

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON PUBLIC HOUSING

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October 28, 2011
Start: 1:20 p.m.
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HELD AT: Council Chambers
City Hall

B E F O R E:
ROSIE MENDEZ
Speaker

COUNCIL MEMBERS:
Council Member Maria del Carmen
Arroyo
Council Member Gale A. Brewer
Council Member Margaret S. Chin
Council Member Letitia James
Council Member Melissa Mark-
Viverito
Council Member James G. Van Bramer

A P P E A R A N C E S [CONTINUED]

Rosie Mendez
Opening Statement
Chairperson
Committee on Public Housing

Council Member Mendez thanks:
Congresswoman Nadia Velasquez
Representatives of New York City Housing Authority

Nadia Vasquez
Congresswoman
12th Congressional District
United States Congress

Debra Ellen Glickstein
Director
Office of Resident Economic Empowerment and
Sustainability (REES)
New York City Housing Authority

Michelle Pinnock
Senior Advisor
Office of Resident Economic Empowerment and
Sustainability
New York City Housing Authority

Gordon Ashburg
Director
Budget Department
New York City Housing Authority

Written Testimony submitted by:
The Legal Aid Society
Urban Justice Center
Building Trades Employers Association

Victor Bach
Senior Housing Policy Analyst
Community Service Society

A P P E A R A N C E S [CONTINUED]

Ann Valdez
Leader
Community Voices Heard
Third generation resident
Gravesend Houses, Coney Island

Reginald Bowman
President
Citywide Council of Presidents
New York City Housing Authority Resident Associations

Evangeline Pugh
Speaking for Agnes Rivera, Board Member
Community Voices Heard
Wagner Houses

Charlene Nimmons
President
Wyckoff Gardens Resident Association
Vice Chair
Brooklyn West Council of Presidents
Executive Director
Public Housing Communities, Inc.

Shirley Jones
Member
Community Voices Heard
Amsterdam Houses

Roxanne Reed
Member
Community Voices Heard
Castle hill Houses
Former President
Tenant Association of Castle Hill Houses

Joseph Stevens
Member
Community Voices Heard
Castle Hill Houses

A P P E A R A N C E S [CONTINUED]

Chris Santori
Counsel to the Committee
Committee on Public Housing

Rosie Mendez thanks:
Laura Rogers, Counsel to the Committee

Benjamin Goodman
Policy Analyst
Committee on Public Housing

Called but did not testify:
Lincoln Restler
Managing Director
New York City Employment and Training Coalition

[Gavel banging]

CHAIRPERSON MENDEZ: Good

afternoon. This hearing has come to order. I am Councilwoman Rosie Mendez and I chair the Committee on Public Housing. Today's hearing will focus on the New York City Housing Authority's implementation of Section 3 of the Housing, Urban Development Act of 1968 commonly just referred to as Section 3.

Today 27% of NYCHA residents find themselves unemployed. Many lost their job as a result of the economic downturn. Others have been denied entry into the workforce because they lack the skills to compete for the jobs that remain available.

Section 3 of the 1968 Housing and Urban Development Act was created to ensure that employment and other economic opportunities generated by Federal financial assistance for housing and community development programs would, to the greatest extent feasible, be directed toward low and very low income persons. With 27% of NYCHA residents currently unemployed, the successful implementation of Section 3

requirements is as important today as it was when it was originally created over 40 years ago.

This Committee previously conducted a hearing on Section 3 in May of 2010 where the Authority announced a number of new resident employment initiatives such as the creation of the Resident Economic Opportunity and Sustainability Office, known as REES, which oversees NYCHA's Section 3 compliance and the formation of partnerships between NYCHA and not-for-profit economic empowerment institutions such as the Robin Hood Foundation.

Additionally when this Standing Committee was a sub-committee, it held three previous oversight hearings on this topic: one on June 17th, 2004; May 4th, 2005; October 1st, 2009. The 2004 and 2005 hearing were held with the then Chair Councilwoman Diana Reyna.

At today's hearing I hope the Authority will provide this Committee with an update on the progress of these initiatives and discuss any obstacles to implementation it has experienced. In addition to receiving an update on NYCHA's Section 3 initiatives, this Committee

1
2 also hopes to hear from the Authority about a
3 recent decision issued by HUD which determined
4 that the \$58 million to \$73 million paid to the
5 NYPD by NYCHA from 1994 until the present for
6 special police services must meet the Section 3
7 hiring requirements.

8 The Committee is eager to hear what
9 NYCHA has done to have the NYPD comply with
10 Section 3 requirements and what, if any,
11 opportunities this decision will create for NYCHA
12 residents in terms of jobs, training, and security
13 services that will be meaningful for all our
14 residents. Today the Committee will be hearing
15 from Congresswoman Nadia Velazquez, Representative
16 for the 12th Congressional District covering
17 Brooklyn, Manhattan and Queens. Congresswoman
18 Velazquez recently introduced legislation entitled
19 The Affordable Communities Empowerment Act that
20 would increase training and employment
21 opportunities for NYCHA and other Section 3-
22 eligible residents.

23 I would like to personally thank
24 the Congresswoman for appearing before this
25 Committee today to discuss her bill. And I look

1 forward to its passage in the near future. I
2 would also like to thank the NYCHA representatives
3 who are here today and for the residents and
4 advocates who will be testifying.

5 We've been joined by Committee
6 members Maria del Carmen Arroyo from the Bronx;
7 Margaret Chin from Manhattan; and Melissa Mark-
8 Viverito from Manhattan. And just a reminder to
9 everyone to fill out the little sheet if you plan
10 to testify with the Sergeant of Arms.

11 Congresswoman, thank you for being
12 here and whenever you're ready.

13 CONGRESSWOMAN NADIA VELAZQUEZ:

14 Thank you and good morning. Thank you Chairwoman
15 Mendez and members of the Committee for the
16 opportunity to come before your Committee today.
17 I would like to share my insight of the Section 3
18 program and how my recently introduced bill, The
19 Affordable Communities Employment Act, will seek
20 to fulfill the potential I see in it.

21 Practically, first, every community
22 in America has benefited from public housing,
23 affordable living, infrastructure improvements,
24 and public facilities supported by the United
25

1
2 States Department of Housing and Urban
3 Development, HUD. HUD's mission, however, does
4 not end with the bricks and mortar of affordable
5 housing. Instead the Agency strives to establish
6 economic opportunities and self-sufficiency for
7 residents of the communities it serves.

8 The Section 3 program is a major
9 part of that effort. Congress passed Section 3 to
10 ensure that low and very low income residents
11 benefit from those opportunities, thus multiplying
12 the effect of HUD's investment in local economies.
13 Today public housing residents have been one of
14 the hardest hit demographics of the economic
15 downturn. With an unemployment rate of 27% and
16 while there is a need for qualified workers to
17 repair and maintain public housing units,
18 accessing these job opportunities remain an uphill
19 battle for most tenants.

20 When it was enacted in 1968, the
21 Section 3 employment program was envisioned to
22 create tens of thousands of jobs in public housing
23 communities where unemployment and poverty rates
24 hover well about the national average. By giving
25 residents new avenues to employment, it was

1
2 thought whole communities could eventually achieve
3 economic independence. This is great in theory
4 but due to a number of factors, the program has
5 fallen far short of its lofty goals.

6 While NYCHA has made efforts over
7 the last few years to hire more Section 3
8 residents, it is too little, too late. NYCHA has
9 had over 40 years to meet the employment
10 requirements of the program but continues to fall
11 short of meeting this 30% required of them. NYCHA
12 cannot treat this like a check-the-box program.
13 People's livelihoods are at stake.

14 And Madam Chair, I just would like
15 to get your attention that when you do receive a
16 report from NYCHA we would like to be impressed by
17 the percentage of new residents that are
18 participating under Section 3, but I would like
19 for you to ask the question as to not the number
20 of hiring or hires, new hires, but tracking hours
21 worked by the new hires. If I come before you and
22 I tell you that we hire 20 workers that are
23 working just 2 hours a day or 4 hours, that is not
24 the intention of Section 3.

25 Under the current law, PHAs and

1
2 their contractors have spent years skirting the
3 hiring requirements due to vague, unenforceable
4 language. To prove we are serious about creating
5 jobs, this act removes this loophole and will hold
6 PHAs and contractors accountable. This change has
7 the potential to create over 1,000 new jobs for
8 public housing residents in New York City alone.
9 And let me just say that in numerous discussions
10 with tenant groups and economic empowerment
11 advocates, I have concluded that the Section 3
12 program has great potential but is held back not
13 only by its vague language but less than
14 enthusiastic implementation by PHAs like NYCHA.
15 In response, this is why I introduce the ACE Act
16 that is a comprehensive legislation that will put
17 teeth into the program.

18 Furthermore the program's emphasis,
19 and this is one of the shortcomings of the program
20 as it has been implemented by not only NYCHA but
21 other PHAs throughout the nation, their focus has
22 been on construction-related job training. And
23 the fact that it focused only on construction job
24 related jobs, summarily excludes the vast majority
25 of public housing residents from ever gaining the

1 skills they need to succeed. My bill will get
2 people off the sidelines and into training
3 programs for administrative, management, and other
4 support positions in their community.
5

6 As the ranking member of the House
7 Small Business Committee, promoting small business
8 success is one of my top priorities. That is why
9 for the first time the ACE Act will require HUD-
10 funded recipients to contract with small resident-
11 owned businesses who have a proven record of
12 hiring Section 3 residents. By awarding contracts
13 to these firms, jobs will be created beyond
14 outside the program, helping even more families
15 become economically independent.

16 Finally the ACE Act brings in a new
17 level of accountability to the program for both
18 HUD and PHAs. The Secretary of HUD will have
19 bolstered authority to sanction noncompliance
20 while HUD will need to report to Congress annually
21 on the effectiveness of the program. And for the
22 first time in an effort to encourage training and
23 hiring efforts that exceed the requirements of
24 this program the Secretary will be authorized to
25 award performance incentives to PHAs.

CHAIRPERSON MENDEZ: Thank you
Congresswoman. Congresswoman, NYCHA as compared
to other public housing authorities, do you know
how they're faring with the implementation of
Section 3 as opposed to the other housing

authorities in this country?

CONGRESSWOMAN VELAZQUEZ: No. And that is why this legislation is important. Because for the first time it will require the Secretary of HUD to present to Congress an annual report as to how well all the PHAs are achieving the requirements of Section 3. So basically there is no accountability and that is one of the elements that we are adding to Section 3.

CHAIRPERSON MENDEZ: Congresswoman, under your legislation, the Public Housing Authority itself would continue to implement Section 3, is that correct?

CONGRESSWOMAN VELAZQUEZ: Correct.

CHAIRPERSON MENDEZ: And does your legislation provide that HUD would be giving funding? Because one of the problems the Housing Authority has articulated is that it's an unfunded mandate. So it costs them about \$5 million a year to implement.

CONGRESSWOMAN VELAZQUEZ: Well there are, if every agency or local authority is going to use the unfunded mandate as an argument not to comply with the law, I don't know what is

1
2 going to happen. The law requires for them to
3 implement Section 3. And this is money that is
4 coming from the Federal government. This is money
5 that comes from taxpayers' money. And if they
6 implement Section 3 this is not only good for
7 residents who right now are unemployed and live in
8 NYCHA but the fact that they're going to have
9 unemployment, that is they're going to have job,
10 is going to also impact in a positive way the
11 bottom line of NYCHA.

12 As we all know every resident pays
13 no more than 30% of their income. If you are
14 unemployed and then all of a sudden you get a job,
15 your contribution in terms of rental is going to
16 be much higher, helping NYCHA at affecting their
17 bottom line.

18 CHAIRPERSON MENDEZ: Thank you.
19 Colleagues do you have any questions?

20 CONGRESSWOMAN VELAZQUEZ: But also
21 let me just add that what we are adding to this
22 legislation that wasn't there, that we didn't have
23 before in the program, is we're giving flexibility
24 and authority to the Secretary of HUD to provide
25 incentives for PHAs, those who are achieving those

goals, who are achieving the requirements of the 30% in new hiring, they could get more funding from HUD.

CHAIRPERSON MENDEZ: Excellent.

Thank you. Council Member Melissa Mark-Viverito?

COUNCIL MEMBER MARK-VIVERITO:

Thank you Madam Chair. Thank you for joining us Congresswoman and for this bill and also for your advocacy always on behalf of public housing residents, not only in New York City but in the country. If you could just delineate a little bit about is there mandated within your legislation that an actual training program be set up or is that just--

CONGRESSWOMAN VELAZQUEZ:

[Interposing] Yes, it is part of the Act.

COUNCIL MEMBER MARK-VIVERITO:

Could you speak a little bit to that 'cause I just wanted to get a little bit more info on how that would work.

CONGRESSWOMAN VELAZQUEZ: Well in

order for achieving the 30% of new hires, yeah, every PHA is required; it is advisable to have training in the different areas. And what

1
2 happened is that most of the money that comes from
3 the Federal government, from HUD, to NYCHA is
4 operating monies and monies that they could use
5 for capital improvements. And so the practice
6 has been to provide training in the area of
7 construction. And we are asking them to expand
8 that so that we could have a wider net.

9 COUNCIL MEMBER MARK-VIVERITO: And
10 we were here a couple of years ago, I remember you
11 were with Congresswoman Maxine Waters--

12 CONGRESSWOMAN VELAZQUEZ:
13 [Interposing] Yes.

14 COUNCIL MEMBER MARK-VIVERITO: --
15 talking about other legislation that you've
16 introduced about really training people in, I
17 think it was, home care opportunities.

18 CONGRESSWOMAN VELAZQUEZ: Yes.

19 COUNCIL MEMBER MARK-VIVERITO:
20 Public housing residents. So I mean this I could
21 see as to kind of complement or really kind of be
22 in tandem with the other efforts that you are
23 leading with regards to employment opportunities
24 for public housing residents.

25 CONGRESSWOMAN VELAZQUEZ: Yes.

1
2 What we are trying to do in a more comprehensive
3 way is to tackle the issue of unemployment among
4 public housing residents and very low income
5 communities. One area where we have seen that
6 there is a need is that we have an aging
7 population who lives in public housing and do not
8 have any type of supportive services. What we
9 want is to work with some of the unions, to be
10 able, and the State, to be able to provide home
11 care in public housing. And it's a pilot program.

12 COUNCIL MEMBER MARK-VIVERITO: And
13 considering the efforts of this City to really
14 consider New York City an age-friendly place, you
15 know, obviously I think that that leadership is
16 great and I would hope that it will be something
17 that is picked up not only by NYCHA but by the
18 City to make that a priority. So thank you for
19 those efforts. And thank you for your answers.

20 CHAIRPERSON MENDEZ: Congresswoman,
21 since we are lucky enough to have you here today,
22 can I ask you how the Super Committee might affect
23 this legislation and any funding for NYCHA or the
24 Public Housing Authorities?

25 CONGRESSWOMAN VELAZQUEZ: Well

that's what, the \$64,000 question.

CHAIRPERSON MENDEZ: Question?

CONGRESSWOMAN VELAZQUEZ: Yeah, whatever. It's an open question. And we don't know what is going to happen. We are optimistic that there is going to be a compromise among the 12 members who sit on the Super Committee. And basically everything is on the table. Our position, the Democratic members, is that we have to have... if we do not come to a resolution by November 23rd or December 23rd there is a trigger that will make it automatic, the deficit, savings of \$1.3 trillion. What we want to do is to spread that by asking not only for savings coming out of domestic programs but also revenues. And so our position is that revenue must be part of this negotiation.

Yesterday or the day before Senator Bacchus made the first step by presenting a proposal from Democrats and it was rejected by the Speaker of the House because he has revenue on it. I will tell you that if revenue is not part of that agreement there is going to be a lot of pain inflicted to many programs and many communities

1 who are struggling. And the fact of the matter is
2 that when we see what's going on with Wall Street
3 occupiers across the country and the Congressional
4 research report that came out showing the
5 disparity in terms of income in the last ten years
6 in this country, this is not the time to balance
7 the budget just on the back of poor people and the
8 most vulnerable in this country.
9

10 CHAIRPERSON MENDEZ: Thank you. So
11 once again I'll just ask my colleagues if there
12 are any questions. Congresswoman, thank you for
13 taking time out of your busy day--

14 CONGRESSWOMAN VELAZQUEZ:
15 [Interposing] Thank you.

16 CHAIRPERSON MENDEZ: --to come to
17 this hearing.

18 CONGRESSWOMAN VELAZQUEZ: Thank
19 you.

20 CHAIRPERSON MENDEZ: It's always a
21 pleasure to have you.

22 CONGRESSWOMAN VELAZQUEZ: Thank
23 you.

24 CHAIRPERSON MENDEZ: Thank you.

25 [Pause]

CHAIRPERSON MENDEZ: Now we will be hearing from the Housing Authority, Michelle Pinnock and Debra Ellen Glickstein.

[Pause]

CHAIRPERSON MENDEZ: And Sir, we will need you to fill out one of these if you end up giving testimony, okay? Great.

[Pause]

CHAIRPERSON MENDEZ: Whenever you're ready and if you could identify yourself for the record.

MS. DEBRA ELLEN GLICKSTEIN: Yes. Good afternoon, Debra Ellen Glickstein, New York City Housing Authority. Chairwoman Rosie Mendez, members of the Committee and to all members of the City Council, it is good to be with you and to have the opportunity to discuss the New York City Housing Authority's, NYCHA's, strategy to support our residents' economic empowerment as well as our Section 3 program.

As I said I am Debra Ellen Glickstein, NYCHA's Director for the Office of Resident Economic Empowerment and Sustainability otherwise known as REES. And joining me this

1 morning is my colleague Michelle Pinnock, Senior
2 Advisor of REES and Gordon Ashburg [phonetic],
3 Director of the Budget Department.
4

5 Since its inception public housing
6 has been more than simply a home to the families
7 who live there. By providing stable, affordable
8 homes to low and moderate income New Yorkers NYCHA
9 developments have often been an anchor for
10 neighborhoods during times of economic stress and
11 transition. Through programs the enrich
12 children's lives and services that support
13 individuals and families in need public housing as
14 been one of the central pillars of communities'
15 wellbeing and health. And as one of the largest
16 employers and neighborhood investors, utilizing
17 resources to maintain and repair its buildings and
18 providing space to community nonprofit
19 organizations and commercial retailers, Public
20 housing has been one of the principal drivers of
21 economic growth in New York City for decades.

22 Over time meeting the commitment to
23 provide more than just an affordable home has been
24 increasingly challenging. NYCHA is not alone in
25 facing this challenge. Housing Authorities across

1
2 the nation have been forced to make difficult
3 decisions as operating and capital budgets were
4 targeted for reductions year after year. Other
5 priorities including resident hiring received no
6 direct funding and Housing Authorities had to use
7 their own already diminished funds or seek support
8 from local officials.

9 Despite these challenges NYCHA has
10 continued to invest in resident economic
11 empowerment, including the Section 3 program,
12 already one of the most dynamic and far-reaching
13 Section 3 programs of any agency that receives
14 Federal housing subsidies, expanding the
15 Authority's long-term effort to increase career
16 training and asset-building opportunities for
17 residents of public housing and Section 8
18 participants alike.

19 We believe that by working together
20 we can do even more. Mayor Michael R. Bloomberg
21 made expanding workforce opportunities to the New
22 Yorkers NYCHA serves as an essential part of his
23 mandate to Chairman John B. Rhea. And under the
24 leadership of Chairman Rhea and the NYCHA Board,
25 resident economic empowerment received

unprecedented support and is a central component of NYCHA's vision for fostering strong, vibrant communities.

Today we would like to detail the Authority's new model for supporting resident economic opportunity including the work that NYCHA is doing to improve its Section 3 program. The Federally mandated Section 3 regulation is one of several tools for generating economic opportunities for public housing residents. Because the Department of Housing and Urban Development, HUD, mandates the program but does not fund the mandate, meeting the goals for Section 3 requires a substantial investment of NYCHA's operating funds each year.

According to our best estimate NYCHA operating budget could be reduced by an approximately \$135 million next year which will obviously pose a significant challenge to meeting the program's goals. As important are the drastic long-term reductions in NYCHA's capital program. Capital investment means direct job creation but since 2001 NYCHA has endured steady reductions to its capital budget. In 2012 the US House has

1
2 proposed reducing NYCHA's capital budget to \$205
3 million down from \$410 million in 2001 and down
4 from \$327 million last year.

5 Fortunately through leveraging the
6 power of partnerships we are achieving significant
7 results on behalf of our residents and as we hope
8 to make clear NYCHA's new approach better
9 positions the Authority to continue supporting
10 resident economic empowerment even in times of
11 dramatically reduced funding.

12 As you know what was previously
13 NYCHA's Office of Resident Employment Services was
14 traditionally the department that managed the
15 Authority's compliance with HUD's Section 3
16 guidelines and implementing NYCHA's strategy for
17 connecting residents to work. After conducting a
18 thorough review of the Department's outcomes,
19 services offered, and residents' needs, the NYCHA
20 Board outlined several goals to advance resident
21 economic opportunity including improving how we
22 adhere to Section 3.

23 Those goals included broadening
24 services to include asset building, financial
25 literacy, and business development; becoming more

flexible to meet local needs; efficiently using resources; developing strategic partnerships to access local resources; and implementing a model that is results-based and outcome-driven. In August of 2009 NYCHA formed REES to implement a strategy to expand economic opportunities to our residents in line with the Board's goals.

REES in collaboration with residents, partners, and other stakeholders spent 2010 redesigning the ways in which NYCHA can support residents to increase their income and assets. REES has already launched several cornerstone initiative as part of our new model including the NYCHA Resident Training Academy, the Financial Independence Today Initiative, and the planning and launch of the second City-sponsored Jobs Plus site. We are already seeing results. NYCHA's overall job placements have increased by more than 200% from 309 in 2008 to 662 in 2009 to 953 in 2010.

NYCHA recognizes that as important as it is to help more families achieve employment stability, NYCHA is not a workforce development agency. So recognizing this fact and

acknowledging the skill of other government and not-for-profit experts in the field, we have developed a strategy for how we can improve our efforts in this area as well as partner with organizations who can help us maximize NYCHA workforce investment in our residents.

This new strategy and model is designed to create more economic opportunities for NYCHA residents and NYCHA neighborhoods while strategically leveraging NYCHA's investment. Using existing resources it will provide a more comprehensive resident economic opportunity platform with additional capacity around financial literacy, asset building, adult training and education, and resident business development. It will enable NYCHA to be a better partner with residents, resident leaders, as well as community based organizations, government agencies, philanthropies, community colleges, schools, employers and other key stakeholders.

This is a transition for NYCHA from being a direct service provider to making the Authority a strong coordinator, facilitating greater access to services for public housing

1 residents, ultimately driving more resources and
2 investment into public housing neighborhoods.

3 This new model is based on NYCHA's assets,
4 including direct connection to more than 400,000
5 public housing residents and 235,000 Section 8
6 participants, significant property resources,
7 existing relationships with vendors, and policy-
8 making capability, and the recognition that NYCHA
9 is one stakeholder within a broader economic
10 development ecosystem.

11
12 This new approach recognizes that
13 different neighborhoods have different needs and
14 unique resources. It seeks to establish local,
15 place-based networks thereby enabling the
16 Authority to leverage local assets and increase
17 local capacity. Each zone will be managed by a
18 zone coordinator, a neighborhood-based NYCHA
19 employee who will use local knowledge to create
20 and manage economic opportunity networks.

21 NYCHA anticipates operating 15
22 zones citywide that will serve residents living in
23 approximately 14,000 public housing units. This
24 place-based approach allows NYCHA residents and
25 Section 8 participants to be served in place while

1 driving more resources and investment into public
2 housing neighborhoods and their surrounding
3 communities. This model will also facilitate
4 better coordination by using routine interactions
5 between NYCHA residents, resident leaders, and
6 local development staff to share relevant
7 information and to make smart referrals to service
8 providers. By building on existing relationships
9 NYCHA will create resident referrals that reflect
10 a strong match between resident's needs and local
11 partner service offerings.
12

13 My colleague Michelle Pinnock will
14 now discuss some concrete examples of how our new
15 approach is creating positive outcomes for
16 residents.

17 MS. MICHELLE PINNOCK: Thank you
18 Debra Ellen. And thank you Chairwoman Mendez and
19 your Committee members for inviting us to talk
20 about this very important NYCHA effort. I'll
21 begin with the NYCHA Resident Training Academy or
22 RTA.

23 RTA is a principal example of the
24 ways in which NYCHA can leverage its assets and
25 the power of public/private partnerships to

1 support residents to increase their income and
2 build assets. A partnership among NYCHA, Robin
3 Hood, and some of the best employment trainers in
4 New York City, the RTA offers a variety of
5 employment-linked training to assist trainees in
6 building technical and professional skills to best
7 position them for future careers.

8
9 Robin Hood invested \$750,000 to
10 support the RTA in its first year. This funding
11 supported 2 training tracks: janitorial services
12 and construction. Training was led by Brooklyn
13 Workforce Innovations, Nontraditional Employment
14 for Women, and Building Works. Qualified
15 graduates from the construction training track
16 received job placement assistance for jobs with
17 NYCHA contractors and at NYCHA in a variety of
18 construction positions. Qualified graduates for
19 the janitorial training track received job
20 placement assistance for jobs at NYCHA as
21 caretakers, both of which support our Section 3
22 compliance.

23 To date 138 NYCHA residents have
24 graduated across all training cycles in the first
25 year of the program. 89% of the graduates, 123,

1
2 have secured a job. 12 graduates, 32%, of the
3 construction training placements have been
4 accepted into labor unions including DC 9, the
5 Painters; Local 7, Laborers; Local 78, Asbestos
6 Handlers; Local 1, Bricklayers; and Local 3,
7 Electricians.

8 Based on the RTA's success, Robin
9 Hood and NYCHA have increased investment in the
10 initiative. Robin Hood is investing \$1.2 million
11 in the second year. The RTA will train 460
12 residents and expects to support 300 qualified
13 graduates in job placements.

14 In addition to the construction and
15 janitorial training track, the RTA will now
16 include pest control training. That will prepare
17 NYCHA residents for jobs at NYCHA as pest control
18 technicians and for careers in the private sector.
19 The training partners for this second year include
20 Brooklyn Workforce Innovations, Nontraditional
21 Employment for Women, again, City Tech, Center for
22 Family Life, and St. Nicks.

23 As you know Jobs Plus is a national
24 evidence-based program that saturates public
25 housing communities with customized employment

1
2 services, financial literacy resources, financial
3 incentives, and peer support to working-age
4 residents. New York City is currently home to 3
5 Jobs Plus sites, 2 of which are City sponsored:
6 Jefferson Houses Jobs Plus and Bronx Works Jobs
7 Plus. And NYCHA is looking forward to working
8 with the Center for Economic Opportunity and the
9 Human Resources Administration to launch up to 8
10 additional Jobs Plus sites over the next year.
11 The expansion of Jobs Plus sites throughout New
12 York City marks a key milestone in our approach to
13 better supporting its residents.

14 In addition to leveraging our
15 assets to ensure that NYCHA residents are taking
16 full advantage of high quality existing local
17 resources to reach their career and financial
18 goals, NYCHA is working with public and private
19 partners to identify gaps in service offerings and
20 develop strategies to attract additional high
21 quality and relevant resources and proven economic
22 opportunity models such as Jobs Plus into public
23 housing neighborhoods.

24 As we've mentioned, implementing
25 NYCHA's new economic platform involves broadening

1 support to residents beyond training and
2 employment. NYCHA is owed as much as \$20 million
3 in uncollected rent in any given month, a
4 significant source of stress on families as well
5 as needed revenue to help maintain ongoing
6 operations and programs.
7

8 In response REES launched the
9 Financial Independence Today, FIT, Program, an
10 innovative partnership with the East River
11 Development Alliance, ERDA, and the United Way of
12 New York City, to focus on increasing financial
13 stability for public housing residents,
14 particularly those facing rental arrears. The FIT
15 program is an example of the value that
16 partnerships between NYCHA and local community
17 based organizations bring to public housing
18 residents.

19 Over 1,000 residents in public
20 housing in western Queens have been served to date
21 through FIT interventions including one on one
22 counseling for residents, facing rental arrears,
23 non-rental arrears, long term counseling, tenant
24 advocacy services, comprehensive public benefits
25 screening and enrollment, financial education

workshops, and NYCHA rent payment at the ERDA Federal Credit Union. NYCHA is currently in discussions to formalize a partnership with another community based organization to provide similar services in Brownsville, New York.

One of NYCHA's assets is the creation of and access to jobs, either directly or through the agency's contractors. Section 3 is a provision within HUD's Act of 1968 which requires recipients of Federal housing assistance funding to generate to the greatest extent feasible job training, employment, and contracting opportunities for public housing and low income residents in connection with the Federal expenditures for operations, modernization and development. In order to demonstrate compliance the goal for Section 3 is that 30% of new hires be public housing or other low income residents.

To further strengthen Section 3 and to generate more employment opportunities, NYCHA has additional standards for contracts in excess of \$500,000, requiring that 15% of total labor costs be expended to hire NYCHA residents.

NYCHA has instituted several

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2 process, monitoring, and service enhancements to
3 create increased job placement and advancement
4 opportunities, including ongoing monitoring of
5 resident hiring by the Board before the award of
6 contracts; new tracking tools; diversification of
7 employment offerings; broader applicability of the
8 15% of labor cost requirement; agreements with a
9 few unions specifically created to increase access
10 for NYCHA residents; and greater collaboration
11 between REES, administering departments, and the
12 Law Department enforcing compliance including
13 issuance of warning letters, periodic compliance
14 meetings, and temporary withholding of funds.

15 Two additional areas of focus to
16 address historical employment challenges have been
17 developing a pool of qualified residents to meet
18 contractors' workforce needs through employment-
19 linked training such as the Resident Training
20 Academy. And establishing replacement support to
21 residents to foster employment continuity, given
22 the short term and seasonal nature of many Section
23 3 jobs.

24 We believe that there is more to be
25 done to optimize the power of the regulation and

1 we are proud to be going in the right direction.
2 The number of NYCHA Section 3 job placements has
3 expanded from 41 in 2008 to 265 in 2009 to 621
4 last year, an increase of over 1,400% in just 3
5 years. Last year contractors exceeded the 15% of
6 labor cost goal by 9%. And through rigorously
7 applying NYCHA's and HUD's standards, 82% of new
8 hires in 2010 by NYCHA contractors subject to
9 Section 3 were NYCHA residents, far exceeding
10 HUD's mandate of 30% of new hires.
11

12 In 2011 through September there
13 have been 704 hires facilitated with NYCHA
14 contractors, already surpassing the 2010 number of
15 placements. Additionally NYCHA has hired 901
16 residents directly, of which 198 were for full
17 time positions.

18 Over the next 4 to 6 months we will
19 be exploring additional ways to enhance monitoring
20 across the agency, develop mechanisms and test
21 models to foster contracting opportunities with
22 Section 3 business concerns and updating our
23 policies and procedures. NYCHA is committed to
24 making its already strong Section 3 program and
25 resident economic empowerment model even better

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2 but we can only do that if we work together with
3 our partners in government, nonprofit service, and
4 private philanthropy.

5 So NYCHA is working to increase
6 collaboration and integration between all City
7 agencies that touch workforce development
8 including the New York City Department of Small
9 Business Services, the Department of Youth and
10 Community Development, and the Human Resources
11 Administration. NYCHA is continuing to leverage
12 private funding from partners such as Robin Hood,
13 J.P. Morgan, and Goldman Sachs. NYCHA is in the
14 early stages of expanding its model to the private
15 sector, going beyond connecting residents and low
16 income New Yorkers to careers with the Authority
17 and with NYCHA contractors to connecting them to
18 careers with private sector contractors,
19 developers, and construction companies.

20 Just as NYCHA is committed to
21 supporting our residents to prepare for and find
22 work, the Authority is similarly focused on
23 supporting resident entrepreneurs to develop their
24 business. Our new approach will be particularly
25 helpful in assisting NYCHA to manage these

relationships, many of which are area specific.

Finally NYCHA is forming a broad coalition of partners, each of whose work focuses on empowering New Yorkers to improve their lives and their communities. Their work touches on education, like the City University of New York, who partners with the Authority to offer NYCHA Resident Scholarship Program. It focuses on personal development and strengthening families, like the partners of the NYCHA Fatherhood Initiative and the Mayor's Young Men's Initiative. Their work involves financial literacy, asset building, and community empowerment like the East River Development Alliance and Community Solutions and other partners such as Public Housing Communities and Green City Force.

Because NYCHA's coalition is so diverse the potential for partnerships with the Council and with agencies throughout the City to invest in this important work are equally broad. Section 3 is an important tool to increase public housing residents' employment opportunities. But in a challenging economic environment and in the face of reduced funding, meeting the goals of

1
2 Section 3 requires that NYCHA develop innovative
3 approaches, maximize existing funding and resource
4 networks, and create new partnerships with proven
5 service and training providers. We look forward
6 to working with the Council and with our partners
7 throughout New York to ensure that we continue
8 building upon the success we have already achieved
9 for the families of public housing. Thank you and
10 we look forward to your questions.

11 CHAIRPERSON MENDEZ: Thank you very
12 much. I'm a little disappointed there was nothing
13 here about the NYPD. But I'll get to that
14 eventually. I'm going to allow my colleagues to
15 go first 'cause I know there are multiple hearings
16 going on today. So Council Member Melissa Mark-
17 Viverito to be followed by Maria del Carmen
18 Arroyo.

19 COUNCIL MEMBER MARK-VIVERITO:
20 Thank you Madam Chair. Thank you for the
21 testimony. There's a lot of information here.
22 I'm actually happy to see how basically, you know,
23 NYCHA is really integrating itself within some of
24 the existing programs that are being afforded
25 through other agencies that really seek to empower

1
2 individuals. And obviously public housing
3 residents should benefit from all of that. So
4 it's great to see that level of integration with
5 DYCD or SBS or any other agency.

6 I have some specific questions
7 about the RTA and the Jobs Plus. Now the Resident
8 Training Academy, it's great that you're getting
9 this additional support from Robin Hood. And it
10 actually looks like you're almost doubling what it
11 is that they provided in the first year. So one,
12 what additional tracks are you looking at for
13 training? And two, whether the current demand,
14 you know, of many public housing residents who
15 want to come in to the RTA is exceeding your
16 current capacity. Can you speak to those two
17 things? And then I have questions on the Jobs
18 Plus front.

19 MS. GLICKSTEIN: Thank you for your
20 support. So for the second year of the training
21 academy we are expanding to one additional new
22 training track and that training track is a pest
23 control training track. And this is in large part
24 based on the operational needs of the Housing
25 Authority connected to the bedbug epidemic and

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really we're hearing--

COUNCIL MEMBER MARK-VIVERITO:

[Interposing] Rats.

MS. GLICKSTEIN: --from property
management--

COUNCIL MEMBER MARK-VIVERITO:

[Interposing] And rats.

MS. GLICKSTEIN: --that this is
what is really needed. So we were really excited
to be able to work with our partners to figuring
out, you know, a project that could meet that
need. You know this is the first time we're doing
it so we're going to see how it goes. We actually
have just recruited our first class. We have 23
people. I believe they are starting on Monday.
So we're really excited.

You know this is a very competitive
process to get into the training academy. I
believe in our first year, I want to make sure I
get the numbers right, we had over 1,300 people
took, you know, sort of the first part, I'm sorry,
actually for this year already to date we've had
1,300 people take the TA [phonetic] test which is
the first part in this training academy process to

1 fill, I think, it was 4 classes, 5 classes now
2 with this one starting. So those classes have
3 around 25 people in them. So it's difficult to
4 get in for reasons where, on purpose, because we
5 want people who really want to be in it, but then
6 for the pest control technician, for example, you
7 need to be able to operate at a certain level and
8 have sort of math and technical skills to start.
9 And so we see that as one of the ways to get in.

11 COUNCIL MEMBER MARK-VIVERITO: Well
12 one thing I would just, in terms of maybe a
13 recommendation, is in light of what has been
14 presented by NYCHA to us in the past about looking
15 at leveraging some of your under-utilized space
16 for development. And I know that there are points
17 of contention around that. But, you know, since
18 it appears that you're moving forward on that, you
19 know, obviously there are development
20 opportunities that are happening. Right?

21 You're engaging in these contracts
22 and you are building whether it's schools,
23 housing, et cetera. And each of those projects
24 and developments is bringing potential
25 opportunities to a particular development. And

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2 I'm talking about my community, for instance, we
3 have the one in Washington Houses.

4 So, you know, you've really, and I
5 know that there have kind of been conversations
6 along those lines but looking to have a commitment
7 that in those developments where you are
8 leveraging the under-utilized space, that you are
9 accommodating residents in those developments to
10 get into the academy, considering it's very
11 competitive, considering its capacity is limited,
12 that there is a commitment made to those
13 development community, you know, for those
14 opportunities. I think that that really needs to
15 be something that's in your planning. Is that
16 something that you have discussed internally?

17 MS. PINNOCK: Yes definitely, both
18 with the project that's being built in Washington
19 with Home RBI [phonetic], excuse me, as well as
20 with Home Children Zone at St. Nicholas Houses.
21 And really those are both two great examples of
22 how we're going beyond Section 3. Because of the
23 financing and funding, technically, it's not
24 subject to Section 3 but really one of the ways in
25 which we've really been phasing in and rolling out

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2 this new model is going beyond just the regulation
3 and looking at how we use our assets, how do we
4 use our property, and integrating it into both of
5 those programs.

6 For examples, opportunities are a
7 priority for young people to have kind of
8 preference into the schools but then also in terms
9 of our area, looking at employment opportunities
10 and other economic opportunities as well. And so,
11 again, utilizing leveraging our assets to create
12 really a community benefit.

13 COUNCIL MEMBER MARK-VIVERITO:

14 Okay. Thank you for that. And then just on the
15 Jobs Plus front, you talk about, and I have one of
16 them in my District in Jefferson Houses, and I'm
17 really glad to see that it's being replicated on
18 such a grand scale, looking at 6 additional sites
19 I think you said in the next year, or 8 sites.
20 Are all of these sites in public housing
21 developments?

22 MS. PINNOCK: No. We're in a
23 process, the ones that exist are both--we have
24 some like Jefferson Houses, that's actually in
25 NYCHA, on NYCHA property--

COUNCIL MEMBER MARK-VIVERITO:

[Interposing] Right.

MS. PINNOCK: --and then the other City-sponsored site that's operated by Bronx Works is not. But there was a requirement that the program had to be operated within, you know, a few blocks, a quarter mile of at least one of the developments that was being served. And so for the ones, the additional sites, we are looking at opportunities where we can use, again, NYCHA space as a way to really bring the services within our campuses.

COUNCIL MEMBER MARK-VIVERITO: Well I know that, because it is based on a national model, that was proven to be successful that's why it's been adopted here, but the Jobs Plus at Jefferson has been in place about two or three years already, could you speak to any of the milestones about how successful the program has been? I don't know how long the Bronx Works one has been in place but I know the Jefferson one, for instance, has three years already. So, you know, how do you measure the success of that program?

MS. GLICKSTEIN: Sure. The Jefferson program has been, I think, in existence for about a little over two years now. I believe today it's been, I'm going to just ballpark it, around 270 job placements. We think that's very good, you know, and that's serving the Jefferson Houses neighborhood. There are other sorts of metrics that are involved in sort of the evaluation of it but, you know, job placement is one of the big ones.

COUNCIL MEMBER MARK-VIVERITO: And are those figures of 270 included within the figures that you are indicating in your overall presentation or not necessarily?

MS. PINNOCK: Not necessarily.

MS. GLICKSTEIN: Yeah. Mm-hmm.

COUNCIL MEMBER MARK-VIVERITO: So those are 270--

MS. GLICKSTEIN: [Interposing] Yep.

COUNCIL MEMBER MARK-VIVERITO: -- Jefferson residents that have been placed in full-time employment based on their participation in Jobs Plus?

MS. GLICKSTEIN: Well I want to--I

mean I don't want to say 100% Jefferson residents-
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COUNCIL MEMBER MARK-VIVERITO:

[Interposing] Well--

MS. GLICKSTEIN: --and neighbor,
local residents with a focus on Jefferson Houses
residents--

COUNCIL MEMBER MARK-VIVERITO:

[Interposing] Okay.

MS. GLICKSTEIN: --but, yes, that's
the Jobs Plus program. We can get back to you to
confirm the exact number--

COUNCIL MEMBER MARK-VIVERITO:

[Interposing] Right, I'm just curious because
obviously you're, you know, it's being multiplied-
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MS. GLICKSTEIN: [Interposing]

Absolutely.

COUNCIL MEMBER MARK-VIVERITO: --

and replicated.

MS. GLICKSTEIN: Absolutely.

COUNCIL MEMBER MARK-VIVERITO: So

obviously there has to be some sort of success
that you are drawing from--

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MS. GLICKSTEIN: [Interposing] Oh absolutely.

COUNCIL MEMBER MARK-VIVERITO: -- right?

MS. GLICKSTEIN: Yeah.

COUNCIL MEMBER MARK-VIVERITO: To move forward and expand the program. So just--

MS. GLICKSTEIN: [Interposing] Sure.

COUNCIL MEMBER MARK-VIVERITO: --if you could share that with the Committee--

MS. GLICKSTEIN: [Interposing] Oh absolutely and I would just add that sort of in the national demonstration of that MDRC Social Policy Research Organization conducted of the original Jobs Plus sites in the 90's that there was actually proven 14%, actually 16% earnings increase that sustained for a 7-year period for the entire development.

So this is like a really big point that it wasn't actually just people, and again, New York City is different, this time that we're living in is very different, but it wasn't actually just for people who like walked into that

1 office and got a job through that program but then
2 they did, you know, a randomized sample study that
3 it was actually for people overall within that
4 development. So what that really speaks to is
5 this concept that's embedded in the Jobs Plus
6 model of community support for work and the idea
7 that if you invest resources and these are, you
8 know, these are significant resources, within one
9 neighborhood there can actually be lasting effects
10 over time.

12 COUNCIL MEMBER MARK-VIVERITO:

13 That's great. And the last thing I would just say
14 is that, you know, when you talk about the
15 financial literacy piece of it, you know, I do
16 appreciate I think that there is in doing
17 something like that, of providing services that
18 are demonstrated to be needed, you know, it's more
19 of a proactive versus punitive approach which I
20 think is important. It's really, again, providing
21 services according to the need. And that level of
22 pro-activity I think is something that is welcome
23 and I'm hoping that will continue moving forward.
24 Those are my questions for now. Thank you Madam
25 Chair. Thank you for your answers.

CHAIRPERSON MENDEZ: Thank you. I forgot to mention earlier that we were joined by the great Council Member from the West Side, Council Member Gale Brewer. And Maria del Carmen Arroyo.

[Pause]

COUNCIL MEMBER ARROYO: I think it'll work. I got it. Thank you Madam Chair although I'd like to mention you didn't introduce is as great Council Members.

[Chuckling]

CHAIRPERSON MENDEZ: When I forget to mention people I have to say they're great. Which you all are anyway.

COUNCIL MEMBER ARROYO: I'm not jealous. I'm not jealous. Good afternoon. Thank you for your testimony and thank you all for being here. This Committee usually draws such a nice crowd. Great interest.

The Robin Hood investment of \$750,000 in the first year and you mentioned it's about double, almost double, at \$1.2 million in the second year. Is this the only funding for the program for the Residents Training Academy or is

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NYCHA kicking in a percentage of it?

MS. GLICKSTEIN: That's the funding that Robin Hood provides to it. And NYCHA does some support through in-kind support. So given our existing infrastructure and staff we support some of the prescreening, we don't do the selection. And then we also help facilitate some of the job placement.

COUNCIL MEMBER ARROYO: So no dollars, just resources.

MS. GLICKSTEIN: Yeah.

COUNCIL MEMBER ARROYO: And what does it cost you? Have you priced that out? You should take credit for it.

MS. GLICKSTEIN: You're right [Chuckling]. Go ahead.

MS. PINNOCK: We can get back to the Council with the actual figure because it's complicated. The staff resources that are dedicated to it also provide a broader array of services, additionally, again, not necessarily funding but we also commit a number of jobs. And so through that, you know, we're paying wages, but it's fulfilling a need that NYCHA has on the

frontline. And so we can get back to the Council in terms of something more concrete.

COUNCIL MEMBER ARROYO: So are you counting the 138 residents that graduated through that program and then ended up in the various jobs that you mentioned towards the Title 3 number?

MS. PINNOCK: Yes.

COUNCIL MEMBER ARROYO: So it's embedded in the 900-and-so number that you referenced.

MS. PINNOCK: Mm-hmm.

COUNCIL MEMBER ARROYO: Over the last few years that NYCHA has been able to accomplish?

MS. PINNOCK: Yes. It's embedded in both numbers. And we really separate out the numbers because, again, Section 3 supports or really mandates, requires that where Federal funding, HUD funding, is used not just for capital and modernization but also operations. And so operations is, you know, our core business. So when NYCHA hires residents, that's also fulfilling Section 3.

And so in those instances where

academy graduates were hired by NYCHA, yes, that is part of the 900 but then also for the number of residents that have completed the construction track that are hired by our contractors, you will see that number in those numbers as well.

COUNCIL MEMBER ARROYO: Now do you track, I know you're not a workforce development agency and we, I think, don't expect you to be, we want you to manage your housing really, really well. What's the period of time that folks are employed? Do you track how long they're employed? And once they end up, hopefully in very long-term employment opportunities do they remain your residents?

MS. PINNOCK: So it really varies because the nature of the placement and the employment opportunities vary. So we have some that are very, you know, short term, kind of given the nature and seasonality of construction. So it can be, you know, a week but then we also have others that have been employed for over a year. So we do track it but it's such a broad spectrum because, again, the interests of residents, the needs, it really varies.

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2 So whether it's a laborer who is
3 working a week or somebody who is clerical that
4 we've been able to assist in something that's long
5 term or a NYCHA caretaker who may have worked with
6 NYCHA for several years, you know, is very broad
7 but we do track it.

8 COUNCIL MEMBER ARROYO: So one of
9 the things I would like to see since you're
10 touting such success and you use the number 1,400%

11 MS. PINNOCK: Mm-hmm.

12 COUNCIL MEMBER ARROYO: Right? And
13 that sound very impressive. Number of people that
14 are hired, how long are they working and what are
15 they making? That's something I would certainly
16 like the Committee to receive because numbers are
17 numbers and can mean nothing if there is no real
18 substantial evidence that we should be celebrating
19 900 or so residents are being hired but if they're
20 only working a week and only, you know, ending
21 back up on unemployment, those kinds of revolving
22 issues in their lives continue. Then we really do
23 need to examine it. So I congratulate you on the
24 1,400% increase but it really doesn't mean
25 anything to me if we're not really changing the

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lives of people.

MS. PINNOCK: Mm-hmm. And I believe in many ways we are changing lives of people but by no means are we trying to say kind of job done, you know, that we've accomplished that--

COUNCIL MEMBER ARROYO: [Interposing] I know. And I'm not trying to put you on the spot, you know--

MS. PINNOCK: --again, this is--no, I understand.

COUNCIL MEMBER ARROYO: --because I think, you know, in my mind what you do and what we do has to be done in partnership--

MS. PINNOCK: [Interposing] Oh definitely.

COUNCIL MEMBER ARROYO: --and I'm not trying to put you on the spot.

MS. PINNOCK: Mm-hmm.

COUNCIL MEMBER ARROYO: But it's important for us to understand the nuances of this before we celebrate--

MS. PINNOCK: [Interposing] Mm-hmm. Absolutely. Understood.

1 COUNCIL MEMBER ARROYO: --the
2 numbers. And I'm just going to leave it there.
3 On the Financial Independence Today section of
4 your testimony, from the Bronx, you only mentioned
5 Queens, what's the story?
6

7 MS. PINNOCK: I'm sorry. I'm
8 sorry, do you mind repeating 'cause?

9 COUNCIL MEMBER ARROYO: I said on
10 the Financial Independence Today section of your
11 testimony--

12 MS. PINNOCK: [Interposing] Yes.

13 COUNCIL MEMBER ARROYO: I'm from
14 the Bronx.

15 MS. PINNOCK: Mm-hmm.

16 COUNCIL MEMBER ARROYO: You
17 mentioned only Queens.

18 MS. PINNOCK: Mm-hmm.

19 COUNCIL MEMBER ARROYO: What's the
20 story?

21 MS. PINNOCK: Oh. Because it's a
22 pilot initiative. So it's a 2-year initiative
23 that's supported by United Way. And we looked at
24 Queens because we want to look at our rent
25 delinquency. And we also wanted to test it in an

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2 area where we could measure and see the impact of
3 approaching supporting families in rental arrears.

4 And so in Queens, for example, in
5 the five developments that the pilot focuses on,
6 we were seeing rental delinquency rates as high as
7 like 18%, 19% where our citywide average is about
8 14%. And so one, we looked at kind of data but
9 also the purpose of the program is supposed to be
10 program to policy, and again learning lessons and
11 things that we can replicate. So it's just the
12 initial phase, it's just the pilot--

13 COUNCIL MEMBER ARROYO:

14 [Interposing] You know I appreciate that--

15 MS. PINNOCK: --Mm-hmm.

16 COUNCIL MEMBER ARROYO: --I just,
17 you know, am happy to hear that the Bronx is not
18 leading in some statistic across the City because
19 that seems to be very consistent on other issues.
20 So thank you for that explanation. Do you plan to
21 go citywide with the initiative and when?

22 MS. GLICKSTEIN: Well actually I'll
23 let Michelle address that part of the question but
24 I did want to say that for the Jobs Plus site that
25 is operating at Bronx Works that there is a

1 Financial Literacy and Asset Building component
2 that's part of the Financial Empowerment Center
3 network which is really exciting because this is
4 different, unfortunately Jefferson Houses doesn't
5 have that there and so this is sort of an added
6 component and we're hoping to also model that out
7 a little bit and also take the learnings from the
8 FIT program there. And then I'll let Michelle
9 address the other thing.
10

11 COUNCIL MEMBER ARROYO: You know,
12 something that I want to focus a little bit on is,
13 so you... financial independence or financial
14 literacy, do you get to the point where you can
15 identify the reason for the arrears? And what
16 triggers put families in this category? And what
17 is done about helping them move themselves out of
18 the practice or the reality of whatever put them
19 on that list in the first place?

20 MS. PINNOCK: And so, yes, we are
21 gathering information, really it's our partner in
22 this initiative that's gathering information. And
23 so some of the things that we ask are really
24 between the partner and our management staff, you
25 know, kind of the reasons why people are falling

3 And so really it runs the gamut.
4 But at times it could be lost of employment. It
5 could be a one time emergency, family emergency.
6 And so really this approach and the reason why we
7 were so interested in launching it, it deals with
8 the issue in a more comprehensive way and a way to
9 really hopefully change long-term impact and
10 behavior versus, you know, NYCHA is just kind of
11 saying pay your rent.

17 But if I may, Councilwoman, I don't
18 want to completely leave what you asked before
19 because you asked about wages. And so, again,
20 that is something that we track. So in 2010 for
21 the Section 3 placements, average wages were over
22 \$32 an hour. In terms of our overall program,
23 beyond Section 3, it's a little lower, about \$26
24 an hour. And in terms of average length of
25 placement, it's about 150 days.

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2 And so that's a little bit less
3 than 6 months but, again, that's why I said it's
4 kind of not really representative of the full,
5 because there is such a wide range. But again
6 these are some of the things that we've put in
7 place and that's why I really want to get it in
8 there in terms of, you know, doing better tracking
9 and better understanding of who we serve and then
10 how can we meet, you know, future need.

11 COUNCIL MEMBER ARROYO: I think we
12 also need to understand the capacity that NYCHA
13 has for the number of individuals that can be
14 identified and benefit from the Title 3 program.
15 And I don't think you have the answer for that
16 today but I think that's something that we, you
17 know, what's the capacity for NYCHA? Forget 30%.
18 I don't want to hear 30%. How much can you do
19 beyond that? And I think that that's what this
20 hearing seeks to kind of tease out. Thank you
21 Madam Chair.

22 CHAIRPERSON MENDEZ: Just for the
23 record that was Maria del Carmen Arroyo, the great
24 Council Member from the great Borough of the
25 Bronx.

[Chuckling]

CHAIRPERSON MENDEZ: Council Member Chin?

COUNCIL MEMBER CHIN: Thank you Madam Chair. Good afternoon and thank you for your testimony. I also agree with Council Member Arroyo that we are very interested in the tracking. The fact that from your testimony that NYCHA is doing well and the percentage of placement and jobs are great. I mean compared to other job placement programs, man, you guys are really up there.

And you're not a workforce agency. So I think those lessons really need to be shared and learned especially how can we... earlier the Congresswoman talked about the percentage of unemployed residents that are living in NYCHA developments, about 27%. So how are the unemployed residents being targeted for these kinds of job training programs? Like how do you get the word out to people who are unemployed?

MS. GLICKSTEIN: We get the word out in a variety of ways. And it's through, you know, email, fliers under the door, fliers at the

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2 management offices, the NYCHA newsletter,
3 hopefully other partners, resident leadership, you
4 know, sort of as many mechanisms that we can think
5 of we do.

6 And I know, I believe, we actually
7 talked about this the last time that we were here.
8 I just want to make a point that NYCHA, we're
9 really going through a transition. It's a point
10 that we're proud of. I mean this is really
11 difficult work. I think everyone in this room
12 would agree that the economy, what we're doing,
13 this is a very difficult time for NYCHA
14 neighborhoods.

15 And so, you know, we came into a
16 situation two years ago with the creation of this
17 new office and we really analyzed well what was
18 NYCHA doing, what should the Housing Authority's
19 role be within this work, given sort of our
20 capabilities, the resources that we have, and we
21 talked about sort of the funding, the significant
22 funding constraints.

23 And so after putting a lot of
24 effort and thought into the analysis, given, you
25 know, the best we could, you know, we really came

1
2 up with a new model. So we're really undergoing,
3 I want to underscore this transition period that
4 we're going under and, you know, we're very proud
5 of these numbers but the numbers don't, as always,
6 don't always, as you pointed out, don't always
7 tell the full story.

8 We're moving away from doing a
9 direct service. Where in the past we had NYCHA
10 residents come and I know there are many people in
11 this room who can really speak to this, come to a
12 centralized for the most part location, you know,
13 given the team that was there with the resources
14 that they had, they did a, you know, light
15 assessment and that was, again, and you see the
16 numbers, I mean there's tremendous needs, the
17 number before was 27%, this is very, very serious
18 business.

19 We have a \$5 million budget for the
20 work that we're doing. And so we're moving now,
21 again as I mentioned in the testimony, towards
22 more of a service coordination because it's our
23 hypothesis that we're going to be able to do
24 better with more of a hybrid approach, right. So
25 that we're going to be able to really understand

1
2 your neighborhood in the South Bronx or, you know,
3 the Upper West Side or whatever to really
4 understand so what are the best mechanisms in
5 order to get the word out within this development.

6 What is happening across the
7 street? What is the quality service provider that
8 is doing work for us across the street? What's
9 the quality of the education provider there? And
10 so that we can actually have someone supporting
11 targeted residents and really when I say the right
12 residents, a resident that is, you know, a good
13 fit for a Workforce1 Center may not be the same
14 resident that's a good for our training academy.

15 And all that really matters and all
16 that we really hope and we use the data to our
17 best, you know, how good the data is and to the
18 best of our ability, to really look at that data
19 and say in the future, we can do better. So I
20 want to say, yeah, that's how we're doing it now.
21 It's a transition. We really hope to meet with
22 each of you as we roll out this new model as it is
23 very local and specific.

24 COUNCIL MEMBER CHIN: Yeah I'm
25 looking forward to that because I know that

1
2 talking with resident leaders, tenant
3 associations, I mean that's the number one issue
4 on the top of the list is how do we help people
5 get jobs, especially a lot of young people.

6 And when I hear that your training
7 academy, I mean you have such a long waiting list,
8 I mean so many people apply for the slots that
9 that, I mean, that needs to get out that we have
10 to find more resources to do that. And if people
11 are willing to come into a training program and
12 take the tests, it means that that's the first
13 major step they've taken. And to be turned away?
14 I mean that's pretty sad.

15 So I think that we really need to
16 look at how can we increase the resources so that
17 we can bring these people who are willing to come
18 into a training program 'cause they feel that--I
19 mean the job, you know, you're talking about, the
20 average wage, I mean this is better than any jobs
21 that normal people can get. It's way above
22 minimum wage. So it really represents good-paying
23 jobs.

24 MS. GLICKSTEIN: And to the
25 Congresswoman's point before, I mean we are also

1
2 not only looking at how we can get more resources
3 for existing training program, I know we've talked
4 a lot with Council Member Brewer about this, but
5 really what are the other training programs that
6 are for the other areas that we haven't looked at
7 yet.

8 And the first one that comes to
9 mind is for, you know, our new investment with the
10 Safety and Security Task Force and how we can look
11 at, you know, using the dollars I believe the City
12 Council has also provided to then do cable
13 installation training and do that. So we're
14 really excited about that. We look forward to
15 working it out.

16 COUNCIL MEMBER CHIN: Yeah, I mean
17 the one last point is that I mean NYCHA can
18 provide so many types of jobs based on all the
19 developments and programs that you have. I mean
20 just on, not just on security, because we're all,
21 you know, putting money in for security cameras,
22 so how do you maintain that. But the repair. I
23 mean all the backlogs in the repair, if we can
24 train enough residents that are good at doing
25 repairs, imagine the maintenance will be so much

1
2 better.

3 And so those are the kinds of jobs.
4 And also connecting to the training institute
5 already in our community, the workforce group, the
6 language assistance, because one of the concerns I
7 have is how are you also dealing with residents
8 who are immigrant who have language, you know,
9 needs. And how to connect those residents to
10 programs that could help them improve their
11 language skills so then they can take part in some
12 of the training programs and job trainings.

13 MS. PINNOCK: Yes, Councilwoman,
14 that is really exactly, when we talked about the
15 models and place-based and the networks that we're
16 looking to develop, is exactly what you described.
17 And it's really for those reasons. Because, yes,
18 we do need more resources, you know, kind of
19 around the table to better support NYCHA
20 residents.

21 And so really figuring out what do
22 we have, what do we do well, and how could we be a
23 good partner and tap into kind of these other
24 resources, other providers and really kind of draw
25 attention, bring a focus, and draw in resources to

public housing neighborhoods.

COUNCIL MEMBER CHIN: Thank you. I mean I look forward to working with you on this. I represent Lower Manhattan so, got a lot of developments in my area. Thank you.

CHAIRPERSON MENDEZ: Council Member Gale Brewer.

COUNCIL MEMBER BREWER: Thank you. Thank you NYCHA 'cause I know you're working hard on this issue. I send you emails all the time. My question, picking up on Council Member Chin, is for those who get, just because of space limitations, are unable to join the academy, Robin Hood, et cetera, what happens to them when they go home?

MS. GLICKSTEIN: So at this time and, again, I want to underscore our transitional time here--

COUNCIL MEMBER BREWER: [Interposing] Yeah, I understand, I know, I understand that.

MS. GLICKSTEIN: --right? So we are, you know, partly we have this network that exists right now through the groups that are

1
2 funded by Robin Hood. And so they work to sort of
3 inform those candidates and provide them with a
4 list of resources. Do we think that that is
5 sufficient? No--

6 COUNCIL MEMBER BREWER:

7 [Interposing] But it's a start.

8 MS. GLICKSTEIN: --not at all, but
9 it's something that we can--but really a lot of
10 what we're seeing is why people aren't able to
11 advance as being able to pass, meet the grade
12 level requirements. And I know that, you know, I
13 just want to recognize the Community Service
14 Society, I know they just released their report
15 today, and they really touch on the adult
16 education attainment sort of challenges. And we
17 really see this just very small sample size with
18 the Training Academy and so we've been talking to
19 the, you know, Mayor's Office of Adult Education
20 and others on how we can, you know, again with
21 very limited resources, how we can make sure that
22 those people get in the classes.

23 COUNCIL MEMBER BREWER: Right.

24 MS. GLICKSTEIN: And in classes
25 that are the right classes so that they can

1
2 advance the right level.

3 COUNCIL MEMBER BREWER: I mean just
4 a suggestion but I would take that 100-something
5 who got rejected, whatever the number is, and I
6 would just laser focus, laser focus. And, you
7 know, we can help. You give me the ten in my
8 District. You give the three in anybody's and
9 we'll make sure they get to the right ESL or ELL
10 or GED or whatever. Because if you lose them,
11 it's not good.

12 MS. GLICKSTEIN: And so the future
13 vision, and again I want to say future vision,
14 that we hope to have pretty much complete by, you
15 know, by the end of 2012, is that in each of your
16 Districts or the local networks that will exist,
17 they'll have been pre-approved partners that have
18 been, you know, vetted. There will be some sort
19 of competitive solicitation. We don't have money.
20 It's not about the money. It's about really being
21 able to refer people that we have confidence in
22 and to be able to get that feedback loop.

23 COUNCIL MEMBER BREWER: Exactly.

24 MS. GLICKSTEIN: So when we get to
25 that point, that's exactly the intent.

COUNCIL MEMBER BREWER: Well in the interim--

MS. GLICKSTEIN: [Interposing]
Yeah. Mm-hmm.

COUNCIL MEMBER BREWER: --if you need help--

MS. GLICKSTEIN: [Interposing] Thank you.

COUNCIL MEMBER BREWER: --we can take care of them.

MS. GLICKSTEIN: We will take you up on that.

COUNCIL MEMBER BREWER: Okay.

MS. GLICKSTEIN: Thank you.

COUNCIL MEMBER BREWER: Number two, NYPD and all their challenges. A lot of them are in the developments for better or for worse. In my developments, they are liked. Not everywhere. The question they identify young people who need help. But I know how these, with all due respect, officers are. It goes in their head. They tell nobody. And they don't say to anybody this person needs help because the Police Department is a siloed agency no matter what you do.

1
2 So my question is does NYCHA, they
3 debrief on crime, I got that, but do they debrief
4 on if, you know, these ten young people need help.
5 And I ask that because as a holiday comes up,
6 there are a million post office jobs, et cetera.
7 And of course if I had my dream, everybody from
8 NYCHA would get one of those, even part-time jobs.
9 So I say to the cop who tells me all the problems,
10 but he said they don't--you know, and they don't
11 know where to go.

12 So I'm just saying how do we, that
13 communication issues is a challenge, I'm always as
14 Rosie knows I always say, okay, NYCHA first.
15 NYCHA first. NYCHA first. So the question is, is
16 that something that you're able to do? Like you
17 debrief with the police, you debrief with
18 whomever, when the post office jobs arrive or the
19 holiday jobs, it's great for people from
20 Connecticut to get them but I don't want them to
21 get them, I want people from New York to get these
22 jobs.

23 So how does, I mean again, as we
24 said earlier, you're not the employment agency,
25 but unfortunately you're a little bit in it until

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2 you can put together other resources. So how,
3 like even with the holiday coming up, is there any
4 focus on these jobs and your amazing residents?

5 MS. PINNOCK: Well to date with the
6 Police Department, I can't say that it's been in
7 the kind of standardized, like across the City,
8 kind of way in terms of really planning and
9 talking about some of the young people that
10 they've, you know, kind of identified as being in
11 trouble.

12 You know, that's something that we
13 can look at, talk to really our counterparts and
14 particularly in Community Operations about there
15 is a way to organize that. I mean we have worked
16 with them on different specialized initiatives.
17 So like their Explorers Program, their Cadet
18 Programs, things of that nature. But, you know--

19 COUNCIL MEMBER BREWER:
20 [Interposing] The people I'm talking to don't go
21 to those programs.

22 MS. PINNOCK: Yes. No. And that's
23 why I said so kids, besides kind of special
24 programs or projects that we've done like a
25 citywide kind of focus on how do we do referrals.

1
2 I mean we do stuff like that around our domestic
3 violence victims but not in terms of the young
4 people.

5 COUNCIL MEMBER BREWER: All right.
6 So I'm thinking about Midtown Courts where they
7 exist, Red Hook, they want to work with you, just
8 so you know, they've had trouble getting involved.

9 MS. PINNOCK: Okay.

10 COUNCIL MEMBER BREWER: That's a
11 fact. So it's another place where they can help
12 you, you can help them. A lot of the young people
13 in their programs are from NYCHA. They want to
14 work with you. So I would just say try to break
15 down some of those silos on the holiday thing.

16 Communication is a challenge. You
17 indicated the fliers, et cetera. Are there any
18 discussions about how, like when we have jobs, we
19 do the email, we send it to the manager? I feel
20 so bad for that manager who's got paperwork and
21 all these other problems to deal with. I don't
22 think it gets out to the community. You can't
23 stuff every single building, every single day.
24 Are there any other thoughts about how to
25 communicate when jobs do exist or when a GED

1
2 program will, you know, any other ideas along
3 those lines?

4 MS. GLICKSTEIN: We're putting a
5 lot of effort into thinking about that. We're
6 really, you know, again, thinking about the new
7 model where it's really asset-based approach. One
8 of the major assets we have is what we refer to as
9 our customer touch points. So, you know, every
10 single--

11 COUNCIL MEMBER BREWER:
12 [Interposing] Translate that.

13 MS. GLICKSTEIN: Yeah, I'm going
14 to.

15 COUNCIL MEMBER BREWER: Thank you.

16 MS. GLICKSTEIN: Every single
17 interaction that a property manager or resident
18 service associate may have with a resident,
19 someone at our community center staff might have
20 with a resident, so we are looking at sort of that
21 NYCHA, local NYCHA employee at how we can make
22 sure that we have their information that they're
23 empowered to provide it. Of course in partnership
24 with the CCOP and our resident leadership looking
25 at how we can work together, you know, and take

1
2 some leads from them. And, you know, we're really
3 also exploring technology and I know that's a big
4 issue of yours on how we can think more creatively
5 about that.

6 COUNCIL MEMBER BREWER: Okay.

7 Because that's one of the troubles. You get all
8 these jobs and then you cannot communicate that
9 they exist and there's always an as soon as
10 possible.

11 Green jobs, you have worked hard on
12 that topic. Is there any other opportunity,
13 either through Section 3 or otherwise? Is that
14 something that is on your plate? Easier said than
15 done, I am very aware of that.

16 MS. PINNOCK: Yes. It is something
17 that's on our plate. I mean it really gets folded
18 in as part of our overall modernization work in
19 terms of we have a Standards Committee that looks
20 at the types of materials, et cetera, that's used.
21 And so often it may come across our Section 3 team
22 as a roofing job. But it's really about
23 installing a green roof. And so it is very much
24 integrated into our program but we are also
25 working with and establishing additional

1
2 partnerships with other organizations that like we
3 mentioned in the testimony, Green City Force, that
4 will also do training of residents and some job
5 placement assistance in the green economy.

6 COUNCIL MEMBER BREWER: Okay.

7 Section 8 families are coming into the
8 developments. My families are complaining about
9 them left, right, and sideways. That's a sop.
10 That's just so you know. So the question is when
11 they come in, this point of whatever the hell you
12 call this thing, I don't know what--you just
13 pointed to whatever. Talking to people I call it.

14 So how do the Section 8 families
15 hear about it? In other words they're coming in.
16 I don't know if they're employed or not, depending
17 on their situation, some probably are getting SSI,
18 some are employed, some PA. But how do they get
19 integrated and helped and supported, perhaps
20 through employment? If at all. And they're all
21 complaining about them, just so you know.

22 MS. PINNOCK: Well actually that's
23 one of the areas that we're going to focus on now
24 because to date really our services in terms of
25 resident economic empowerment and sustainability

1
2 has been solely geared towards public housing
3 residents.

4 And we're going to revert it, you
5 know, from residents, other stakeholders, as well
6 as electeds in terms of the needs and just kind of
7 looking at the numbers that this is a population
8 that we want to expand our services to. I mean
9 we've actually launched in the last year and we
10 re-launched, I guess, the Family Self-sufficiency
11 Program as a way to work with Section 8 residents,
12 tenants in terms of building savings and moving
13 off of welfare. And so kind of in the next year
14 we're looking at how do we really integrate them
15 more into this new model.

16 COUNCIL MEMBER BREWER: Okay. Well
17 I sort of understand what you're saying. What I'm
18 saying is Section 8 families need help. The
19 families around them don't want to get into a
20 clash. And I'm being general here. But this is
21 what I'm hearing. And so all I'm saying is
22 however we can help, as quickly as possible, on
23 the Section 8 families, we would all like to be
24 involved. Because it is getting to be--there's a
25 challenge there. All right. Thank you very much.

1
2 Communication seems to me a huge problem and needs
3 to be addressed.

4 CHAIRPERSON MENDEZ: That's it
5 Gale?

6 COUNCIL MEMBER BREWER: Well I have
7 a long list but, you know, I can wait.

8 CHAIRPERSON MENDEZ: Okay. We'll
9 give you a second; we'll go back to Maria Carmen
10 Arroyo.

11 COUNCIL MEMBER ARROYO: Thank you
12 Madam Chair. This Section 3 program in general,
13 what is NYCHA's compliance rate?

14 MS. PINNOCK: So when we look at
15 the contracts that closed in 2010, and again
16 remember it's 30% of new hires, our compliance
17 rate is 100% with Section 3.

18 COUNCIL MEMBER ARROYO: So every
19 single contract that you let out meets 30%.

20 MS. PINNOCK: Of new hires. I
21 mean, again, I want to make that clear because--
22 and that's the thing about Section 3--

23 COUNCIL MEMBER ARROYO:
24 [Interposing] I heard a lot of snickering in the
25 audience. I think they disagree with you.

1
2 MS. PINNOCK: Because again,
3 remember that I keep emphasizing it's of new
4 hires. There may be contractors that we work with
5 that may have relatively small contracts, if
6 they're not hiring, if they're not doing any new
7 hires, they don't trigger the regulation. I mean
8 so that is kind of a current loophole in the
9 regulation as well as it's to the greatest extent,
10 you know, feasible.

11 So if they document kind of efforts
12 to recruit and reach out, then, again, they're not
13 necessarily out of compliance. But that's also
14 why we've instituted the 15% of total labor cost
15 because that gets away from greatest extent
16 feasible, it gets away from new hires, it's really
17 tied to dollars and it's tied to NYCHA residents.
18 So not kind of different categories of low income
19 individuals.

20 COUNCIL MEMBER ARROYO: Now where's
21 the proof?

22 MS. PINNOCK: Mm-hmm.

23 COUNCIL MEMBER ARROYO: Or is it
24 just that somebody's checking off the box. I
25 think the Congresswoman, as part of her testimony,

1
2 hinted that it seems to be that's all that's
3 happening is that they check off the box and
4 there's no real monitoring or the enforcement of
5 this. It's just that your 100% is based on the
6 fact that that box was checked. Is that correct?

7 MS. PINNOCK: No, it's not. We ask
8 for--

9 COUNCIL MEMBER ARROYO:
10 [Interposing] Okay, so explain that.

11 MS. PINNOCK: --very detailed--we
12 ask for very detailed information from contractors
13 that lay out actually the positions to be hired.
14 Then we follow up. They have to submit, before
15 they're awarded a contract, they have to submit
16 what we call a hiring plan, basically how are they
17 going to meet the requirements. We ask for
18 detailed information about the wages that will be
19 associated with those jobs, the length of the
20 positions.

21 And then we track it and we follow
22 up with the contractor. We send them referrals
23 and we want to know the outcomes of those
24 referrals. And then when they are submitting
25 payments, you know, for the construction worker,

1
2 other work that they're doing, they have to submit
3 what's called a hiring summary, it's certified.
4 They sign off on it where they lay out for that
5 period all their new hires but specifically, you
6 know, their NYCHA hires.

7 And then that's kind of where we do
8 the calculation to say, you know, over 30% of
9 their new hires are actually Section 3 residents.
10 We also collect as an agency their payrolls. And
11 so we have a variety of different tools and again
12 an assessment we talked about over the last couple
13 of years, we've really put a lot into
14 strengthening those tools, you know, making them
15 even more detailed so we can start to, you know,
16 really have a handle on kind of what's happening,
17 who is being hired, when, and for what. And--

18 COUNCIL MEMBER ARROYO:

19 [Interposing] So--

20 MS. PINNOCK: --mm-hmm.

21 COUNCIL MEMBER ARROYO: --do you
22 audit? Spot check these reports and call Donna
23 Juanita and whatever in the development to verify
24 that she's a real employee on this contract?

25 MS. PINNOCK: Well we do a couple

1
2 of things. One, I would say that we want to do
3 more of that but we do have part of our unit, part
4 of our office, what we call contract monitors, and
5 they're responsible for actually going through the
6 reports and having ongoing conversations with the
7 contractors.

8 We also, through the administering
9 departments, like the Capital Department for
10 example, they have inspectors who visit the
11 locations onsite. They're expected to review and
12 look at the daily logs in the trailers, also kind
13 of take at least like a headcount of who is
14 working and who's there.

15 But the latter part of what you
16 mentioned is something that we are looking and
17 interested in incorporating because some kind of
18 feedback mechanisms on both sides from residents
19 in terms of the experience of what happened,
20 'cause right now we do get different complaints,
21 or, you know, or individuals, as not as many as
22 we'd like, individuals that may say, oh, it was a
23 great experience. But we have not had, you know,
24 any aggregate way to say, okay, as a formal part
25 of our process.

1
2 COUNCIL MEMBER ARROYO: I think the
3 bottom line here is that there is a great deal of
4 suspicion.

5 MS. PINNOCK: Mm-hmm.

6 COUNCIL MEMBER ARROYO: That the
7 information is not true.

8 MS. PINNOCK: Mm-hmm.

9 COUNCIL MEMBER ARROYO: Or
10 accurate. And that you're being fed a line or
11 we're being fed a line. And I think we need to
12 dispel whatever suspicions there may be, right or
13 wrong, with some real hard evidence that it is
14 100% and that Donna Juanita is one of the workers
15 attached to the contract that NYCHA let out. And
16 I think that at the end of the day with that kind
17 of evidence we can begin to move forward and use
18 our energies to just do more of it.

19 And in your testimony you say that
20 to further strengthen the Section 3 and to
21 generate more employment opportunities, NYCHA has
22 an additional standard for contracts in excess of
23 \$500,000. What is the trigger point for Section
24 3? And why \$500,000 and why only 15% attached to
25 \$500,000 contracts? And then I'm done Madam

1
2 Chair. Thank you.

3 MS. PINNOCK: By trigger point,
4 since we're a Public Housing Authority, there is
5 no kind of minimum or maximum in terms of Section
6 3. Again it's really only triggered if there are
7 new hires on a contract. In terms of \$500,000, I
8 mean so it predates me so I can't answer
9 completely in terms of kind of why was it decided
10 the 15% versus any other percentage, you know, so
11 unfortunately I don't have the specifics to that.
12 But I could say that over the next several months
13 we're actually revisiting and looking at that and
14 seeing kind of is that the right percentage, you
15 know, should it be something different that would
16 drive greater results.

17 COUNCIL MEMBER ARROYO: And that is
18 not in violation of the Title 3 30%?

19 MS. PINNOCK: No. Because, again,
20 and part of the reason why it was put into place
21 is because tying it to the dollar figure, the
22 thought that it really generates more concrete
23 opportunities versus, again, being based on your
24 efforts--

25 COUNCIL MEMBER ARROYO:

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[Interposing] Right, I see.

MS. PINNOCK: --based on new hires.

COUNCIL MEMBER ARROYO:

[Interposing] I understand. Got it. Thank you.

MS. PINNOCK: Okay.

COUNCIL MEMBER ARROYO: Thank you
Madam Chair.

CHAIRPERSON MENDEZ: Council Member
Brewer.

COUNCIL MEMBER BREWER: No, I'm
fine, thank you.

CHAIRPERSON MENDEZ: Yeah? Thank
you. I'm going to ask you a couple of questions
based on your testimony. On page 3 you mentioned
in your testimony that your operating budget would
be reduced by approximately \$135 million next
year. And so that would pose a significant
challenge. What do you expect? It would pose a
significant challenge because it's an unfunded
mandate? Or Because you're going to have less
operating dollars which might translate into less
jobs for possible residents that might be long-
term jobs? What?

MS. PINNOCK: We would say really a

1
2 combination. In terms of part of our compliance,
3 as I mentioned, our direct hires with NYCHA. And
4 so with reductions in the operating budget, it
5 results in or inhibits our ability to hire needed
6 staff to do the daily work of the Housing
7 Authority. And so the fact that it is an unfunded
8 mandate also comes into play because as you put
9 it, we dedicate a significant amount of resources
10 to really monitoring and administering the
11 program. So really I would say on both fronts it
12 limits us.

13 But I would also kind of add
14 though, it's another impetus for this model so
15 that, you know, our outcomes, you know, really the
16 benefits to residents is not contingent on
17 fluctuations in our funding subsidy because we'll
18 be tapping into other resources and other
19 opportunities.

20 CHAIRPERSON MENDEZ: In terms of
21 your capital funding which has gone down steadily
22 in the last few years, except for the exception of
23 last year it went up for a bit, but how do you
24 believe that's going to affect your Section 3
25 numbers?

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2 MS. PINNOCK: I mean it definitely
3 impacts, again, the opportunities in terms of jobs
4 with out contractors. But again, you know, I just
5 want to stress that it really also calls for the
6 need and for what we're focusing on in terms of
7 diversifying the types of opportunities. So
8 looking at other areas, other opportunities beyond
9 what's required because as we mentioned also in
10 the testimony, Section 3, again, it's a great tool
11 but it's also limited.

12 It's not covered; it doesn't kind
13 of cover all spending that NYCHA may make. It
14 doesn't cover other types of opportunities that
15 NYCHA has. So even in the example that we talked
16 about before with Washington Houses and Home RBI,
17 as an example, we are looking at how do we tap
18 into these types of opportunities that may not
19 trigger Section 3 because of how it's funded.
20 Because, you know, the outcomes, the goals, will
21 be impacted by changes in our funding if we don't,
22 you know, create new opportunities and diversify.

23 CHAIRPERSON MENDEZ: Now on page 10
24 you gave us some numbers. It says that your
25 Section 3 placement expanded from 41 in 2008 to

1
2 265 in 2009 to 621 last year with the 1,400%
3 increase in the last 3 years. Is that increase
4 due to the stimulus funding? That you got all the
5 stimulus funding which translated into more
6 Section 3 jobs?

7 MS. PINNOCK: That definitely
8 contributed to the increase. I wouldn't say it's
9 solely the reason for the increase. I mean part
10 of it is some of the Administrative processes
11 we've put in place, monitoring, things that we've
12 put in place. Because, again, at no time, even
13 going back to 2008 with 41 placements, obviously
14 we were doing significantly, you know, more
15 contracting and so there were a lot of missed
16 opportunities there.

17 And so, yes, it was great, the
18 stimulus funding, you know, was very helpful in of
19 us addressing some of our critical needs as well
20 as creating new employment and economic
21 opportunities. But I also believe that it's these
22 other things that we've been focusing on and
23 putting into place the last two years that have
24 resulted in us really trying to make the most of
25 the opportunities that present themselves in our

1
2 various contracts.

3 CHAIRPERSON MENDEZ: Let me ask you,
4 how much does it cost the Authority? Last year we
5 were told it was about \$5 million to implement
6 Section 3. Do you anticipate it's about the same
7 amount?

8 MS. PINNOCK: Yes. That's really
9 the budget of our department. And so kind of when
10 we incorporate grants, it's about \$6 million. But
11 with that, again, it's kind of to the earlier
12 question about how much does it cost NYCHA in
13 terms of what we contribute to the Resident--

14 CHAIRPERSON MENDEZ: [Interposing]
15 Mm-hmm.

16 MS. PINNOCK: --Training Academy.
17 That really is our whole team plays role in kind
18 of the various initiatives. And so, yes, but that
19 figure is the overall figure for our department.

20 CHAIRPERSON MENDEZ: So I could
21 assume that when the team saw the 41 number in
22 2008 you realized that was really not acceptable
23 and so that's when you created REES? Is that the
24 rationale and was that about the time thereafter
25 that--

1
2 MS. GLICKSTEIN: [Interposing] I
3 think there was--yeah, and I mean I think there
4 was a lot going on. I mean the Board, you know,
5 Chairman Rhea came on board I think it was June
6 2009. And with Commissioner Lopez and the Vice
7 Chairman at the time, I think that they did take a
8 careful look at this and decided that it was
9 really important. Again, we talked a little bit
10 about it in the testimony, but really to expand,
11 really, the way that NYCHA approaches economic
12 opportunity for residents.

13 And I just wanted to sort of
14 underscore that point where we believe that
15 Section 3 is a very critical tool that is like an
16 asset without a doubt that NYCHA has to actually
17 create economic opportunities for residents. But
18 it is one of many tools. And so that, when we
19 talk about sort of the budget and how we
20 distribute resources within this \$5 million unit
21 with significant and other sorts of financial
22 constraints, I mean there is a decision to
23 allocate resources towards Section 3 but there's
24 also a decision to really think more broadly.

25 And again as we talked about, this

1 is a transition period, and so I just wanted to
2 make sure everyone knows. And that we care about
3 Section 3. And we want to talk about that
4 further. And without a doubt this is like a path.
5 This is like we're on one part of the path. We
6 can absolutely get better and we want to work with
7 everybody in this room to do that. But we just
8 want to say it's not only about Section 3.

10 CHAIRPERSON MENDEZ: Okay. The
11 police, since 1994 NYCHA has been paying the
12 police, it started a little over \$58 million,
13 currently it's \$74 million, and there was a HUD
14 determination that came out in July, it's about 3
15 months ago, stating that the NYPD needed to comply
16 with Section 3. So 30% since 1994 from \$58
17 million per year to \$74 million per year, that
18 would translate into how many Section 3 jobs do
19 you think?

20 MS. PINNOCK: Don't have that exact
21 figure for you but I will say that really since
22 receiving the notice from HUD we have been in
23 discussions with the Police Department. Really
24 what's occurring now is really we need to gather
25 baseline information and really know where we

1
2 stand and to really be able to asses where we are
3 in terms of compliance and what are some other
4 things we can do to increase opportunities and
5 better tap into opportunities. But I mean we know
6 from initial review that there over 2,000 NYCHA
7 residents that are employed by the Police
8 Department.

9 But we are also looking at talking
10 about how do we establish a liaison so we're
11 tapping into more regularly their various
12 opportunities. For example, you know, I think you
13 know over the years we've enjoyed a collaborative
14 relationship with the Housing Bureau on different
15 initiatives. So for example during our Family
16 Days, many Family Days, the Police Department may
17 have tables that information about their
18 recruiting periods and kind of what they're
19 recruiting for.

20 We also look to tap into their
21 programs that they has well as in the Safety and
22 Security Task Force that we have, even prior to
23 notification from HUD, there was discussion among
24 that task force of how do we increase
25 opportunities for public housing residents. But I

1
2 don't have the exact number of how many Section 3
3 jobs we believe would have been created as a
4 result of the MOU.

5 CHAIRPERSON MENDEZ: Is someone on
6 the team working on that?

7 MS. PINNOCK: Well what we're
8 doing, I mean one, we're looking at overall data
9 and information. It'll be difficult to go back
10 and look at that. I mean it would take more time
11 because, again, the different nuances of Section 3
12 and looking at, you know, how many people were
13 hired in various years and how many were public
14 housing residents, verification. So it's a
15 process. But we have begun the process to really
16 kind of, you know, get to the fine line of detail
17 of compliance. And again really getting to a
18 point of thinking about new opportunities which I
19 really think that's everyone's interests.

20 CHAIRPERSON MENDEZ: So I'm just
21 going to remind you that that \$74 million actually
22 does not include capital. And that the Housing
23 Authority gives the Police Department \$20-odd
24 million, I guess, for capital for trucks, cars,
25 stuff like that. So then that means there are

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CHAIRPERSON MENDEZ: Thank you.

Can you give me a sense of what kind of timeline we're looking at? I saw the Chairman a month ago and he said that there are discussions with the NYPD. I spoke to Chief Jaffe, Barbara Jaffe from the Housing Bureau about a month ago and she said that there's been discussions between the Commissioner of the Housing Bureau and NYCHA. So

1
2 do we get a sense of when we're going to get some
3 information on our end about this?

4 MS. PINNOCK: Really I would say it
5 would need to be ongoing just because I think
6 there's different components and parts to it like
7 I mentioned, first, it's kind of just seeing about
8 the representation or prevalence of, you know, how
9 many NYCHA residents are already working and are
10 there. You know looking at the different
11 programs, different opportunities, how do we tap
12 into the existing vacancies and programs?

13 And then there's the more detailed.
14 So those first two parts can kind of happen, you
15 know, are happening and can happen over the next
16 several weeks. But that other piece about really
17 kind of drilling down into some of the data will
18 take time. And again in terms of establishing a
19 liaison and the ongoing opportunities, that's
20 something that's going to be ongoing.

21 CHAIRPERSON MENDEZ: Let me, there
22 was a follow-up that I had but I lost it for a
23 second there.

24 [Pause]

25 CHAIRPERSON MENDEZ: Okay. So let

1
2 me just, 'cause in your testimony today and in the
3 Chairman's testimony a year ago which I could read
4 back to you, you mentioned about enforcing
5 compliance with your vendors which includes
6 issuing of warning letters, periodic compliance
7 meetings, temporary withholding of funds. In the
8 Chairman's words, if it includes finding
9 individuals in breach of contract in essence could
10 stop the work and could result in withholding
11 payment. It could also result in not awarding
12 future work.

13 Is that any consideration by the
14 Authority in terms of the \$74 million with this
15 MOU?

16 MS. PINNOCK: NYCHA will comply
17 with all of HUD's rules and regulations as we do
18 across the board as needed.

19
20 CHAIRPERSON MENDEZ: Good answer.

21 [Chuckling]

22 CHAIRPERSON MENDEZ: All right.
23 Stimulus funding, the Authority received, let me
24 get some of these numbers here... \$430-something
25 million.

MS. PINNOCK: \$423 million.

CHAIRPERSON MENDEZ: There we go.

How much of that money translated into Section 3 jobs? How many jobs? How many full-time jobs and how much money did that translate into?

MS. PINNOCK: Well in terms of Section 3 jobs, well I guess let me just back up to kind of state that I mean as you all know that really once stimulus was created and awarded it combined both creation and retention of jobs. And really the way in which it's measured, it's measured by kind of full-time equivalencies. And so contractors are required to report, you know, both in terms of jobs created as well as jobs retained.

We also then in REES track it in line with how we track overall placements. And so we track, again, new placements, new jobs for NYCHA residents. And so for us, so hires to date related to stimulus-funded projects as been 705 hires related to stimulus-funded projects.

CHAIRPERSON MENDEZ: And how many of that do you know were jobs retained and jobs created?

1
2 MS. PINNOCK: Well that number,
3 that's kind of why I gave this preamble because
4 that number is really just jobs created for NYCHA
5 residents.

6 CHAIRPERSON MENDEZ: And how many
7 of those are full-time jobs?

8 MS. PINNOCK: I don't have that--

9 CHAIRPERSON MENDEZ: [Interposing]
10 Seasonal jobs?

11 MS. PINNOCK: --I mean I have
12 overall Section 3, the percentage, well over 30
13 hours a week. And that was about 80% of our
14 Section 3 placements: people working over 30 hours
15 a week. I don't actually have, and we could get
16 it for you, specific to the stimulus funding.

17 CHAIRPERSON MENDEZ: The Housing
18 Authority also started doing some placements under
19 REP, your Residential Employment Program. Can you
20 give me some numbers on that?

21 MS. PINNOCK: And to be clear, that
22 number, we fold into our overall Section 3 number
23 because really the whole reason that was
24 instituted was to strengthen compliance with
25 Section 3 and to generate more hires. So

1 specifically related to REP in 2010 there were 146
2 placements that were specific to REP versus our
3 other types of contracts. So out of the 621 in
4 2010, 146 placements were specifically for REP.
5 But we see it as another way to comply and to
6 strengthen employment opportunities on our
7 contracts. So we do report that in the overall
8 number. Just so we're not double counting.
9

10 CHAIRPERSON MENDEZ: Let me ask you
11 about contractors who are not complying. Has
12 anyone been found in breach of contract or gotten
13 these warnings? And then I'm assuming they're not
14 used again. So they're not used again just by the
15 Authority or by other City agencies here in New
16 York City?

17 MS. PINNOCK: So I actually don't
18 have the exact number. I can tell you what we do
19 is we monitor throughout the life of the contract.
20 And so we will begin to send warning letters and
21 call contractors in for compliance meetings at the
22 25% mark of project completion. So that if we see
23 the hiring is not taking place, we will call them
24 in, we will send multiple letters, we will report
25 those letters to the Administering Department.

One of the things that as an agency that we put in place is that is not just REES at the table but also the Administering Department and then again if they still don't comply the Law Department. And where we've also had temporarily withheld funds which kind of is a powerful tool because then all of a sudden people come into compliance and hiring starts happening. And so I don't have the exact number of how many of those types of meetings and letters we've issued. But those are the steps and that's really what we do to really generate and enforce compliance.

CHAIRPERSON MENDEZ: Can I ask you the question I asked the Congresswoman if you know it? How is the Housing Authority, the New York City Housing Authority, doing with Section 3 as compared to other public housing authorities across the nation?

MS. PINNOCK: Well we were actually notified by HUD that in 2010, actually we had the greatest number of placements, Section 3 placements, in the country. So that's really kind of where we stand. But we're also constantly looking at ways to improve it because we know

1 internally that there are additional opportunities
2 that we want to really take advantage of and
3 really create and have access to for residents.
4 So we don't want to stop there because, again,
5 there is a lot of untapped potential that, you
6 know, that we know. And as Debra Ellen really
7 mentioned in terms of the model and looking really
8 to diversity, there's a lot of opportunities. And
9 we don't want to just focus on, because again, for
10 all the reasons we mentioned, you know, with
11 Section 3 it's limited. It's powerful but it's
12 limited. And really we feel it's our
13 responsibility to go beyond that and not just
14 stick to the letter or spirit of the regulation.

16 MS. GLICKSTEIN: I just wanted to
17 add that, you know, we're really committed to
18 talking to other housing authorities and this is
19 part of this process of really trying to work with
20 others in this room to transform something and
21 move it forward. I know that Michelle and others
22 just visited the Philadelphia Housing Authority.
23 We were recently at the Chicago Housing Authority.
24 And the point is to really learn from best
25 practices and just share information so we don't

1
2 have to keep recreating the wheel, despite the
3 fact that we understand that New York City is a
4 completely different circumstance.

5 CHAIRPERSON MENDEZ: Under the
6 Congresswoman's proposed legislation, the
7 Affordable Communities Employment Act, ACE, the
8 New York City Housing Authority then would
9 actually benefit from that. Get more money or
10 more funding because you're doing better than
11 other housing authorities. Is that correct?

12 MS. PINNOCK: That would be our
13 hope, of course. We'd like more money and the
14 more money really translates into more
15 opportunities for residents. And so the idea of
16 incentives is something that would definitely be
17 appealing as something that would assist us
18 further to do even more work.

19 CHAIRPERSON MENDEZ: Let me ask you
20 a question. NYCHA is the largest housing
21 authority in the nation. So is your compliance
22 rate based on the fact that you're a bigger
23 authority or is it based on the fact that you know
24 are trying to track and you're partnering with
25 other organizations to do more placements?

1
2 MS. PINNOCK: And to be honest I
3 would say both. Both in terms of numbers and
4 placements, that we are the largest. And so it
5 would make sense for us to have the largest
6 number. But again for some of the reasons we laid
7 out and really the impetus for the transition and
8 the new model is because that wasn't always the
9 case. In terms of we were still the biggest but
10 we weren't, you know really having the same type
11 of results. And so that gets to the latter part
12 in terms of the changes that we've made, the
13 partnerships that we've developed, that also has
14 us improving compliance but overall improving the
15 types of employment and other economic
16 opportunities for residents.

17 CHAIRPERSON MENDEZ: We've been
18 joined by Council Member Jimmy Van Bramer. Jimmy,
19 do you have some questions?

20 COUNCIL MEMBER VAN BRAMER: First
21 of all I want to welcome my constituent Debra
22 Ellen Glickstein, great to see her here today. So
23 I would like to know how many compliance actions
24 have been undertaken and to what end have those
25 been taken?

1
2 MS. PINNOCK: Yes. As I mentioned,
3 Councilman, unfortunately I don't have that
4 specific number in terms of actual number of
5 letters that we've issued, number of meetings
6 held, that's something that we can look at and
7 share at a later time. So really kind of what I
8 described is overall what our process is and what
9 we do in terms of pushing and ensuring compliance.

10 COUNCIL MEMBER VAN BRAMER: Sure.
11 I'm sure you could get those numbers and the
12 detail there. So can I ask you to send that in
13 writing to the Chair and to the Committee and to
14 share that information?

15 MS. PINNOCK: So we'll follow up
16 with our Intergovernmental Office to, you know
17 compile that information.

18 COUNCIL MEMBER VAN BRAMER: I'm
19 happy to get the letter from Brian as well but as
20 long as we get it from somebody in writing, I
21 think that would be terrific. Thank you Madam
22 Chair if we could get that, that'd be great.

23 CHAIRPERSON MENDEZ: We will follow
24 up and get that--

25 COUNCIL MEMBER VAN BRAMER:

1 [Interposing] Thank you Madam Chair.

2 CHAIRPERSON MENDEZ: --yes. So
3 that's all our questions for now. And I want to
4 thank you for coming and answering our questions.
5 And looking forward to partnering with us
6 individually so that we can get some of these jobs
7 to our residents in our Districts.
8

9 MS. PINNOCK: Thank you. And thank
10 all of you actually in many different ways all of
11 you have really supported our work and you really
12 are, you know, in large part have contributed to
13 the improvements that we've been seeing over the
14 last couple of years. So thank you for the
15 opportunity.

16 CHAIRPERSON MENDEZ: So if I could
17 just say one more thing 'cause I can. In terms of
18 the NYPD, I think my colleagues here would agree,
19 that what our residents really keep asking for is
20 real security services. The \$73-\$74 million, the
21 so-called Special Police Services, it's not seen
22 in the developments. So it's, you know, I think
23 if the residents thought that they were getting
24 that Special Police Service they'd be fine with
25 that payment. But it's not translating into more

1 safety for them.

2 And if there is a way, even with
3 this layered access, I don't see how that's going
4 to translate into more security if someone is not
5 watching those cameras 24/7. So if there's a way
6 that these Section 3 jobs can translate into real
7 security and into something that might be viewing
8 those screens 24/7, I think that would go a long
9 way.
10

11 MS. PINNOCK: Duly noted. And if I
12 can mention one thing, I don't know if it's come
13 across enough about the importance of our
14 partnership with our residents and resident
15 leaders. And actually I'd like to acknowledge
16 Reggie Bowman, you know, who is here, who is the
17 head, the President of our Citywide Council of
18 Presidents. And really in large part, our
19 success, well not success, but again it's moving
20 in the right direction, our progress, in large
21 part is kind of the partnership with the
22 residents, resident leaders and also, you know,
23 kind of when they kind of need to really be
24 pushing us and calling us to task so I wanted to
25 acknowledge him. Thank you.

CHAIRPERSON MENDEZ: Thank you.

He's going to be on our next panel. We've been joined by, I'm just going to ask you to stay one second, because Council Member Tish James from Brooklyn always comes to our hearings so if you have?

COUNCIL MEMBER JAMES: No, no questions, just whatever you say, I'm sure whatever you have said I support and I echo so.

COUNCIL MEMBER MARK-VIVERITO: And whatever I said.

COUNCIL MEMBER JAMES: Yeah, and whatever Melissa said too as well as everyone else. Just off the record I need to speak to you with regards to an issue at Atlantic Terminal so we'll talk later. I don't want to disrupt the hearings.

MS. PINNOCK: Okay.

COUNCIL MEMBER JAMES: Thank you.

CHAIRPERSON MENDEZ: Okay. Thank you very much. The next panel will be Victor Bach from the Community Service Society, Reginald Bowman from the Citywide Council of Presidents and Ann Valdez from Community Voices Heard from Coney

1 Island Houses.

2 [Pause, off mic directions]

3 CHAIRPERSON MENDEZ: Okay. And
4 before you start your testimony I want to say that
5 The Legal Aid Society could not make it but they
6 have sent us their testimony which is being
7 submitted into the record. And also the testimony
8 of Urban Justice Center is being submitted into
9 the record and the Building Trades Employers
10 Association. And so if anyone wants copies of
11 those they can get in touch with our Committee.
12

13 Whoever is ready can start their
14 testimony.

15 MR. VICTOR BACH: Okay. I'm Victor
16 Bach with Community Service Society. Since I hope
17 the 27% unemployment figure was cited from our
18 just-released report, it's an unemployment figure
19 for public housing and Section 8 voucher
20 residents. I just wanted to dispel any impression
21 that public housing and voucher residents were
22 subject to massive unemployment and structural
23 obstacles to the labor market.

24 You only have to look at the
25 figures in the report to understand that. In just

1
2 the two years between 2008 when the recession
3 first struck the City and 2010, unemployment for
4 public housing and voucher residents went from
5 10%, just 10%, to the 27% figure we arrived at for
6 2010. Over the years from 2002, the post-9/11
7 economic recovery through 2008, the NYCHA resident
8 labor force grew, jobs expanded, and unemployment
9 reached a low of 10%. What we're seeing really
10 are the effects of very hard times that we all
11 know at present.

12 With that I'll keep the testimony
13 short and let the report speak for itself. But
14 basically what we think there are ways that NYCHA
15 can expand resident opportunities even in these
16 hard times. And I'll illustrate three ways.

17 First, I think NYCHA can be more
18 assertive in expanding Section 3 opportunities.
19 I'll cite our experience with regard to the New
20 York City Police Department. For the last two
21 years, a collaboration known as the New York City
22 Alliance to Preserve Public Housing, in which many
23 of us in the room are participating members,
24 commented on the NYCHA Annual Plan saying that we
25 thought that the \$73 million going to the Police

Department would have to comply with Section 3.

The response we got from NYCHA in summer of 2010 was no. It doesn't have to comply because that was based on an MOU with New York City so the Police Department doesn't have to comply. It wasn't answer like we'll check with HUD and find out whether there's a HUD ruling on whether the agency is required to comply with Section, it was no. And that was surprising and that's why the Alliance moved to draft a letter which I authored asking HUD to make a determination as to whether the Police Department would have to comply because it seemed clear from the law and the regulations. It was straightforward.

And thankfully HUD did, last July, send a determination to Chairman Rhea saying yes. The police force would have to apply. Now this is an opportunity that involves not just short-term jobs on construction or rehab projects, it involves sustained careers, formal training, possibly in the Cadet Corps, and entry into a larger security industry. So it's a real opportunity for NYCHA and we wondered why the

1 response was no. Without even inquiring.

2 We think that NYCHA still has the
3 opportunity to do that by collaborating with HPD.
4 HPD received in 2010 \$300 million annually for
5 community development block grants and the home
6 block grant. Both of those are subject to Section
7 3. I've inquired at HPD for their Section 3
8 reports that they're required to submit to HUD.
9 I've inquired actually of Doug Apple and I haven't
10 yet gotten one. I don't know whether they submit
11 reports. That report is not part of their annual
12 plan. So I think that's another avenue.

13 NYCHA also makes payments of its
14 HUD money to the Sanitation Department. And I
15 thin there's another opportunity, whether it's
16 large or small, I don't know. But it's a way to
17 expand the range of opportunities that are
18 accessible to low income New Yorkers and
19 particularly the public housing and voucher
20 residents. So I think that's one thing that NYCHA
21 can do even in a jobless economic recovery.

22 A lot of residents have and some of
23 the testimony and questions have already picked up
24 on how NYCHA can do a better job of monitoring its
25

1 construction contracts and service contracts and
2 enforcing Section 3 and assuring that they yield
3 as much by way of training and job opportunities.
4 I won't go on it at length about that. We think
5 that the number of Section 3 openings that a
6 bidder on a contract is interested, can provide,
7 should be a part of a criterion in awarding a
8 contract. That should be considered as one of the
9 criterion awarding the contract.
10

11 And there are several other
12 suggestions here. Another thing, another
13 outgrowth of our report was that we looked over
14 the good years, 2002 to 2008, a growth economic
15 cycle in the City, and found and tried to
16 identify, as a NYCHA resident labor force grew, as
17 jobs expanded, who was left behind. And it's no
18 surprise. The people who were left behind were
19 largely younger residents, largely younger Black
20 and Latino men, and particularly those without a
21 high school diploma. That's not exaction Section
22 3 but obviously it's related.

23 So we would estimate that there are
24 currently 50,000 to 60,000 public housing and
25 voucher residents who are unemployed and looking

1
2 for work right now. Some of them are younger
3 people, I think about half of them, are doing it
4 without a GED or a high school diploma. We think
5 this is an ideal time for NYCHA to set up, to
6 create a GED initiative, one that uses its
7 facilities for GED preparation programs or sets up
8 facilities where younger people can come and take
9 the preparatory program.

10 We think that it should be
11 proactively encouraged with younger people who
12 need it, possibly in fulfillment or exemption from
13 the community service requirement. That is given
14 the scale of unemployment now, this is a perfect
15 time to say you're looking for jobs but you've got
16 some spare time, this is a good time to increase
17 your readiness to participate fully in the labor
18 market. So I'll stop there.

19 CHAIRPERSON MENDEZ: I just want,
20 for the benefit of the public, this was the report
21 that was mentioned earlier which was put out by
22 the Community Service Society which talks about
23 the 27% rate of unemployment in public housing.
24 And it's just been released. And you can contact
25 CSS to get a copy. Is it available online--?

MR. BACH: [Interposing] Or our web. Yes. www.cssny.org.

CHAIRPERSON MENDEZ: Great. Thank you.

MR. BACH: You're welcome.

CHAIRPERSON MENDEZ: Next. Whoever's ready?

MS. ANN VALDEZ: Thank you. Good afternoon Council Members. Thank you for holding this hearing regarding Section 3. My name is Ann Valdez. I am a leader and member of Community Voices Heard. I'm also a 3rd generation resident in Gravesend Houses on Coney Island. And I do appreciate very much that this hearing is coming about.

Currently the unemployment rate in New York is nearing an all-time high and residents of public housing are among those numbers. While New York City Housing Authority has worked to improve Section 3, they still have a long way to go to address this issue. Now as Vick mentioned, about the MOU and all that money going to the Police Department, well we feel that this money, instead of going to the Police Department, it

1 should be dissolved and it should go to repairs.
2 But until then it should be pushed into Section 3
3 jobs and really be--they should be monitored about
4 that.
5

6 Recently a memo from the HUD
7 Department was issued to NYCHA informing them that
8 the payments they are currently paying the Police
9 Department, which is the \$70 million, is subject
10 to compliance with Section 3. It is our hope that
11 the Council will support the elimination of the
12 payment to the Police Department but that's at
13 another hearing. We'll get back to you on that.
14 We'll be here.

15 OFF MIC COMMENT: We support you on
16 that.

17 MS. VALDEZ: Thank you sweetheart,
18 thank you very much, I support you as well.

19 We are here to talk about Section 3
20 and I would like to encourage the Council to make
21 sure that the NYPD is working to become Section 3
22 compliant. Given the poor experience that many
23 public housing residents constantly are
24 experiencing with the NYPD, a commitment to
25 adhering to Section 3 and providing public housing

1
2 residents with jobs can surely be a way to start
3 to work on the tense relationship residents have
4 with the Police Department.

5 I again call on the Council to make
6 sure that the NYPD takes Section 3 seriously and
7 that we can soon see folks getting jobs with not
8 just construction contractors but with the NYPD,
9 myself included, 'cause I can't be a construction
10 worker but I have two years of college and I would
11 like to work.

12 Again, thank you for allowing me to
13 address this today. And I look forward to seeing
14 the Section 3 becoming what is truly a possibility
15 for the residents of public housing. Thank you.

16 CHAIRPERSON MENDEZ: Thank you.

17 Next?

18 MR. REGINALD BOWMAN: Good
19 afternoon everybody. My name is Reginald Bowman
20 and I'm the Citywide Council President for the New
21 York City Housing Authority Resident Associations.
22 And by the regulations of 24 C.R.F. 964 which also
23 contains some Section 3 stuff, I am the
24 representative of all the 600,000 people that live
25 in the public housing community that are

1 residents.

2 I'm here today and I know that
3 during the testimony of everybody, if people
4 noticed, I was flinching and making faces about
5 some of the things that have been going on. And
6 the reason why I was doing that was because the
7 Section 3 is the Housing and Urban Development Act
8 of 1968 as amended. In 1968 I was a sophomore in
9 high school. And now I'm a grandfather of seven
10 children. And that means that two or three
11 generations have gone by and Section 3 is still
12 being debated about how it's supposed to be
13 implemented. But I'm just going to read my
14 comments because I'm quite agitated by this whole
15 process.
16

17 Section 3 is the Housing and Urban
18 Development Act of 1968 as amended. This act
19 recognized in 1968 that job training, employment,
20 and contract opportunities are generated by HUD
21 programs designed to aid housing, urban planning,
22 and community development. Section 3 is a mandate
23 to target these economic opportunities flowing
24 from the HUD assisted projects to lower income
25 residents and businesses in those jurisdictions

1 and areas where HUD is investing public resources.
2 Through HUD regulations, participants in HUD
3 assistance programs, recipients and contractors,
4 are required to make good faith efforts to provide
5 to the great extent feasible opportunities to
6 Section 3 area residents and Section 3 business
7 concerns.
8

9 Now that was written in 1968.

10 There are the exact words quoted from the
11 handbook, 8023.1 for program participants and
12 departmental staff for the implementation of
13 Section 3 of the Housing and Urban Development Act
14 of 1968 as amended. You can download it online.

15 The book that is referenced in this
16 testimony is dated July 1992, 24 years after the
17 Act, Statute Public Law 90-48-et cetera. This Act
18 is designed to provide employment opportunities
19 for low income persons in connection with assisted
20 projects. This statute goes on to state that in
21 the administration of the programs providing
22 direct assistance including community development
23 block grants, which I just heard mentioned, in aid
24 of housing, urban planning, development,
25 redevelopment, or renewal, public or community

1 facilities, and new community development, the
2 responsibility for implementing these statutory
3 provisions is delegated to the HUD Assistant
4 Secretary for Fair Housing and Equal Opportunity
5 in the United States. I don't see anybody from
6 HUD here. But they are supposed to be also
7 responsible for implementing Section 3.

8
9 Section 3 directed toward lower
10 income residents and businesses were originally
11 designed to stimulate jobs and contracts for those
12 persons who would be beneficiaries of HUD's
13 program assistance, primarily through large
14 construction projects. Then the statute was
15 amended in 1969, extending its coverage from
16 exclusively housing programs to HUD programs
17 providing direct financial assistance in aid of
18 housing, urban planning, development,
19 redevelopment, public or community facilities ,
20 and new community development which in 1969 the
21 program went beyond construction to other things.
22 So this is all available on the web.

23 The statute was amended again in
24 1974. I was out of high school for 4 years then,
25 explicitly to include the community development

1
2 block grants program which I just heard mentioned,
3 which gets \$300 million. Then the statute was
4 amended, finally, again in 1980 to change the
5 locational preference for project areas to larger
6 geographical areas for training and employment.
7 And the area of the project became the unit of
8 local government or the metropolitan area which
9 means the whole City or non-metropolitan counties.
10 And for contracts it became the whole City, the
11 metropolitan area or the non-metropolitan county.

12 The statutes go on to say who is
13 responsible because people keep talking about
14 unfunded mandates. The Secretary of HUD shall,
15 and we were taught that when they say shall this
16 meant the Secretary of HUD is supposed to require
17 in consultation with the Secretary of Labor that
18 to the greatest extent feasible, opportunities for
19 training and employment arising in connection with
20 the planning and carrying out of any project
21 assisted under such programs be given to lower
22 income persons residing within the unit of local
23 government or the metropolitan area as determined
24 by the Secretary in which the project is located.
25 Which means for years the Secretary of Labor and

1
2 the Secretary of HUD were supposed to be making
3 sure that these programs were implemented.

4 They were also supposed to require
5 in consultation with the Administrator of the
6 Small Business Administration that to the greatest
7 extent feasible contracts for work be performed in
8 connection with any such project be awarded to
9 business concerns including but not limited to
10 individuals or firms doing business in the field
11 of planning, consulting, design, architecture,
12 building construction, rehabilitation, maintenance
13 or repair, which are located in or owned in
14 substantial part by persons residing in the same
15 metropolitan area.

16 The handbook on the statute and
17 regulatory guidelines on Section 3 provides all
18 this information and guidance to HUD program
19 participants, which means anybody who gets Federal
20 money from HUD, to assist in understanding their
21 obligation. The handbook also provides specific
22 guidance necessary to enable HUD to actively and
23 effectively implement Section 3. I still don't
24 see HUD here.

25 And with the mandates of Congress

1
2 and the local economic development and local
3 empowerment objectives of HUD, various housing
4 community development programs. Now there's a
5 number of things that you could cite in the legal
6 authorities from this handbook but one of the most
7 important things that I found in doing my research
8 before this testimony was this: that when Section
9 3 was created it was referred to in its
10 implementation strategies as being similar to that
11 of all civil rights laws which means, in a way,
12 when Section 3 was implemented, it was sort of
13 like an expansion of the civil rights of people to
14 having a job and in today's market, you know, the
15 right to have a job in New York is like the
16 difference between life and death.

17 Section 3 is a program requirement
18 incorporated into the regulations, contract
19 documents, handbooks, and other issuances of
20 government administration of HUD assistance. The
21 Fair Housing and Equal Employment Opportunities
22 Department which is also supposed to be involved
23 in the administration of Section 3 is to treat
24 Section 3 as other civil rights programs as a
25 standard. This is another area of Section 3

1 compliance that is currently a dismal failure.

2 Now to get to why I'm here today.

3 The current state of Section 3: it is my firm
4 belief that the City government, its agencies that
5 have, according to Section 3 regulations and
6 statutes, been the recipients of HUD funding in
7 the categories detailed by the HUD Act of 1968 as
8 amended, are guilt of gross negligence and
9 noncompliance with the letter of Section 3
10 regulatory rules and statutory procedures.

11 Now that's not to say that the
12 efforts that are being made by this new generation
13 of individuals that are now governing NYCHA and in
14 government are guilt of this, but come on, this
15 program has been in existence since 1968. And my
16 issue is that since 1968, we're still talking
17 about how to effectively implement a program and
18 three generations have gone by in my community.
19 And now I'm a resident. I live in public housing
20 in Brownsville. I don't have to tell people what
21 that's like in terms of economy and the levels of
22 crime that have happened. And right now for us to
23 sit and listen to some of this stuff that's going
24 on, after having gone through every level of this,

1
2 it's sort of very, very frustrating which is why I
3 used the language that I did.

4 Why residents of public housing and
5 low income communities cannot wait? Section 3
6 compliance and implementation has failed. The Act
7 originally created in 1968 has never lived up to
8 its intentions. The regulatory agency, HUD; the
9 City of New York; the New York City Housing
10 Authority; and the recipients of the Federal
11 funding that has amounted to billions of dollars
12 in local and metropolitan aid have been willing
13 participants in some cases in a gross and
14 egregious failure to provide the resources in
15 compliance with Section 3 that would have created
16 a level economic playing field for the low income
17 residents of public housing and residents of the
18 local metropolitan communities.

19 Since 1968 to present, public
20 housing, businesses, concerns, and covered
21 projects that fall under Section 3 statutes and
22 regulations are victims and something must be done
23 by HUD, local elected officials, and agency
24 officials who have let decades of economic
25 opportunity be squandered with no way of

1 recovering the loss.

2
3 Now what do residents of public
4 housing want? At this time I would think that it
5 would be ideal if the decades of losses of Section
6 3 opportunities could be calculated, the same way
7 they're calculating what's going on with NYPD.
8 That's \$73 million, just think of the billions of
9 dollars that have come into the City of New York
10 since 1992 when the handbook was handed out. If
11 that could be recalculated and put into a trust
12 fund for restoration of the economic
13 infrastructure of the low income communities that
14 were denied their civil rights to Section 3,
15 billions that are now gone, that would be great.

16 Residents are owed more than just
17 lip service, apologies, or amendments of the
18 Section 3 law. Recently we took people down to
19 Georgia to get trained, residents, in Section 3
20 compliance. If there's to be a fair resolution of
21 this issue then the following steps must be taken,
22 in my opinion, to reimburse the low income class
23 of people that have been victimized by more than
24 30 years of noncompliance with Section 3
25 regulatory statutes.

1
2 One, a task force for Section 3
3 compliance must be put in place to create a
4 comprehensive Section 3 compliance procedure that
5 will ensure that the current regulations that
6 govern the implementation of Section 3 rules for
7 all Federal projects funded in the metropolitan
8 area are followed and adhered to. And I applaud
9 the Congresswoman for her legislation but I also
10 think that it's time, Madam Chairman, for the City
11 Council and the Mayor's Office--

12 CHAIRPERSON MENDEZ: [Interposing]
13 Chairwoman.

14 MR. BOWMAN: I'm sorry.
15 Chairperson. I make some mistakes. I'm only
16 human. I think that we need a task force.

17 Secondly, the New York City Housing
18 Authority and all of its agencies, HPD, HUD,
19 everybody who's got their hands in this, that
20 receive Federal funding and program contracts that
21 fall under the jurisdiction of Section 3 must have
22 supervisory bodies that consist of residents and
23 the people who are the recipients of this aid,
24 that generate this aid, and the appropriate
25 regulatory monitors from HUD that will ensure that

1
2 Section 3 rules and regulations are adhered to and
3 that the residents finally, once and for all, get
4 what we were entitled to 30 years ago.

5 After years of gross negligence,
6 the residents of public housing--

7 CHAIRPERSON MENDEZ: [Interposing]
8 Reggie, I'm going to have to ask you to summarize
9 because we've got a couple more panels--

10 MR. BOWMAN: [Interposing] I'm
11 finished now. This is the last thing. But I just
12 want this on the record because, like I said, I'm
13 very agitated about this.

14 After years of gross negligence of
15 the residents of public housing and the people of
16 low income communities, we will not settle for
17 crumbs, explanations, promises, and amendments to
18 create more bureaucracy that we already know will
19 not guarantee that we will receive what we are
20 entitled to. Indeed it is the duty and the
21 responsibility of myself, since I'm a resident
22 leader now so I can't point the finger at anybody,
23 and the governing bodies of the City of New York
24 and the agencies that receive these funds to do
25 something that they haven't done, but I have to

1
2 applaud you for what you've been doing lately but,
3 you know, we wanted long enough, to be diligent
4 and to go beyond political posturing, to introduce
5 comprehensive legislation in the City Council that
6 enforces the law of Section 3.

7 It is therefore my urgent request
8 that the Housing Committee of the City Council
9 recommend and sponsor legislation also that will
10 create the task force that I recommended
11 previously and create the supervisory resident and
12 HUD agency monitors that will include advocacy
13 groups and others, that will make sure and ensure
14 that Section 3 compliance will become the rule
15 that governs the funds that are supposed to come
16 into the hands of public housing and low income
17 communities of the City of New York.

18 Anything other than this proactive
19 response is just lip service. Residents want
20 actions not answers. And after all it's been more
21 than 30 years and I believe that we have waited
22 long enough. Thank you.

23 CHAIRPERSON MENDEZ: Thank you. So
24 just to say that City Council cannot introduce
25 legislation because we do not have jurisdiction

1 over HUD which is a Federal agency. We could
2 introduce a resolution. And the Congresswoman's
3 legislation would give a bit more teeth to Section
4 3. And it would, if passed, be very beneficial to
5 a public housing authority like NYCHA that is
6 better with compliance than some of the other
7 public housing authorities. So we can certainly
8 support her efforts and try to get that passed at
9 the Federal level.
10

11 Vick, I want to thank you and the
12 Public Housing Resident Alliance for following up
13 with HUD on the \$74 million of the NYPD and
14 hopefully that will translate into jobs and into
15 more security for our residents and hopefully into
16 repairs if nothing else and also for this report
17 that I look forward to really combing through.

18 And thank you Ms. Valdez for
19 being here, for your testimony. My colleagues,
20 any questions?

21 COUNCIL MEMBER JAMES: No, just to
22 echo the sentiment that unfortunately we don't
23 have the jurisdiction. I wish we did.
24 Unfortunately it lies in Washington DC and you can
25 see the quagmire that's happening in Washington

1 DC. If that were the case and we had control in
2 Washington we would have a job bill passed by
3 President Obama and we could strengthen this piece
4 of legislation but unfortunately until such time
5 as we get control of both houses, we are in a very
6 difficult time at this point in time.

7
8 But I do believe that we really
9 need to press upon NYPD and the Mayor of the City
10 of New York for the \$75 million that we current
11 send to NYPD which is unconscionable as well as I
12 need to find out how much funds we provide to
13 Sanitation as well.

14 MR. BOWMAN: Madam Chair?

15 CHAIRPERSON MENDEZ: Yes.

16 MR. BOWMAN: Before I leave the
17 podium, I would just like to say I appreciate the
18 fact that you guys are making efforts that you're
19 making. I think it's time for a full court press
20 because \$73 million is a drop in the bucket
21 compared to all of the funding that comes into
22 this City that is Section 3 compliant alone. It
23 also would warrant looking into if Local Law 48
24 and the money that comes through the Economic
25 Development Corporation which I think, I know I

1
2 see you shaking your head, but any Federal money
3 that comes into this City, even though you guys
4 don't have jurisdiction over it, you guys are the
5 elected representatives that we expect to
6 represent our issues, I think that it's time for a
7 full court press to make sure that not just the
8 crumbs in the bucket, but that all of this money
9 that comes into this City begins to be monitored
10 and treated the way it's supposed to be treated
11 under Section 3 so that the families that we
12 represent will finally get our fair share.

13 CHAIRPERSON MENDEZ: Thank you Mr.
14 Bowman. This body has introduced and passed
15 various resolutions supporting a strengthening of
16 Section 3 legislation. And so we're going to be
17 there. We're going to get the bucket. We don't
18 want the drop in the bucket. We want the bucket.
19 Okay.

20 MR. BOWMAN: Okay.

21 CHAIRPERSON MENDEZ: Thank you.

22 MR. BOWMAN: I'm with you on that.

23 CHAIRPERSON MENDEZ: And while we
24 cannot legislatively have oversight over HUD, we
25 are, you know, are meeting with NYCHA on a regular

1 basis to get these numbers and working very
2 closely with our Congresswoman--

3 MR. BOWMAN: [Interposing] Well I
4 hope that the next--

5 CHAIRPERSON MENDEZ: --who can get--
6 -

7 MR. BOWMAN: --hearings that HUD
8 will come and do what they're supposed to do and
9 be questioned also--

10 CHAIRPERSON MENDEZ: [Interposing]
11 Okay.

12 MR. BOWMAN: --about their
13 responsibilities.

14 CHAIRPERSON MENDEZ: They don't
15 have to show up here. We can request them to.
16 But again since they're a Federal agency we don't
17 have jurisdiction over them. So if they would
18 show up it would be 'cause they want to.

19 MR. BOWMAN: Well let's work
20 together to make that happen next time.

21 CHAIRPERSON MENDEZ: Okay. Thank
22 you. The next panel will be Joseph Stevens,
23 Charlene Nimmons from the Public Housing
24 Communities, Inc.; Agnes Martinez from Community
25

Voices Heard, Wagner Houses.

[Pause, off mic comments]

CHAIRPERSON MENDEZ: Well let me just keep calling up, if you've filled these out, we'll keep going. Joseph Stevens, not here?

MR. JOSEPH STEVENS: Yeah, I'm here.

CHAIRPERSON MENDEZ: Okay, come on up. And Pugh, Evangeline. Okay from CVH. The next panel after this one will be Shirley Jones from CVH; Lincoln Restler from New York City Employment and Training Coalition; and Roxanne Reece from CVH. That will be the panel to follow the current panel now. Okay. Whoever's ready, you can grab the microphone. Please identify yourself for the record and you can start your testimony.

MR. EVANGELINE PUGH: Do I have to press?

MS. CHARLENE NIMMONS: I just pressed it.

MS. PUGH: Okay. Hello. My name is Evangeline Pugh; I'm speaking for Agnes Rivera. Okay. I know that it's been said a few times

1
2 already but maybe if you hear it a couple more
3 times it'll really sink in. The MOU money, we,
4 too, are requesting that it be sent for repairs
5 instead of just lingering in the wind. Okay.

6 As I said I'm speaking for Agnes
7 Rivera. I'm a member of CVH; actually, she's on
8 the Board of CVH. CVH is a group of low income
9 New Yorkers working to improve the lives of our
10 families and our communities. We would like to
11 speak today on Section 3.

12 Section 3 of the 1968 Housing Act
13 states that all public housing authorities
14 receiving HUD funds have an obligation to see that
15 the money is used for employment and training
16 opportunities for residents. NYCHA has improved
17 with making sure Section 3 is followed but there
18 is, hold on a second.

19 [Pause]

20 MS. PUGH: There is still more that
21 can be done. If we just look at my building, not
22 even all of NYCHA, the unemployment rate is huge.
23 On my floor I have five families, two are
24 unemployed, and that's just my floor. Let's just
25 imagine what that looks like if we go building-

1 wide. All of these residents needing jobs but yet
2 every day we see some new contractors doing work
3 in the development but our residents are not part
4 of the team. When you ask the contractor about
5 why they have not hired any residents, they
6 provide you with a laundry list of excuses, even
7 after NYCHA tells us that the contractor has to.
8

9 Residents still hear excuses
10 ranging from blunt disrespect like we can hire
11 whoever we want; we don't have to hire you; no; no
12 one is qualified here; we will need to see your
13 OSC card. When you call and complain about the
14 practice, nothing is done to the contractors and
15 they are back the next day getting money off the
16 back of residents, they refuse to assist in any
17 way.

18 NYCHA Residents Employment Service
19 has also improved and we would like to continue to
20 have them look at the core reasons they have been
21 unable to get folks to apply for positions and
22 work on these issues. They need to let residents
23 know about GED programs too so they can fill the
24 high school diploma requirement and do some solid
25 outreach to youth in public housing as well as

1
2 those folks who are older but need to return to
3 work due to the current economic crisis.

4 While we applaud the 14,000 jobs
5 that NYCHA has created, we still hope that they
6 expand getting jobs for residents within their
7 areas besides construction and in NYCHA. The
8 current memo from HUD stating that the payment
9 NYCHA has made to the NYPD is also subject to
10 Section 3 and we hope to hear the details of how
11 NYCHA will comply. Thank you for holding this
12 hearing and hopefully the next hearing will be to
13 report the success of Section 3 and NYCHA.

14 Okay. And well I'll leave that for
15 another issue, another day. Thank you.

16 MS. NIMMONS: Hi. My name is
17 Charlene Nimmons and I thank you all for inviting
18 us out to talk about the Section 3 initiative.
19 First I am a resident of Wyckoff Gardens. I'm the
20 President of Wyckoff Gardens Resident Association
21 and I'm the Vice Chair for Brooklyn West Council
22 of Presidents. And I also have worked with other
23 residents and we established a not-for-profit
24 organization called Public Housing Communities,
25 Inc. that's been working along with our resident

1
2 leaders around the City to prepare residents for
3 these opportunities.

4 In 2009 when the stimulus money
5 came through, even though we had been talking to
6 the Housing Authority for, I know, for as long as
7 I was there from 2003 about the Section 3
8 initiative, but when the stimulus money came in we
9 said there was no way that we could allow this to
10 slip through, this opportunity to slip through our
11 hands without saying anything. So we asked for a
12 meeting with the Housing Authority. And at the
13 time it was Sonya Turillo [phonetic] and we went
14 in. Louis Armstrong at the time was the Houses
15 that wanted to step up with us and we went in.
16 And it was a \$20 million project and we wanted to
17 know how you were going to create these jobs, how
18 were the residents going to be hired.

19 And the first thing they said to us
20 was well you have to have your OSHA card. And we
21 knew that a lot of the residents did not have the
22 OSHA cards. And the first thing that NYCHA said
23 was we don't have any money to do the training.
24 And then we looked to our resources which are the
25 Tenant Participation dollars. And we began to do

1 OSHA training certification around the City.

2 And that myth where they say
3 residents don't want to go to each others' houses
4 and do different things is just a myth. We've
5 proven that. We've had residents that came from
6 the Bronx to our classes, from Queens, and from
7 Brooklyn going to Queens. And we have been
8 successful in making sure that they have their
9 OSHA-10 certification.

10 Then we asked NYCHA to really look
11 at not only the job opportunities but the business
12 opportunities because the Section 3, what we've
13 been hearing today was more so about the hiring.
14 So when you ask them about the compliance, I was
15 the one who chuckled, because I've been going to
16 meeting with them and we submitted proposals to
17 them on different ways in which we could really
18 implement Section 3 and, you know, our not-for-
19 profit, the resident leadership, constantly in
20 meetings with them.

21 The ironic--well I don't want to
22 say--well the whole thing is if we create these
23 opportunities for businesses, resident-owned
24 businesses, because the ultimate goal for Section
25

1
2 3 is self-sufficiency. And so when they're
3 quoting these numbers I'm so glad that you asked
4 the question what is the duration for those jobs.
5 Because most of those jobs, they're temporary
6 positions. And so are we really creating the
7 state of self-sufficiency because that's what the
8 regs really are calling for.

9 And so in doing so, in order for us
10 to do that, we've got to create true economic
11 stability. And that, to me, is business
12 development. And we have resident-owned
13 businesses around the City that have been
14 constantly at the door of NYCHA even before all of
15 this hoorah, you know, around Section 3. And they
16 are always saying that they don't have any money.
17 Well we beg to differ because when you get the
18 funding, when the funding comes in, 30% of that is
19 supposed to, right, 30% for new hire and then 10%
20 of those contractual dollars are supposed to go to
21 resident-owned businesses through subcontract
22 work. And so if we ask them how many resident-
23 owned businesses have you subcontracted with, they
24 will probably tell you zero. If they say 100% I'm
25 going to chuckle again.

1
2 Then you have, I hear about the
3 non-construction, there's 3% of those dollars are
4 supposed to go toward non-construction. It's not
5 happening. And so I think that it's important for
6 us to look at the fact that every year, even when
7 there's a deficit, we still get funded. And 10%
8 of those dollars and 3% of those dollars are
9 supposed to go toward resident-owned businesses.

10 There's another HUD regulation,
11 963, that speaks to resident-owned business
12 alternative procurement. There are ways in which
13 we could create opportunities for residents to
14 build true self-sufficiency. And I think that if
15 we all join our forces together we will be
16 successful and not allow NYCHA to continue to say
17 we don't have the money. Even when it's a limited
18 budget, you still have money. And we can get
19 something done.

20 And I think we should stop making
21 excuses because excuses make us useless. And we,
22 you know, we want to be useful to the people. And
23 I really believe that if we are going to really
24 look at these opportunities that come up, we also
25 have to look at the way that the unions function

1 with regard to the Housing Authority. I heard
2 them mention that they have some agreements with
3 the Housing Authority. Well guess what? Section
4 3, the Section 3 clause, says that the unions have
5 to not follow--they don't follow their collective
6 bargaining agreement, once they accept the award.
7 One that contract accepts the award, they must
8 notify the collective bargaining agreement unit
9 that they are connected with that they have taken
10 on this responsibility and they must come into
11 compliance with the Section 3 mandate. But NYCHA
12 is not making them do that.
13

14 NYCHA is saying, well okay, since
15 you tell me you can't hire or you can't do this,
16 then we'll make a deal. There should be no deal.
17 There should be the deal that's on the table. You
18 must comply with Section 3. And when we start
19 trying to create different ways or how to do
20 things instead of utilizing what already exists
21 and enhancing it and that's the beauty of
22 Congresswoman Nadia Valezquez's bill, right, it is
23 to enhance, not to take away from, and I think
24 when we start making these deals and start, you
25 know, trying to adjust to the circumstance, we

1
2 take away from the legitimacy of those
3 opportunities. So that's what I wanted to say.

4 COUNCIL MEMBER JAMES: So much has
5 been said about where is HUD. Has there been a
6 hearing with regards to the implementation of
7 Section 3 in Washington DC, where HUD would be
8 required to show up?

9 MS. NIMMONS: We have had meetings
10 or conferences but not on that particular--

11 COUNCIL MEMBER JAMES:
12 [Interposing] There's been no Federal hearing?

13 MS. NIMMONS: No. there has not
14 been a Federal hearing.

15 COUNCIL MEMBER JAMES: And there's
16 been meetings with HUD?

17 MS. NIMMONS: There have been
18 meetings where resident leaders go to different
19 conferences and HUD is there. And we will speak
20 to different, I guess, staffing of HUD. There has
21 been Section 3 workshops or seminars. And most of
22 the time when we go in we know more than they do.

23 [Chuckling]

24 COUNCIL MEMBER JAMES: Hmm. Thank
25 you.

MS. NIMMONS: You're welcome.

MS. PUGH: Excuse me. I would like to add one last little thing. There's a situation going on that people in housing, they're being asked to work for free.

OFF MICROPHONE: In community service?

MS. PUGH: Yeah. This, it looks like basically legal slavery. And I don't think, with all of the things that are going on with Wall Street and with everybody else that's looking at this situation, I think the other people are going to take the same attitude that why would we work for free when, you know, economically things are so tight and we can't even get Section 3. Maybe somebody should address that issue before it becomes a real issue.

CHAIRPERSON MENDEZ: That's a different hearing topic and we've had some hearings on that. That is part of the Federal law that was passed. We tried to get it undone and were not possible. So NYCHA has to comply and ensure that its residents are complying with the community service requirement otherwise NYCHA will

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lose its Federal funding. So it's one of these
unfortunate things. And it's, again, an unfunded
mandate.

COUNCIL MEMBER JAMES: But the
Chair has done all that she can--

CHAIRPERSON MENDEZ: [Interposing]
Yes.

COUNCIL MEMBER JAMES: --to
minimize its impact. Which we tried to create as
many exemptions--

CHAIRPERSON MENDEZ: [Interposing]
We've worked with--

COUNCIL MEMBER JAMES: --as
possible.

CHAIRPERSON MENDEZ: --NYCHA to
define those categories. So if someone's in
school or working then they're not subject to the
community service requirement. Just Ms. Pugh,
thank you for being here. I look forward to
having you at other hearings and testifying.

MS. PUGH: Thank you.

CHAIRPERSON MENDEZ: Again. And in
terms of the unions, I just want to read to you a
little something from our last hearing that the

1 Chairman stated that they were--we are also
2 partnering with Local 79 labor unions to proved
3 NYCHA residents entry into Local 70 as
4 journeypersons and ensuring that they're given
5 union status through NYCHA's Section 3 program. I
6 think that has been really a good thing and it's
7 something I have discussed with the unions because
8 it's not then a temporary job and just that job
9 that's happening at that development, it's giving
10 them union status and then it's getting them on
11 other jobsites throughout the City. So that's
12 actually been a good thing and it's been a good
13 collaboration. We need to have more of that.

14 MS. NIMMONS: Right. So let me
15 just say when you mentioned Local 79.

16 CHAIRPERSON MENDEZ: Mm-hmm.

17 MS. NIMMONS: Awesome. They
18 actually assist us in giving job opportunity. I
19 want it to be clear that it's not one particular
20 union. There are multiple unions who are not
21 giving our residents that opportunity. And so
22 when we make these deals, okay, you bring 2 people
23 on and it's a \$20 million project and we only get
24 2 people, I think that's really unfair. And so we
25

1 have to be careful in how we negotiate.

2 And so one of the things that we've
3 said to the union is this Section 3 clause is here
4 'cause they'll say Section 3 is no good, but we're
5 saying, guess what, Section 3 is good for us
6 because it brings us to the table. It gives us a
7 negotiating tool. And right now if we take that
8 away, we don't have it. And so there are multiple
9 unions that will not bring in our residents
10 because they say they're not skilled. So we may
11 have, our laborers, we are getting, and that's
12 another thing I wanted to mention also, we are
13 training residents, yes. That's a wonderful
14 thing. But are we training them with skills?

15 These are pre-apprenticeship
16 training programs that NYCHA is introducing. And
17 we have on the table an apprenticeship training
18 program which is very difficult for us to even get
19 when it comes to the union. So we need to step it
20 up another level. And that means getting people
21 trained so that they could actually perform as a
22 bricklayer, as a roofer, as an iron worker. All
23 of those different trades; we have got to train
24 them in the plumbing, electrician, that's not
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2 happening at the level that NYCHA is training
3 right now. And so we're saying that we have to
4 improve what is happening and not just go along
5 with the unions.

6 CHAIRPERSON MENDEZ: And Ms.
7 Nimmons, on your efforts on using TPF funds, the
8 Tenant Participation, I applaud you. That is, you
9 know, a great idea. And it--

10 [Off mic comment]

11 CHAIRPERSON MENDEZ: --right, and
12 it's, you know, a great use of money going
13 directly to the residents and getting them that
14 certification so that they could get those jobs.
15 So I applaud you for that--

16 MS. NIMMONS: [Interposing] Right.
17 We do it as a team effort. The resident
18 leadership and I think that's important also.

19 CHAIRPERSON MENDEZ: Mm-hmm.

20 MS. NIMMONS: I hear about Robin
21 Hood and I hear about all of these other
22 initiatives but we're not really hearing about the
23 nonprofit organizations, the resident-owned
24 businesses that are actually out there and working
25 for the residents and making sure that they get

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these opportunities.

COUNCIL MEMBER JAMES: So could I just ask this question Madam Chair?

CHAIRPERSON MENDEZ: Yes.

COUNCIL MEMBER JAMES: So to what extent does NYCHA provide, employ, no, that's a bad word, no--

MS. NIMMONS: [Interposing]
Contract.

COUNCIL MEMBER JAMES: --contract with resident-owned businesses? Is there a website? Is there? Do you have a tracking mechanism? Is there any documentation?

MS. NIMMONS: There's nothing in place right now to really build on resident-owned businesses. It's the same process as another business coming in--

COUNCIL MEMBER JAMES:
[Interposing] Do you have--

MS. NIMMONS: --we have the same process.

COUNCIL MEMBER JAMES: As a Vice President do you have an inventory or?

MS. NIMMONS: We are actually in

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the process now and that's something that we have with NYCHA, creating a database.

COUNCIL MEMBER JAMES: Right.

MS. NIMMONS: That will have a list of all of the resident-owned business.

COUNCIL MEMBER JAMES: Right.

MS. NIMMONS: What their services are.

COUNCIL MEMBER JAMES: Right.

MS. NIMMONS: So that the contractors that come in--

COUNCIL MEMBER JAMES:
[Interposing] Right.

MS. NIMMONS: --they would look at those lists--

COUNCIL MEMBER JAMES:
[Interposing] Exactly.

MS. NIMMONS: --to meet those subcontracting.

COUNCIL MEMBER JAMES: Well when you compile that data, if you would provide that to the Chair and to my office I would be greatly appreciative.

MS. NIMMONS: We will do so.

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COMMITTEE ON PUBLIC HOUSING 151

COUNCIL MEMBER JAMES: All right.

MS. NIMMONS: And we also are going to be having business development. That's another thing that we're working on. And we presented that to the Housing Authority as well.

COUNCIL MEMBER JAMES: And they would get certified as well.

MS. NIMMONS: Yes.

COUNCIL MEMBER JAMES: Great.

Thank you.

MS. NIMMONS: Thank you.

CHAIRPERSON MENDEZ: Thank you.

The next and last panel: Joseph Stevens, Shirley Jones, and Roxanne Reece.

[Pause, off mic comments]

CHAIRPERSON MENDEZ: Okay. Whoever is ready can grab the microphone and start giving testimony. Thank you.

MS. SHIRLEY JONES: Okay. Good evening. My name is Shirley Jones and I am a member of Community Voices Heard. I live in the Amsterdam Houses here in Manhattan. Community Voices Heard took a trip to the Philadelphia Worker's Center at Tasker Houses to see how their

Section 3 program works.

We would like to see this implemented in New York City. Some highlights of this program are a centralized work center where public housing residents come in and work on pre-qualifying needs; residents get trained on all skilled trades over a 6 to 9-month period by certified union trainers and at the end get placed in long-term union and good-salaried jobs. We urge NYCHA to work with Community Voices Heard to begin work in implementing this.

It is my understanding that when the Department of Housing and Urban Development money is used it should be subject to Section 3. I also feel that the recent notification from HUD to NYCHA telling them that the money paid to NYPD is subject to Section 3 and needs to be moved forward quickly. Section 3 has great potential but needs to be implemented more efficiently and intentionally to provide public housing residents with long-term jobs. Thank you.

CHAIRPERSON MENDEZ: Thank you.

Next?

MS. ROXANNE REED: Good evening.

1
2 My name is Roxanne Reed and I'm a former President
3 from Castle Hill Houses, TA President. And also
4 I'm a member of CVH.

5 I worked in Castle Hill Houses with
6 the Section 3 when I was working with them. I had
7 a guy that worked along with the youth in my
8 community and got them together and got about 15
9 youths or younger people, older people, to work
10 with the Section 3 program with the contractors.
11 And they had the jobs. They did the jobs. And I
12 stayed on the contractors to make sure that they
13 hired the people in my community and did a good
14 job with them.

15 So I would like to see Section 3
16 extend a little further, okay, 'cause I have two
17 residents here right now, a young man, Mike, over
18 here and Joe, that they have put in for Section 3
19 and they're still waiting to get a job. I had
20 other young youths in the community too that I
21 speak to and I had asked them that they call for
22 the red Section 3 job and they told me yes. And
23 they're going to contact them in February. I
24 can't understand why that's taking so long for
25 that. You know, 'cause these kids are out there,

1
2 it's all the teenagers out in the neighborhood,
3 they come to me for jobs and I tell them I do what
4 I can to help them, you know, but they've got to
5 make the calls. You know, and they tell me well
6 Ms. Roxanne we don't want to be out here on the
7 street, we want to work, you know. So I'm trying
8 to push hard, you know, even though I'm a former
9 President, I'm still out there and active in the
10 community. And working with the youth to try to
11 keep them getting jobs, you know, just keep them
12 from being out, getting out there and getting in
13 trouble. So I have Joe right here now, where he
14 can speak to you a little bit about his
15 experience.

16 MR. JOSEPH STEVENS: Good
17 afternoon. My name is Joseph Stevens. I'm going
18 to make it real short 'cause I know you've been
19 patient and really want to go home. I don't have
20 much to say but I'll make it very--

21 CHAIRPERSON MENDEZ: [Interposing]
22 You've waited long enough--

23 MR. STEVENS: --[laughing].

24 CHAIRPERSON MENDEZ: --take the
25 time you need.

1
2 MR. STEVENS: Okay. I'm a new
3 member of Community Voices Heard. I reside in
4 2120 Randall Avenue in the Bronx, Castle Hill
5 Houses. And not too long ago I applied for the
6 janitor services with one of the NYCHA training
7 programs. One of them which was the Brooklyn
8 Workforce, okay. I applied for the Brooklyn
9 Workforce and was accepted, partially accepted. I
10 went through all the steps that they asked to do,
11 for example, I passed the acceptance interview
12 where you get accepted to come to see if you're
13 eligible. I passed the drug test. I passed the
14 reading and writing, math. I don't have no
15 criminal record or anything. I thought I was a
16 good candidate to be eligible for the program.
17 Well. I waited. Because they said to wait. And
18 we'll call you. I've been waiting. I've been
19 waiting. And until this day I'm still waiting.
20 And I can't understand how the housing, with their
21 numbers, pretended or acted like the numbers was
22 really something to brag about. I mean, for
23 example, they said they hired, excuse me for one
24 second; I'm a little bit unorganized.

25 [Pause]

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CHAIRPERSON MENDEZ: Was it the numbers in their testimony or was it numbers when they were being asked questions--?

MR. STEVENS: [Interposing] Yeah, it was the numbers in their testimony about they hired 138 caretakers for the year.

CHAIRPERSON MENDEZ: Mm-hmm.

MR. STEVENS: And I was there, as far as the process, throughout the whole process and I've seen more than 400 people apply for the positions. And when I hear numbers like 138 out of 1,000's, those are not numbers to really brag about. You know. And then they say, well we could only accept 25 people at a time. When you have 100's who passed the test, who passed everything, did everything, followed up on the procedures, but yet they can only take 25. And those are not numbers to be bragging about. Well we're doing this and expending so many millions of dollars. So I feel like I'm one of those who have been left behind. So what happens to me? You know, I have over a 20-year solid work history. And I feel the numbers don't add up. Well I'm not going to take up much of your time and thank you

1 very much.

2
3 CHAIRPERSON MENDEZ: Mr. Stevens,
4 so when did you apply to the Brooklyn Workforce
5 Training Program--

6 MR. STEVENS: [Interposing] I
7 applied last year, of February the 28th of 2010.

8 CHAIRPERSON MENDEZ: And so that's
9 a year and a half. So you went, you did, filled
10 out the application--

11 MR. STEVENS: [Interposing]
12 Application.

13 CHAIRPERSON MENDEZ: --by the way,
14 February 28th is a very special day. It didn't
15 work out for you but that's my birthday.

16 MR. STEVENS: Happy belated
17 birthday [laughing].

18 CHAIRPERSON MENDEZ: So. We'll
19 see.

20 MR. STEVENS: And that's why I
21 remembered that date because I knew it was your
22 birthday [laughing].

23 CHAIRPERSON MENDEZ: So then you
24 went, you did all the training. You took the
25 tests--

MR. STEVENS: Yes--

CHAIRPERSON MENDEZ: --you did all the other things.

MR. STEVENS: --yes.

CHAIRPERSON MENDEZ: And you were complete with all of that by--

MR. STEVENS: [Interposing] Yes.

CHAIRPERSON MENDEZ: --what time?

MR. STEVENS: I was completed with all of that within May. May--I'm sorry, March the 28th.

CHAIRPERSON MENDEZ: Okay so a month later. And since all of that was complete that's still a year and a half, you've just been waiting.

MR. STEVENS: Yes.

CHAIRPERSON MENDEZ: To enroll into the program.

MR. STEVENS: Yes. And what I can't understand is there was an enormous amount of people but for a limited amount of space. And I can't understand that. I mean for over 300,000 people, these young youth that live in the projects and they're going to take 25 at a time,

1 that's really nothing. That's nothing to brag
2 about. And the numbers that they have that I have
3 heard of, like 138 we hired this year so far, well
4 out of 1,000's, that's minimum, that's nothing. I
5 would be ashamed to say I hired 138 out of
6 1,000's. I mean come on. That's it.

8 CHAIRPERSON MENDEZ: Well I want to
9 thank you for coming here, for staying to the end,
10 for giving us your testimony, for putting a face
11 to the anecdotal testimony we've been hearing
12 about all day. So you are one of those who have
13 not been able to get that job. And you've been
14 trying.

15 MR. STEVENS: Yes, I have.

16 CHAIRPERSON MENDEZ: And we, you
17 know, they've been doing a better job but I think
18 we're all in agreement that they could still do--

19 MR. STEVENS: [Interposing] A much
20 better job--

21 CHAIRPERSON MENDEZ: --a much
22 better job.

23 MR. STEVENS: --it's nothing to
24 brag about.

25 CHAIRPERSON MENDEZ: And we will

1 work with you and with them to try to make that
2 happen. I want to thank Ms. Jones and Ms. Reed
3 and I apologize for mispronouncing your name but
4 when I read it I couldn't read it properly. I
5 want to thank you both for being here and giving
6 your testimony. And Ms. Reed for everything that
7 you're doing, trying to help people get Section 3
8 jobs.
9

10 MR. STEVENS: Yeah, and I'd like to
11 thank Ms. Reed for everything she has helped the
12 community. She's a very, very big input in the
13 community. And she's one of the reasons why I'm
14 here now.

15 CHAIRPERSON MENDEZ: And for
16 serving on your Tenant Association--

17 MR. STEVENS: [Interposing] Yes
18 [laughing].

19 CHAIRPERSON MENDEZ: --and
20 inspiring others. Ms. Reed, do you want to say
21 something?

22 MS. REED: Yes. I would like to
23 say when I did up there, the number's up from 2010
24 because I was pushing a lot of people to go into
25 Section 3, to making the calls and to go for the

1 jobs. And plus with the classes for the OSHA
2 license for the people to work construction, I
3 helped a lot of people to go for that so I sent so
4 many people into that that they had to close the
5 class 'cause they didn't have no more room.
6

7 CHAIRPERSON MENDEZ: Wow.

8 MS. REED: And also, just wanted to
9 get that out there.

10 CHAIRPERSON MENDEZ: Thank you.
11 You are one of our unsung heroes, so thank you.
12 And hopefully the fruits of your labor will be
13 seen by Mr. Stevens and others. And I notice a
14 lot of young people in the audience today. And so
15 I know they were here 'cause they need the jobs,
16 they want the jobs. So we'll see how we can hope
17 to make that happen. I just want to say that
18 today we were joined by Chris Santori to my right,
19 he's an attorney with the City Council; my
20 attorney Laura Rogers had to leave town on a
21 family emergency. She worked late last night to
22 make sure we had all this prepared for today along
23 with Ben Goodman, my Policy Analyst for six years,
24 thank you Ben for all your hard work on this
25 Committee. And thank you Chris for joining us. I

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hope you found today interesting. Thank you

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everyone and this hearing is adjourned.

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[Gavel banging]

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MR. STEVENS: Okay, thank you.

6

MS. REED: Thank you.

C E R T I F I C A T E

I, Laura L. Springate 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.

A handwritten signature in cursive script that reads "Laura L. Springate". The signature is written in dark ink on a light-colored background.

Signature Laura L. Springate

Date October 13, 2011