYCHA staff, but also through contracts, job order contracts and they would offer opportunities for our training graduates to participate as employed in employment opportunities.

COUNCIL MEMBER WILLS: I echo the sentiments of Council Member Brewer, I wish that this program would be expanded, I mean anything that I can do as an individual council member, you can count on my support to expand those programs. Thank you.

JOHN RHEA: Thank you.

CHAIRPERSON RECCHIA: I couldn't even [phonetic] recognize Council Member Tish James.

COUNCIL MEMBER JAMES: Stop. So let me--to join with Council Member Wills and thank you and your staff for all that you have done in the district that I represent. Ingersoll-Whitman, Farragut, Atlantic Terminal and Lafayette

Gardens, which is Council Member Vann, but nonetheless, they are close enough to me where they talk about you often. And so I just want to thank you and your staff for all that you have done.

JOHN RHEA: Thank you.

COUNCIL MEMBER JAMES: And I like the idea of a fully service complex, I like the idea that we have a number of health clinics, we have a number of senior programs, thank you for strengthening those, we have employment services, we have childcare services.

One thing that I have spoken to you in the past about is the ability to tap into perhaps Department of Education and the school construction funds to see if we could perhaps use some underutilized land in downtown Brooklyn to create an educational campus for children in public housing. Specifically focused obviously on boys, I mean again want to work your office to see that we--

CHAIRPERSON RECCHIA: [interposing]
We have plenty of property in Coney Island.

FEMALE VOICE: We are in downtown

2 Brooklyn right now, Mr. Chair, thank you very
3 much. Just Coney Island has its rides but with
4 downtown Brooklyn we are focused on education. So
5 in downtown Brooklyn, we--

6 CHAIRPERSON RECCHIA: We educate
7 our children so they get employment in the rides.

8 JOHN RHEA: Maybe just to stop a--

9 CHAIRPERSON RECCHIA: That's why I
10 have 340 some [phonetic] with jobs.

11 JOHN RHEA: Civil war here, we
12 already have a--

13 FEMALE VOICE: Mr. Chair and my
14 colleague, James, can we just get to the questions
15 please?

16 COUNCIL MEMBER JAMES: Sure.

17 FEMALE VOICE: Thank you.

18 COUNCIL MEMBER JAMES: So I guess
19 it's--I don't know what, I don't know, this is
20 obviously not the appropriate time but at some
21 point in time I know we have underutilized
22 property in downtown Brooklyn and I would love to
23 work with your staff in trying to come up with
24 some educational opportunities and education
25 campus in downtown Brooklyn.

1
2 JOHN RHEA: So I just want to say
3 one thing on this, as part of the plan to preserve
4 public housing we are looking at the land use
5 options, education is one of those options that we
6 are evaluating. We obviously have to do that in
7 concert with the DOE and SCA and actual operators
8 of schools, of academies. So we have a couple of
9 them in the pipeline right now that we are working
10 on, but we obviously would like to have an
11 opportunity to expand that, but we have to do that
12 in consultation and in partnership with the other
13 agencies.

14 COUNCIL MEMBER JAMES: Okay. So if
15 we could, I mean I'm a big fan of Eagle Academy,
16 and obviously I would love to bring them to the
17 table or any other schools. Laundromats, we have
18 a big issue in downtown Brooklyn in Laundromats
19 and I think there is an opportunity for some
20 additional revenues. What's the status of
21 Laundromats in NYCHA overall, are they--do they
22 operate, are they open, is there an independent
23 operator who manages those or who is--?

24 JOHN RHEA: Well, I--if we want to
25 get to really deep, granular detail on this I will

1
2 have to ask one of my colleagues to speak. But ,
3 in general, many years ago began removing laundry
4 facilities from many of our developments driven by
5 a range of things, first and foremost, driven by
6 the aging infrastructure and issues around
7 plumbing, sewer drainage, also issues around
8 lighting and safety and--

9 COUNCIL MEMBER JAMES: And water
10 bills I would imagine.

11 JOHN RHEA: And I was going to say
12 last around cost of actually, of utilities. And
13 so it was not a moneymaker, it wasn't even an
14 effort that broke even, but I have had
15 conversations with all the council members about
16 what kind of challenges this obviously presents to
17 certain residents, particularly elderly residents,
18 who many are either struggling to carry their
19 laundry to the Laundromat, pull it upstairs,
20 sidewalks that are not level, all the issues that
21 you would expect come out of that.

22 And we've recognized that at times
23 it has created some challenges for our residents
24 but that's one of the things we really need to
25 balance against the cost on the authority from an

operational standpoint and ensuring safety. It's a very difficult issue.

COUNCIL MEMBER JAMES: Yes, so are the facilities closed for the most part, most of them or?

JOHN RHEA: Some are still open, but many were closed.

COUNCIL MEMBER JAMES: Okay, okay, okay. The--when you talked about, when you talked earlier in your testimony you talked about mixed funding, are including in that perhaps some 202 funding for some senior housing, which is something that I'd be obviously interested in building some?

JOHN RHEA: So again, it's a complicated topic but the short answer is, 202 funding isn't available these days. Unfortunately HUD has not come out with "a new program" around senior housing funding. However, given the importance of creating senior housing for NYCHA which I have discussed with many of you before and it will be one of the centerpieces as we walk through the plan to preserve public housing, we have to look at other mechanisms to create senior

housing in the absence of the 202 funding. And so we are looking at mixed financing, tax credits, Section 8, a lot of other options.

We are in the process of doing a couple of senior developments right now in partnership, with the Palmer houses [phonetic] as an example. But we have to find additional mechanisms to generate new, the production of new senior housing.

COUNCIL MEMBER JAMES: Commercial real estate, you--in downtown Brooklyn in Myrtle Avenue you have a lot of commercial real estate, any--are we going to be revisiting any of those leases anytime soon?

JOHN RHEA: So as those leases come up, we actively, in many cases we've hired external real estate advisors to help us market our properties to ensure that we are getting market rents. We are looking at are there reasonable investments we can make to upgrade the facilities to get--charge high rents that will create the appropriate return for us and attract the kinds of services to the community, and again, as part of the plan to preserve public housing one

of the things we are looking at is how we can use market-based mechanisms like new market tax credits and other things to create investments in these commercial spaces to upgrade them dramatically.

And so we are looking at our commercial facilities to really maximize the revenue that's coming off of them and to create new commercial space as one of the options for our land use strategy as well.

COUNCIL MEMBER JAMES: Do you anticipate perhaps using any of your capital funds this year towards operating or?

JOHN RHEA: Yes, I mentioned in my formal testimony that unfortunately, although it's our long-term goal to completely eliminate the need to move dollars from capital operating in this fiscal '11 plan, we have moved \$11 million from capital operating which is an 85, 86% reduction over as high as \$76 million from capital operating just two years ago.

COUNCIL MEMBER JAMES: And this is a subject which belongs to the domain of Council Member Brewer, and that is bedbugs. Which

specific developments have the worst case of pest control problems specifically bedbugs in this system?

JOHN RHEA: I can't answer that either. I can tell you we made pest control a priority in this budget and throughout the five-year budget, we've allocated a couple million dollars specifically for incremental pest maintenance which is all about bedbugs, and we've obviously been working very closely with the Department of Health and with the City on best practices in eradicating bedbugs.

So we've put money against it, we've changed policies and procedures in working with third party organizations and we will be hiring residents in pest control which will not only help the NYCHA issue, but give them a marketable skill outside of NYCHA.

COUNCIL MEMBER JAMES: I know that we had a hearing in the past with regards to repair backups, with regards to repair orders, I think that's the phrase, specifically work orders, specifically painting. Where are we with regards to the number of orders from individuals who are

seeking to have their apartments painted [pause]
backlog.

[off mic]

JOHN RHEA: So again we'd be happy to have a separate meeting on this, but we have over 300,000 outstanding work orders. A substantial number of those work orders are painting-related, so it is as you know a big component of the backlog. The 31 million that we're here discussing today that NYCHA has already put into the budget and we're asking for a match on it, a substantial amount of those work orders that as I said would be targeted as priorities include a good portfolio of painting work.

So I'd be happy to go through the specific numbers with you but painting obviously is a substantial component of the historical work order backlog.

COUNCIL MEMBER JAMES: Okay, thank you Mr. Chair and again thank you for all your good work in downtown Brooklyn, look forward to working with you in the future.

JOHN RHEA: Thank you.

CHAIRPERSON RECCHIA: All right,

1
2 thank you. Before we call on the next Council
3 Member, I just want to jump in here and I have
4 some questions. Going through all the numbers in
5 your budget, you pay the NYPD approximately \$70
6 million a year?

7 JOHN RHEA: That's correct.

8 CHAIRPERSON RECCHIA: And what's
9 that for?

10 JOHN RHEA: So in 1995, there was a
11 Memorandum of Understanding signed between NYCHA,
12 the NYPD to merge the Housing Bureau, what was
13 then NYCHA's police force into the NYPD as the
14 Housing Bureau. At that time in the MOU a funding
15 stream was determined and that's what the \$70
16 million reflects.

17 CHAIRPERSON RECCHIA: Do you have a
18 copy of that MOU?

19 JOHN RHEA: We do.

20 CHAIRPERSON RECCHIA: We would like
21 to get a copy of that. Because that's a real big
22 issue, I think that is something that this City
23 Council would definitely look at because if
24 somebody owned the private apartment building the
25 police will go there without charging anything,

and we're going to examine that. Hold on.

The MOUs you have are with--you have MOUs with other agencies?

JOHN RHEA: We have a few smaller MOUs with other agencies, we do. We have an MOU for example, with HPD around how we would jointly work to produce new affordable housing, we have small MOUs with OPA and that obviously does all of our--so all of our payroll for example, is done through the CTN [phonetic], so that's an MOU that we have. All our pilot payments that we make through--

CHAIRPERSON RECCHIA: [interposing] Yeah, the pilot payments that's about--what's that, about 26,000--26 million, excuse me?

JOHN RHEA: No, that's--yeah, it's about 20 million a year.

CHAIRPERSON RECCHIA: Twenty million a year? Okay, if we can have a list and a copy of all those MOUs, I don't think they're that many, we'll really appreciate--you can send it to my attorney, Tanisha Edwards and she'll get it to me and to Rosie Mendez and to any other Council Member that wants to have it.

1
2 This is a great concern to this
3 Council, of why so much money is being paid to the
4 NYPD, \$70 million in a time when NYCHA is such--I
5 know you can't say anything, we could, but it's
6 problematic for us. And I'm just of the opinion
7 that it's something that this City Council will
8 definitely look into.

9 JOHN RHEA: What I would like to
10 say is that we are--as part of the plan to
11 preserve public housing we are very focused on
12 improving safety and security in public housing
13 and we know that we need to do that in partnership
14 with the NYPD.

15 CHAIRPERSON RECCHIA: And I'm not
16 saying that, and I agree with you 200%. I put
17 money for cameras on many of my housing
18 developments. But what I am saying is you have
19 this monster private housing out there that have
20 no affordability in them, with a police protect
21 and they don't pay a nickel, I have a problem with
22 that. Especially when we have 300,000 backup work
23 orders for people to get their apartments painted,
24 I have a problem with that, and I think this is
25 something we have to look into.

1
2 Maybe we just, for the next three
3 years, we amend it. So you do not have to pay
4 that with the understanding that 70 million could
5 go into catching up and getting all those
6 apartments painted and fixed so people could live
7 civilized in these apartments. I'm looking for
8 ways to help you to get this thing expedited,
9 because I have a large number of housing
10 developments in my district and it's a great
11 concern and I'm trying to work with you.

12 I've been looking over all these
13 budgets and just--some things are just mind
14 boggling. But I'm just telling you that's my
15 opinion and I'll be discussing this with my
16 colleagues.

17 Okay. Council Member Chin.

18 COUNCIL MEMBER CHIN: Thank you
19 Chairman, nice to see you.

20 JOHN RHEA: Good to see you too
21 Council Member.

22 COUNCIL MEMBER CHIN: On this
23 budget hearing, it's really great to see that--I
24 mean to hear the progress in terms of you taking
25 the leadership and looking at preserving public

housing. And I think that all the work that's going forward really need to have that goal in mind.

I have two questions, one is around the utility. I wanted to see if--are you getting supports or help from Con Ed or from NYSERDA to help you with conservation, because the utility cost is such a big ticket item, and you're talking about the last year the increase was 25 million. And I mean there's all these energy conservation fundings and Con Ed is advertising, so are they helping public housing?

JOHN RHEA: More can be done. We are very hopeful that we will get a energy performance contract that we've been negotiation now for a couple years with HUD approved and implemented. That is a--it's a big one, it's more than a couple hundred million dollars of potential investments in energy-saving initiatives that will improve our actual operating expenses fairly materially.

And having said that, there have been many other local initiatives at the State level and others that we want to continue to work

1 with the State to make sure that NYCHA is not
2 neglected. In this last budget round in the
3 State, NYCHA was cut dramatically when we were
4 taken to zero in terms of what we receive for our
5 ongoing--

6 [off mic]

7 JOHN RHEA: modernization funding.
8 And obviously one of our priorities for our
9 modernization funding is to upgrade and enhance
10 our energy efficiency.
11

12 So more can be done, needs to be
13 done in order to make sure that NYCHA is actually
14 included in the programmatic work at the State
15 level and the city level.

16 COUNCIL MEMBER CHIN: But also with
17 the private sector like with Con Ed in terms of
18 with the residents--

19 JOHN RHEA: Well the energy
20 performance contract for example that I described
21 we would be working jointly with private sector
22 entities to implement the energy performance
23 contract. One second.

24 [pause]

25 [off mic]

1
2 So NYSERDA's money, it was just
3 told me to my [phonetic] CFO, the NYSERDA money is
4 very formulaic, that deals with certain tariff
5 rebates and because we don't pay those specific
6 tariffs we're not eligible for NYSERDA money which
7 is why I said the programs need to be looked at if
8 we want to apply them to public housing.

9 COUNCIL MEMBER CHIN: Okay.

10 JOHN RHEA: But I--we are not
11 asleep on this, and we are advocating at the State
12 level, we're talking to both the energy companies
13 as well as HUD who obviously put the programs in
14 place on both the--on a national level to make
15 sure that there are some mechanisms. But we need
16 more work around this just given that 530 million
17 is a big, big line item for us.

18 COUNCIL MEMBER CHIN: So do you
19 have a target in terms of like a goal like how
20 much of a decrease you wanted to do every year in
21 terms of energy cost?

22 JOHN RHEA: Yes. First of all, the
23 goal is to stop the increases, and so we've been
24 successful at doing that. Roughly on an annual
25 basis we look to take 5% overall out but that's

net, so we're looking to take more out but the increases will offset that.

COUNCIL MEMBER CHIN: Okay, that's good to hear. The other question involving the capital request, I assume that you're talking about the 11 million is capital request for the-- to do the backlogs.

JOHN RHEA: No, the maintenance and repairs is operating, unless we can--

COUNCIL MEMBER CHIN: Operating, oh.

JOHN RHEA: unless there's a different interpretation. What is capital is the Layered Access Program on the CCTV and the doors and entryways, that's capital.

COUNCIL MEMBER CHIN: In that case, in that case you have to get it from the administration as an [phonetic] expense, it's going to be rough. But the other--relating to that is that the money that--because with the federalization program from the last hearing that we were at, you're making tremendous progress with the 21 development and the repairs, inspections are getting done and repairs are getting made.

1
2 So the money that you are
3 requesting, the 31 million that you put in and the
4 match that you're requesting, does those repair
5 include the ones in the 21 development or is it
6 all the other development?

7 JOHN RHEA: So a couple of things
8 because I've probably haven't done all the work
9 that the organization with your support has been
10 able to accomplish justice. But remember when I
11 arrived we were looking at \$150 million structural
12 deficit because of federalization and a lot of
13 hard work, we're looking at how do we plug a \$50-
14 \$60 million deficit, but there's still obviously
15 substantial additional investments we need to make
16 particularly around maintenance and repair.

17 The federalization and all those
18 programs have brought the deficit down. Having
19 said that, to answer your question directly, the
20 federalization program not only their capital work
21 on the exterior of the buildings but actually is
22 doing interior apartment work as well. And so
23 what we're requesting is money that is for the
24 non-recently federalized developments.

25 COUNCIL MEMBER CHIN: So the 10

million that you're anticipating from the federalization program that's delayed for a year, does that push back your repair?

JOHN RHEA: Again given that those are capital dollars, it pushes back our ability to do a major roof job or to upgrade an elevator, it doesn't have a direct impact on the money we can expend in maintenance and repair within apartments today. However, back to Congressman Jackson's comments about a stitch a time, when we don't receive sufficient capital support and you don't do the roof job, it ultimately leads to additional apartment maintenance and repair work that is needed later.

So the 5 billion, 6 billion of unmet capital needs are actually generating a lot of the problems that are going on in the interior of apartments. It's the roof leaking that creates the hole in Mrs. Smith's ceiling, and so by not putting the capital into the roof it creates repair and maintenance backlog issues that become exacerbated.

So when we sit down and go through the plan to preserve public housing in the fall,

one of the things we will share with the Council is how the backlog actually impacts our ongoing operating costs in a very negative way. And also how that number is only expanding on an annual basis as opposed to actually remaining flat or declining, and how that begins to have an asymmetrical impact on the growth in our operating cost.

COUNCIL MEMBER CHIN: Well I thank you and to all your staff for all the work that you're doing, and I also wanted to add that we will definitely work with you to make sure that the federal dollars are there. So and in terms of the lobbying effort and speaking to our senators, count on us to really help you with that.

JOHN RHEA: Thank you.

COUNCIL MEMBER CHIN: Thank you.

CHAIRPERSON RECCHIA: Thank you.

Okay, I'm not seeing any other Council Members. I know, calm down, only joking. Have a seat, okay. I recognize the wonderful Council Member from the Upper Westside, Gale Brewer. Let's give her a round of applause.

[off mic]

COUNCIL MEMBER BREWER: I have to say all nice things, oh God.

FEMALE VOICE: And my shero.

COUNCIL MEMBER BREWER: Thank you both Chairs for doing a great job and caring so much about NYCHA, everybody else too. Also thank you for the work with Lincoln Center. I was going by in a bus the other day up Amsterdam and former Amsterdam houses residents couldn't believe how green the development is and people are out there till 10 o'clock at night planting.

JOHN RHEA: Thank you.

COUNCIL MEMBER BREWER: So it's actually very exciting and of course the staff managed to get a text center into the Amsterdam community room. So that's all happening today actually.

CHAIRPERSON RECCHIA: If your district didn't have it then nobody else would have it.

COUNCIL MEMBER BREWER: Well we're working on it, it's an amazing text center and OATS and NYCHA are really responsible.

A couple of issues, one is the

1 legal--it's not a lot of money, but this whole
2 issue of trying to coordinate, I guess HRA's
3 services and NYCHA services so we don't end up
4 trying to evict people and there are other
5 possibilities, is that something that's ongoing
6 discussion because we do get a lot of calls. And
7 this is not a big budget but it is legal stuff,
8 evicting people who are perhaps in the HRA system
9 somewhere. It could be APS, it could be mental
10 health, all those things, and I just didn't know
11 if that's an ongoing discussion between the two
12 agencies.
13

14 JOHN RHEA: So there are two levels
15 of that discussion, one is agency to agency where
16 our Department of Social Services is working very
17 closely with HRA on more of a case management
18 basis--on an individual, right. But what is also
19 going at a much more programmatic and systemic
20 level is the work that City Hall is doing with
21 agencies like NYCHA and HRA and others called HHS
22 Connect. And that is obviously geared toward
23 making sure that we actually know where someone is
24 presenting and receiving services, or eligible for
25 services and they're getting all those services,

whether it's refunds from their taxes or whatever it is.

COUNCIL MEMBER BREWER: Benefits.

JOHN RHEA: Benefits that they're entitled to, and that that's being done in a coordinated fashion. And so that is going to be-- it already is producing dividends but long-term we think that's where the real upside comes from.

COUNCIL MEMBER BREWER: Because there are an awful lot of court efforts that are not necessary in court and then just adds up--it adds up.

JOHN RHEA: That's correct.

COUNCIL MEMBER BREWER: Number two, vacant apartments, I know you obviously have to have the 504s, are there--is the fact that you don't have the 35 million, 11 million per year, whatever it costs to do the M&L [phonetic] for those units, is that--get caught up because you don't have the repair money and therefore you end up with more vacancies, or do you think the vacancies are under control? In other words, you do always have to have your 504s, but turnover in a big [phonetic] apartment.

JOHN RHEA: Fundamental to the preservation plan is a reality that apartments that have long-term unmet maintenance needs are at risk of going off the rent roll, I want to be very clear on that. Which is why we're very focused on not only this initial repair program but figuring out how we solve the capital hole problem. And there are a number of developments as you know right now that are off the rent rolls, our goal is to bring them back online whether that be Randolph and Harlem or otherwise.

And so make no mistake about it, this 31 million that we're putting against these apartment repair needs, trying to find a plan for the 500 million hole on the apartment repair needs, are all about ensuring the apartments do not come off the rent roles from an interior issue.

But the companion issue is that the roofs and the elevators and that the brick work all be reinvested in as well. And so it's-- unfortunately it's not do one or the other, it's we need to do both.

COUNCIL MEMBER BREWER: No, I

1
2 understand that, just in the past some elected
3 officials go round and say there's a vacancy and
4 then they have a big report. So I'm just--you
5 need to keep making that so it's clear as to why
6 and it's an M&L issue, et cetera.

7 JOHN RHEA: Yes, so what I was--
8 when you say it's under control I don't like to
9 make statements that--

10 COUNCIL MEMBER BREWER:
11 [interposing] No, you're working on it, you're
12 working on it.

13 JOHN RHEA: But we're working on it
14 and for the plans that we have in terms of what is
15 the programmatic plan to rehab apartments, bring
16 them back to the rent rolls, major developments
17 for example like in Ingersoll and Whitman, they're
18 not only on track but we're ahead of schedule on
19 those and we're confident about how those
20 apartments are coming back on the rent rolls.

21 COUNCIL MEMBER BREWER: Okay.
22 Resident associations, thank goodness, get some
23 funding? Do they all spend it, in other words, is
24 that something that you work actively to be sure
25 that they spend whatever opportunities they have

for their--based on buildings I think per resident leader?

JOHN RHEA: Yeah, this is a concern for us. We work very closely with resident association leaders, some are more organized--

COUNCIL MEMBER BREWER: That I know.

JOHN RHEA: And therefore--

COUNCIL MEMBER BREWER:
[interposing] We get rid of the bad ones in my neighborhood and elect new ones.

JOHN RHEA: Even where we have dynamic leaders at times in terms of organizing and engaging people, they need capacity building in terms of their ability to manage the funding and to spend it on operational programs.

There's a \$16 million balance in the TPA fund account that we think obviously is not doing anyone any good by being in a bank account. And so we're working very closely with the Citywide Council Presidents right now to put together a funding program that moves that money out of the bank accounts into their hands.

But obviously at the same time we

1 don't want to just push it out and look back 12
2 months, 24 months from now and say that the money
3 wasn't used wisely and the programming and
4 planning wasn't well thought out. So we're
5 working with them on both issues.
6

7 COUNCIL MEMBER BREWER: And you'll
8 keep Council Member Mendez updated on that because
9 she will be a great person to participate in that
10 discussion.

11 JOHN RHEA: We will and we will do
12 that jointly with the Citywide Council Presidents,
13 it's on our joint agenda for the rest of 2011.

14 COUNCIL MEMBER BREWER: It's quite
15 a bit of money, it actually would take half of
16 your--

17 JOHN RHEA: Unfortunately, you
18 can't use it for that.

19 COUNCIL MEMBER BREWER: I know but
20 I'm just saying just look at the numbers, they are
21 huge. So--

22 JOHN RHEA: Well, they certainly
23 can go to a lot of governance and a lot of
24 investing in quality life.

25 COUNCIL MEMBER BREWER: Okay. Hub

1 [phonetic] review has a capital plan, I'm not sure
2 where it's at, and then Amsterdam has a lot of air
3 rights which sometimes make me nervous and
4 sometimes I think they're good to have. So I'm
5 just wondering if there's any update on either one
6 of them.
7

8 JOHN RHEA: Well Hub review there's
9 no update meaning there aren't any plans, and the
10 joint NYCHA, HPD pipeline.

11 COUNCIL MEMBER BREWER: So after a
12 while that just kind of disappears, right?

13 JOHN RHEA: Well, no, it's just
14 it's not--right, it's not funded in the pipeline,
15 right, and so--

16 COUNCIL MEMBER BREWER:
17 [interposing] That's a good thing, I'm happy about
18 that.

19 JOHN RHEA: We think air rights are
20 a fantastic thing, meaning it's an asset that the
21 authority needs to find a way to leverage and it's
22 part of again what we'll talk to you about in the
23 fall. The air rights in Amsterdam is something
24 that's being discussed. Is there a way to
25 monetize it, it will require quite a bit of

2 consultation with the Department of City Planning
3 around zoning issues in order to maximize it, but
4 that's probably the case for many of our air
5 rights where kind of transferring them directly in
6 a contiguous fashion through the zoning ordinates
7 is going to be very difficult.

8 COUNCIL MEMBER BREWER: All right,
9 you'll keep us updated in case there's a lot of
10 discussion going on. Okay.

11 JOHN RHEA: Yes, I will.

12 COUNCIL MEMBER BREWER: All right,
13 thank you very much.

14 JOHN RHEA: Thank you.

15 CHAIRPERSON RECCHIA: You've
16 finished?

17 COUNCIL MEMBER BREWER: I could go
18 on.

19 CHAIRPERSON RECCHIA: I know you
20 could.

21 COUNCIL MEMBER BREWER: Okay, thank
22 you.

23 CHAIRPERSON RECCHIA: All right, my
24 Co-chair has a lot more questions. Rosie Mendez.

25 CHAIRPERSON MENDEZ: Thank you. I

have a lot of questions, we'll see how much we can get through. Michael Kelly, General Manager, he's still in Pennsylvania?

JOHN RHEA: He is.

CHAIRPERSON MENDEZ: Is that still in--is his salary being projected in the budget, do we know when he's coming back or we're just going to keep him out there?

JOHN RHEA: So two things, number one, Michael Kelly's salary is being fully reimbursed by the Philadelphia Housing Authority while he is in Philadelphia.

CHAIRPERSON MENDEZ: That's a good thing.

JOHN RHEA: Secondly, the arrangement is for a minimum of six months with an option for an additional six months. We're close to the original six months being completed at which time we will have more information for the Council.

CHAIRPERSON MENDEZ: Great. Utility costs, I know Margaret asked a couple of questions I didn't hear but I might have missed it because I was going back and forth, how much of

that is reimbursed by the feds, your 531 million that goes toward utility expenses?

JOHN RHEA: The short answer to that is utilities aren't eligible reimbursable expense but obviously--

CHAIRPERSON MENDEZ: [interposing]
Utility is not?

JOHN RHEA: It is.

CHAIRPERSON MENDEZ: It is, I thought so.

CHAIRPERSON VACCA: But obviously with the proration that we get from the federal government, if we only get 80 cents on the dollar and 20 cents of it isn't reimbursed. Also the work that we're doing on the energy performance contract won't allow us to keep any savings that we can generate from investments in upgrading our facilities with higher efficient boilers and hot water heaters and so on to actually use for our operating expenses.

CHAIRPERSON MENDEZ: Okay, so this year you had a surplus from the unexpected funding from the feds. But can you detail for me exactly what actions NYCHA took for this budget and

including the amount of money that was transferred to capital, and specifically delineate the money that you're putting into your new initiative for safety and security, I think that's 534,000. What was that--what is that anticipated to be spent on and or how much of it has been spent?

JOHN RHEA: I'm sorry, apologies, but I'm not following the question.

CHAIRPERSON MENDEZ: Okay. You had a surplus this year, right?

JOHN RHEA: That is correct.

CHAIRPERSON MENDEZ: Okay, but you still transferred money from capital to operating.

JOHN RHEA: That is correct.

CHAIRPERSON MENDEZ: And that was 11 million.

JOHN RHEA: Right. So we had a \$42 million surplus that we transferred to this year-- so we started the year with roughly \$60 plus million hole. And the way we've been able to balance the budget and fill that hole this year is principally by two measures, \$42 million coming from the surplus from the prior year, and \$11 million that we're transferring from capital to

operating.

CHAIRPERSON MENDEZ: Okay, great.
That's how you plugged your hole. Okay.

JOHN RHEA: Correct.

CHAIRPERSON MENDEZ: Now for your
new initiatives, you have the 11 million that's
going into these repairs, and so any money that
you get from the Council that you've requested 11
for us to match. Any additional money you will
use with your 11 million toward those apartments,
correct?

JOHN RHEA: That is correct. That
money will go into a specific targeted, dedicated,
ring fence fund.

CHAIRPERSON MENDEZ: And then you
have allocated--it is--is it 41 for this project
over the next five years?

JOHN RHEA: Thirty-one.

CHAIRPERSON MENDEZ: Thirty-one,
okay. So then I'm assuming that gets revisited
every year whether you'll continue to do five
million per year--

JOHN RHEA: [interposing] That's
correct. I mean obviously the goal--there's a

down payment on what we would hope to be able to incrementally substantially add to, but right now in this plan the 31 million is what we're comfortable with.

CHAIRPERSON MENDEZ: Okay. You've allocated 534,000 for safety and security initiatives, what does that go to exactly?

JOHN RHEA: Oh yeah, okay. I was wondering why such a small number. That is a grant that we received directly from HUD and that we had to provide matching funds for. And so--

CHAIRPERSON MENDEZ: What did that go for?

JOHN RHEA: It's for the implementation--piloting of the Layered Access Program at Mott Haven. So we won that competitively from HUD when we made the proposal for the Layered Access Program.

CHAIRPERSON MENDEZ: Okay. Have you used any of your reserves in fiscal year 2010 or 2011?

JOHN RHEA: We have not.

CHAIRPERSON MENDEZ: No. Do you anticipate you will use it next year?

JOHN RHEA: We do not.

CHAIRPERSON MENDEZ: You do not,
okay.

JOHN RHEA: However--

CHAIRPERSON MENDEZ: Right, this 1
billion.

JOHN RHEA: Correct.

CHAIRPERSON MENDEZ: So explain
that to me, I mean how many authorities have a
huge surplus over what is required to be in their
reserves, and how is this going to affect NYCHA
specifically?

JOHN RHEA: So I'm going to ask
Felix Lam, the Chief Financial Officer to respond.

FELIX LAM: Thank you. What HUD
has proposed, unfortunately, is a budget request
to Congress that's a billion dollars short as you
know nationally. And the proposal that HUD has
put forward to fill that gap of a billion, and
everyone recognizes that there's a billion dollars
needed, including HUD, is--and HUD hasn't been
exactly totally clear with respect to the list of
housing authorities, but what they've communicated
to everyone in the industry--

FEMALE VOICE: I'm sorry, I don't think you've identified yourself for the record, could you just do that please?

FELIX LAM: Yes, Felix Lam, Deputy General Manager for Finance, New York City Housing Authority.

What HUD has said is that according to their calculations there's a considerable number of housing authorities have well in excess of six months of operating expenses in reserves. And what HUD is intending to do, is to target those housing authorities, take basically through subsidy reductions, force them to reduce their reserve balances so that those funds could be redistributed to other housing authorities in other parts of the country to keep them fully funded.

CHAIRPERSON MENDEZ: So those housing authorities which have good operating practices and have stashed away a lot of their reserves in excess of what's required by law are now going to be penalized?

FELIX LAM: Right. It's--I mean that is kind of the perversity of this thing is

1
2 that you have these--you have housing authorities
3 across the country who've done a very good job of
4 managing themselves, and have put aside funds in
5 order to create other opportunities.

6 In our federalization initiative
7 for instance, Citi Bank was comforted by the fact
8 that the housing authority does have some
9 reserves, and it enables other opportunities to
10 occur in terms of leveraging those reserves for
11 borrowings and other improvements at properties.
12 And it is unfortunate that HUD has targeted those
13 funds and really were the result of good
14 management practices.

15 JOHN RHEA: I just want to add one
16 thing that I thought--housing authorities were
17 following HUD's direction on what level of
18 reserves they should actually maintain. So HUD is
19 actually changing the rules in the middle of the
20 game to say if you've actually maintained adequate
21 reserves per our directions, now we're actually
22 going to go from a six-month to a two-month target
23 and we're going to recapture those reserves.

24 So quite frankly, it's not only
25 changing the rules but it's rewarding people who

1 did not follow HUD's stated practices.

2 CHAIRPERSON MENDEZ: How many
3 surplus months besides the two months that were
4 required does the housing authority have on hand?

5 FELIX LAM: Well, we have--we have
6 by HUD's calculations now, I'll share this with
7 you. HUD has--the way they've calculated it, HUD
8 would say that the New York City Housing Authority
9 has approximately \$800 million in reserves, which
10 for this housing authority equals about five
11 months.
12

13 However, when you take into
14 consideration, and this is the Public Housing
15 Program, when you take into consideration other
16 liabilities that the housing authority has which
17 is one if of the problems with HUD's approach is
18 that it's very, very shortsighted in terms of the
19 amount of monies that housing authorities may have
20 in the bank, but what they're not including in
21 their calculations is real obligations and
22 liabilities that the housing authority has.

23 Like for instance, in NYCHA's case,
24 NYCHA has general liability, workers'
25 compensation, claims that are outstanding that

1
2 they're not including that are a liability and
3 obligation that will come due, leave time for
4 especially as you know public sector employees is
5 an obligation of NYCHA as an employer. When you
6 consider those other liabilities that the housing
7 authority has, that reduces this housing
8 authority's reserve balance to in the order of
9 \$430 million which is about two and a half months
10 of operating expenses.

11 The other problem with the--

12 CHAIRPERSON MENDEZ: [interposing]
13 Which is how much?

14 FELIX LAM: Two and a half months.
15 The other difficulty with this proposal that HUD's
16 put forward is that it's so shortsighted that even
17 with the numbers I've shared with you today,
18 Councilwoman, that doesn't include the long-term
19 pension obligations that the housing authority has
20 that continue to go unfunded, and that
21 unfortunately HUD is not recognizing not only for
22 this housing authority but for all housing
23 authorities across the country.

24 CHAIRPERSON MENDEZ: Wow.

25 JOHN RHEA: It's a potential \$200

million tsunami for us.

[pause]

CHAIRPERSON MENDEZ: So if you recapture [pause] so if you are able to capture these reserve funds, how much would that be, you said it would be at least two and a half months that you are at risk of losing, and that would be the 200 million?

JOHN RHEA: Right, so HUD's target would be to take us to two months, so if they used their calculations we would be at risk of losing somewhere close to almost 400 million. I mean actually it would be--it's even worse than if they decide to take it out of the operating budget by prorating us which would be closer to 200 million, if they take it from our reserves we stand the risk of disproportionately funding the billion dollar shortfall that the administration is seeking from Congress.

So it's not a good outcome for NYCHA either way but it certainly could be disproportionately painful to us if they use this mechanism for recapturing reserves. Now we've been in conversations with them, we've been

identifying what their calculations are leading to versus things that we believe they haven't taken into consideration, but there's no color from them around which of our deducts that they would actually allow to make adjustments. So right now we just don't have a color and visibility into that.

CHAIRPERSON MENDEZ: And this year you were reimbursed by HUD at how much per dollar?

JOHN RHEA: A hundred and three percent.

CHAIRPERSON MENDEZ: And in the next fiscal year you will be reimbursed at how much?

JOHN RHEA: It's targeted at 100%. This--and when you say the next you mean 2011 or you mean 2012? If it's two thousand--I'm sorry go ahead, ask the question.

CHAIRPERSON MENDEZ: Well, it becomes a problem so that we're talking your fiscal year, we're talking HUD's fiscal year, tell me whichever you want.

[pause]

JOHN RHEA: Yeah right, so I'm

referring to NYCHA's calendar year which is our fiscal year. So in 2010 which was HUD's fiscal '11, right? Yeah, HUD's fiscal '11, we were--we received 103% which is what generated largely the \$42 million surplus, which we moved into our 2011 budget, okay.

We're currently now in HUD's--

[off mic]

JOHN RHEA: we're in their fiscal '11 right now, right, which we believe is between 95 and 100. The reason why we're saying we believe is we actually won't receive the actual award until sometime--it won't become known until July and we won't receive it obviously until October. So we believe it's between 95 and 100% based upon what's been directed.

What we are concerned about is the federal government's 2012 fiscal year which will then obviously be anywhere from 200 million to 400 million of a problem if they stick with their current proposals. We can--if helpful we can provide you with a breakdown. CHAIRPERSON MENDEZ: So the pension costs are a big part of your fiscal issues. Can you tell us what those costs were for

last year, this year, and what you anticipate it to be for next year?

JOHN RHEA: Just like with the rest of our public employee challenges around pension and other obligations, NYCHA's numbers have skyrocketed over the past decade. In 2002 we had roughly--

[off mic]

JOHN RHEA: right, a billion dollars of liabilities, they're now 107 billion.

CHAIRPERSON MENDEZ: A hundred and seven?

JOHN RHEA: I'm sorry, I'm sorry, no, no.

[off mic]

FELIX LAM: So pension costs for the housing--NYCHA belongs to--NYCHA, just as the City of New York does, we're a contributing employer, and pension costs have skyrocketed for the housing authority in two fundamental ways.

One is in terms of the actual expenses of the housing authority in real time. So in those terms, in terms of actual benefits' payments to retirees, in those terms pension costs

2 for the housing authority have grown over 1,000%
3 since 2002. In 2002, the housing authority
4 contributed \$8 million to the pension fund,
5 NYCHA's, in 2010 that expense for NYCHA was \$107
6 million. Now--

7 CHAIRPERSON MENDEZ: A hundred and
8 seven billion?

9 FELIX LAM: A hundred and seven
10 million.

11 CHAIRPERSON MENDEZ: Million?

12 FELIX LAM: A hundred and seven
13 million. Right. And so--yes.

14 CHAIRPERSON MENDEZ: In 2002 you
15 said 8 billion?

16 FELIX LAM: Eight million.

17 CHAIRPERSON MENDEZ: Million?

18 FELIX LAM: Yes, 8 million.

19 JOHN RHEA: Apologies, I misspoke
20 it was million with an 'M'.

21 CHAIRPERSON MENDEZ: Okay, thank
22 you. Now this makes sense, okay. Didn't seem
23 like it was 1,000% going up. Okay, okay. No.
24 Sorry Mr. Chair.

25 MALE VOICE: So just to give you a

complete picture of NYCHA's pension costs, in addition to the 107 million, right, that the housing authority spent in pensions in 2010, the housing authority also has--it's the same challenge faced by the City of New York, other post-employment benefit costs like healthcare, Medicare part B, Medicare part C for retirees. The housing authority has an unfunded liability in the long-term for those employees of \$2 billion that's unfunded. Now the City of New York as you may recall from your earlier budget hearings I think their number is about \$60 billion, NYCHA's is about \$2 billion for the same category of retirement expenses.

And that's part of the problem that housing authorities have when HUD is examining how much financial resources they really have, what they're not including in their equation is all these other liabilities that housing authorities have as local employers.

CHAIRPERSON MENDEZ: So what happens if they raid your reserves, how do you deal with these liabilities in the future?

MALE VOICE: NYCHA has to pay these

obligations one way or another. So the Chairman was mentioning earlier that should this reduction in subsidy occur, whether HUD wants to call it a reserve recapture or an operating subsidy reduction, either way it will be a dramatic cut to NYCHA. I think in the Chairman's testimony he mentioned that the authority would be forced to think about implementing a contingency program possibly that would result in dramatic service reductions in order to offset this kind of reduction coming out of NYCHA's operating reserves. It's clearly not a sustainable action over the long-term.

CHAIRPERSON MENDEZ: Can you tell me a little bit about the 300 million bond issue to do with Local Law 11 violations?

MALE VOICE: We have in our five-year capital plan we have projected that the housing authority would issue--make a \$300 million bond issue in 2012, and the proceeds of that bond sale would target Local Law 11 violations. Mixed in with that it wouldn't be 100% Local Law 11 because we would necessarily would want to do some roof work associated with that because it makes no

sense to repair bricks on the building if the roof is still leaking, and then to come back a few years later and fix the same bricks.

So the program would be--a small part of that program would be roof replacements, but a much larger part of that would be repairing bricks in order to comply with Local 11.

CHAIRPERSON MENDEZ: Okay, something that wasn't in your testimony that was mentioned at some point in one of our meetings was raising rents. So in past years to deal with your structural deficit, you've raised the base rent of certain apartments, those individuals were not at 30% and I understand you're looking to do the same thing again, is that correct?

JOHN RHEA: The short answer is in 2011 we don't have any rent increases in our budget. The more accurate answer though is that as part of the plan to preserve public housing, we are taking a very hard look at revenue opportunities including rent increases for residents who pay less than 30% of their income toward rent. And you should expect in October when we meet with you that in there would be a

substantial program to take those residents who are paying less than 30% of their income toward rent up.

CHAIRPERSON MENDEZ: What is the percentage of residents at this point that are not at 30%?

[off mic]

JOHN RHEA: About 50,000 households of 180,000.

CHAIRPERSON MENDEZ: And then that proposal would get implemented in the next--in your next fiscal year as their leases expire and they have to renew through their income affidavits?

JOHN RHEA: That's correct.

CHAIRPERSON MENDEZ: Okay. Thank you Mr. Chair.

CHAIRPERSON RECCHIA: Council Member Al Vann.

COUNCIL MEMBER VANN: Yes, thank you chairpersons, good afternoon Chairman.

JOHN RHEA: Good afternoon.

COUNCIL MEMBER VANN: Very briefly, city planning is undergoing the rezoning in

1 Bedford-Stuyvesant Community Board 3. We'd done
2 one half a couple of years ago, they're completing
3 the rezoning, if you will, the northern part of
4 Bed-Stuy Community Road 3. Within that rezoning
5 there are several housing developments, two that
6 are most--that I'm concerned with I think is
7 Tompkins and Sumner, and they're beginning to
8 complete that process.

10 It's my understanding that NYCHA
11 intends at some point in time or may put up
12 additional housing in either the parking lots or
13 some space that's available in some of the
14 Tompkins housings. It's unclear to me that you
15 can just do that on your own anyway, but I think
16 the crux of the matter is that at some point you
17 intend to have commercial space on the ground
18 floor and that's why the rezoning--you would have
19 to rezone to allow that to happen, I think that's
20 the situation.

21 You're familiar with this--are you
22 familiar with this and is this something that you
23 plan to do in the near future, next year, 5 years
24 from now, 10 years from now, do you have a
25 perspective on it?

1
2 JOHN RHEA: So we are having
3 conversations with the Department of City Planning
4 about a broader set of rezoning initiatives that
5 the city is undertaking, and to ensure that NYCHA
6 is at the table around those conversations. There
7 have been a number of rezonings in recent years
8 that took place that NYCHA didn't participate in
9 and quite frankly lost opportunities for both
10 NYCHA specifically to serve our residents better
11 with commercial opportunities as well as lost
12 revenue opportunity and lost amenities for the
13 city. And so we are committed to not allow that
14 happen in the future.

15 And so again, as part of the plan
16 to preserve public housing, major zoning
17 initiatives and land use actions are incorporated.
18 Tompkins and Sumner obviously because the Bedford-
19 Stuyvesant rezoning is taking place, we've been
20 more recently brought into the conversation.

21 What we want to get to with City
22 Planning and our broader partners, EDC being
23 another example of a partner around commercial
24 opportunities, is to ensure that that's being done
25 in a very thoughtful way, about all of NYCHA's

1
2 communities and that we can have conversations
3 with our residents early about the opportunities
4 that rezoning would create for redevelopment, both
5 residential redevelopment and construction of
6 affordable housing or other forms of housing, as
7 well as commercial. And as Council Member James
8 has mentioned, schools and other important
9 community benefits.

10 COUNCIL MEMBER VANN: Is such
11 redevelopment on--I don't know if this is NYCHA-
12 owned land or city-owned land, I don't know if it
13 makes a difference, require any other authority to
14 permit that redevelopment to occur, is there
15 something you can do as a right?

16 JOHN RHEA: So we do have as a
17 right developments, particularly as it relates to
18 housing, and in some places even commercial and
19 community within our existing as a right. To the
20 extent that we are looking to put commercial
21 overlays in places where we don't currently have
22 it and that does require either a broad-based
23 rezoning initiative like what's happening in--and
24 for NYCHA to be part of that initiative like in
25 Bedford-Stuyvesant or specific action through the

community board in a very targeted way.

So we are--preferably we'd like to do it in a much more holistic way, but there are going to be times when we would need to take a more targeted specific action at a development because there's not a broad-based rezoning action going on.

COUNCIL MEMBER VANN: So this doesn't suggest you necessarily have any plans or this just--in the event that you should do you want to have this available to you or do you plan to do additional housing with commercial overlay? Are there plans--

JOHN RHEA: I'm not going to comments--not because I'm keeping anything from you, I don't have the specific details on Tompkins and Sumner, what I'm saying very clearly is NYCHA absolutely plans to try to implement more commercial overlays in our developments where it makes sense. Because it has high economic benefit to the authority, because it allow us to provide certain benefits and services to residents and to the broader community, and we want to reintegrate NYCHA communities into the broader community,

1
2 which means we need to be not only in the
3 conversation around housing but also around the
4 overall plan for the neighborhood.

5 COUNCIL MEMBER VANN: The final
6 part to that inquiry [phonetic]. Should you
7 choose to redevelop housing within one of the
8 existing park and also [phonetic] of your NYCHA
9 development, is there a requirement that you
10 replace all or some of that parking capacity? Do
11 you know?

12 JOHN RHEA: If all of the current
13 parking is being used by public housing residents,
14 then we have requirements to replace it, obviously
15 there are ways to get waivers if appropriate. In
16 the cases where we don't have all of those parking
17 facilities being used currently today, we have
18 much more flexibility. And so we've actually done
19 developments where both of those scenarios are
20 realities and we've worked with residents to
21 either replace one for one the parking, or to
22 reduce the parking proportionately.

23 COUNCIL MEMBER VANN: Good. All
24 right, thank you.

25 JOHN RHEA: Thank you.

[pause]

CHAIRPERSON RECCHIA: Commissioner, you and I had this conversation about the rezoning and the perfect example is, had you been at the table in the rezoning of Coney Island, my housing developments could have maybe gotten a lot of things done that we needed to be done. But it's an experience that we--

JOHN RHEA: [interposing] We hope to help that [phonetic] not have happen in the future.

CHAIRPERSON RECCHIA: Right, because that was--as you know you have a lot of parking lots in Coney Island that I think could be better used in something, will be talking about in the future. And I'm encouraged by your going out there and looking at different housing developments and seeing if we could develop and bring in money and commercial overlays and look at the parking lots and working with that. Because I think you could benefit from especially in Coney Island.

But I appreciate you coming here today and taking these questions, I don't have any

other further questions. We'll be in touch with you and your staff and look forward to working with you. And especially that 300,000 backlog of housing units that needs repainting is really heartbreaking, something that really we're going to have to look into, to see how we can address that.

Co-chair, you have anything else you want to say?

CHAIRPERSON MENDEZ: Yes, Vice-Chair Yousseuf, what did you think your first hearing?

EMILY YOUSOUF: I thought it was very interesting and frankly I'm incredibly impressed with some of the questions and especially the detail coming from City Council, but I'm most impressed with the Chairman.

CHAIRPERSON RECCHIA: Don't mess with Rosie Mendez, that's what she learned.

CHAIRPERSON MENDEZ: Well it's a very important issue to many of us, so yes, my colleagues are all abreast of everything. So we look forward to continuing to work with you. Chairman, thank you so much.

JOHN RHEA: I appreciate your support.

CHAIRPERSON MENDEZ: Felix Lam, thank you for being here, everyone else who's out there from NYCHA, thank you for getting back--and as a matter of fact, there's a couple of things that I'm not sure if we got. We had requested on security so we'll just double-check what we did get and what we didn't get.

[off mic]

CHAIRPERSON MENDEZ: Great, thank you so much.

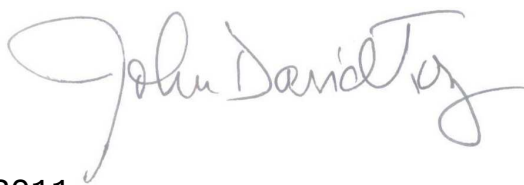
JOHN RHEA: Thank you.

CHAIRPERSON RECCHIA: I want to thank the Finance staff and the staff here for housing, Antonio Bredo [phonetic] and Tanisha and the entire Finance staff--

C E R T I F I C A T E

I, JOHN DAVID TONG 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

A handwritten signature in cursive script that reads "John David Tong". The signature is written in dark ink and is positioned to the right of the printed word "Signature".

Date June 29, 2011

C E R T I F I C A T E

I, Michael Mwangi 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 July 5, 2011