

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON PUBLIC HOUSING

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March 12, 2012

Start: 12:15 p.m.

Recess: 3:00 p.m.

HELD AT: Committee Room - 14th Floor
250 Broadway

B E F O R E:

ROSIE MENDEZ
Chairperson

COUNCIL MEMBERS:

Maria del Carmen Arroyo
Gale A. Brewer
Margaret S. Chin
Erik Martin Dilan
Daniel J. Halloran III
Robert Jackson
Melissa Mark-Viverito
Diana Reyna
Ydanis A. Rodriguez
James G. Van Bramer
Albert Vann
Ruben Wills

A P P E A R A N C E S

John B. Rhea
Chairman
New York City Housing Authority

Margarita Lopez
Board Member
New York City Housing Authority

Emily Youssef
Vice Chair
New York City Housing Authority

Anders Hansen
Student
Hunter College

Lorraine Brown
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Community Voices Heard

Cissy Stamm
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New York Area Assistance Dogs

Victor Bach
Senior Housing Policy Analyst
Community Service Society

Lucy Newman
Staff Attorney
Legal Aid Society

Brent Meltzer
Housing Unit Co-Director
South Brooklyn Legal Services

CHAIRPERSON MENDEZ: Good

afternoon, I want to welcome everyone, today is the continuation from the February 27th hearing, the oversight hearing on Plan NYCHA. On that day we were interrupted, other hearings were taking place, and we were not able to get through the majority of its ten points that are in the Plan NYCHA, the plan, the roadmap to preserving public housing. I'll start off first by introducing my colleagues, to my far right, in many ways, Council Member Halloran from Queens, Council Member Margaret Chin from Manhattan, Council Member Ruben Wills from Queens, and Council Member Robert Jackson to my far left, from Manhattan. So I want to thank the entire board for being here available again today, and for the public, while this is listed as a preliminary budget hearing, there are two things that are going on. NYCHA has not finalized part of their budget, they're on a different budget cycle than the city, so in May they will be making a full report on their budget to the City Council when we have executive budget hearings, and the second part was that we did not continue last month's hearing, which was a couple

1 of weeks ago, and a lot of the stuff that we will
2 get into today will have some budget implications
3 for the Housing Authority. So what I'd like to do
4 right now is to remind the board that when you do
5 speak, to identify yourself for the record again,
6 so we can get you on the microphone, identify
7 yourself, and I will go through some of the
8 questions that we went through the last time that
9 we did not have answers, to see ... that was covered
10 in the first hearing, to see if we can get some of
11 those answers now. Okay, Mr. Chair?

12
13 CHAIRMAN RHEA: Yes, thank you.

14 CHAIRPERSON MENDEZ: So one of the
15 questions the last time, and we provided this also
16 in writing to summarize from the last hearing, how
17 many developments and/or their resident
18 association leaders have received a presentation
19 from NYCHA representatives on the plan, and do you
20 have a list of those developments that have
21 received an official briefing? I know it's been
22 based on their request for a briefing.

23 MS. LOPEZ: Good morning, everyone,
24 I'm Margarita Lopez, member of the New York City
25 Housing Authority Board. I need to answer that

question in the following way. We have met with tenant presidents of the different tenant associations on different occasions in the NYCHA central office at 90 Church. That's a group of people that we've met with them. We also met, the first meeting we had of this kind was with the president leaders in the Lower East Side, where we began the cycle of meetings initially. Then we have met with the Council of Presidents, we have met with any tenant leaders who have asked us to go to their development. This has happened in different developments around the city, from Brooklyn, Queens, Manhattan, we have not been in Staten Island, that's the only borough that we have not been present. I can put a list together for you, I apologize that I didn't do that for this meeting, but I had to go back in the meetings that we did and it's possible to put it together, because all of them are in my calendar. Then we can backtrack my calendar and give you every meeting that happened. We have never gone to a meeting where we were not invited by the tenant leaders.

CHAIRPERSON MENDEZ: Yes, and that

1
2 was except the last time that where the
3 association has requested a meeting, you were
4 going there and doing individual presentations
5 besides the group stuff that you were doing.

6 MS. LOPEZ: Yes, but I want to
7 clarify, we invited the tenant leaders to 90
8 Church, like a year, more or less a year ago, I
9 believe, and we explained to them that we were
10 going to be working on this plan, that the plan
11 was going to be ready more or less for this year.
12 That was subsequently to all of the meetings that
13 we have with different presidents that we invited
14 to the conversations that we sustained since 2011.
15 From 2011 we were meeting borough by borough with
16 different residents who were invited to these
17 meetings, the ones who choose to come came to the
18 meetings, and that was around 1,000 presidents who
19 showed up in these meetings. Then that was the
20 beginning of the mobilizing and the communication.
21 Those meetings that I described to you in 2011
22 were the meetings where we began collecting the
23 opinions of the presidents to eventually
24 articulate the plan that you see today. Then
25 after that we had that meeting in 90 Church where

1 we invited the tenant leaders, and we asked them
2 to please invite us to their meetings to make the
3 presentation.
4

5 CHAIRPERSON MENDEZ: Okay, thank
6 you. We've been joined by Council Member Melissa
7 Mark-Viverito from Manhattan. The second
8 question, I'm not going to expect you to answer
9 now, but I will just read it into the record,
10 because it is maybe the subject of a hearing all
11 on itself. But the follow-up question that will
12 come afterward I think will be helpful for the
13 dialogue, and hopefully you will be able to answer
14 that one. So, the question came, the issue about
15 legal barriers to transferring families and
16 putting them in right-sized apartments, what the
17 legal barriers to that were. I have a copy of a
18 consent decree, and I don't know if there's any
19 other information that the Housing Authority has
20 to provide to us, so that we can look to see how
21 we can try to facilitate getting families who are
22 overcrowded into appropriately-sized apartments
23 and working with the Authority with families who
24 are under-occupied into the right-sized
25 apartments. And so I do not expect for you to

1 list what all those legal barriers are right now.
2 The Housing Authority also talked about that it
3 will have to take other measures to get into
4 compliance, because it will affect your, what you
5 called PHAS standing, right, which stands for
6 Public Housing Authority Survey?
7

8 CHAIRMAN RHEA: Assessment.

9 CHAIRPERSON MENDEZ: Assessment
10 Survey, AS, Assessment Survey, thank you. And so
11 I could only get from that that what we're
12 talking, there are administrative hearings, there
13 are discussions with the residents if they refuse
14 to move into the appropriate-sized apartment, and
15 then hopefully it doesn't get into legal remedies,
16 but in some cases it may. Is there anything else
17 that the Housing Authority is thinking about in
18 the order of trying to get people into the
19 appropriate-sized apartments?

20 CHAIRMAN RHEA: Okay, let me just
21 at a high level try to comment on your question
22 about legal barriers, and then specifically about
23 working with our residents to help--

24 CHAIRPERSON MENDEZ: (Interposing)
25 You need to identify yourself, Mr. Rhea.

CHAIRMAN RHEA: Oh, John Rhea, Chairman of the New York City Housing Authority. So the first issue is, there are existing Federal regulations that require all public housing authorities to adopt a tenant selection and assignment plan. That plan sets forth standards for tenant selection criteria for each public housing unit, for all public housing units that the authority is responsible for managing. And in accordance with Federal regulations, NYCHA has adopted a tenant selection assignment plan which sets forth priorities permitted by HUD, Housing and Urban Development. These priorities include need-based and working-family preferences. Need-based priorities include victims of domestic violence, intimidated witnesses, and families forced out of their homes due to government action. Transfer priorities include extremely-overcrowded and extremely-under-occupied, and families who need an accessible unit due to disabilities. So that's the broad regulatory framework in which we operate, in terms of HUD, HUD standards and Federal standards. You asked about when we will take action, so I guess there

are two types, one is the lease provides that tenants agree to transfer, and they cause every member of their household to transfer, into an appropriate-sized apartment. So this deals with the under-occupied cohort of NYCHA families. And there's another requirement which says that obviously if there are certain things like operational reasons, repairs, and other maintenance requirements in which we need the unit to be off-line or for tenants to transfer, that they also must comply. So the lease has two types of provisions for residents to move out of their apartment, one is family composition, the second one is to allow us to avail ourselves to repairs and operational reasons. Now, if a tenant fails to comply with the transfer requirements, they will be in violation of the lease, and if they're in violation of the lease, then we can bring tenancy proceedings against that tenant, that resident. Such proceedings typically are settled by the tenant agreeing to put their name on the transfer list, and being placed on probation, but obviously if the tenant continues to fail to comply with that, with the stipulation of

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2 settlement, or moving, based upon an available
3 unit that meets their criteria, then the tenant
4 would be subject to termination of tenancy
5 proceedings and risk loss of their apartment.

6 CHAIRPERSON MENDEZ: Thank you, Mr.
7 Chair, we've been joined by Council Member Al Vann
8 from Brooklyn and Council Member Diana Reyna from
9 Brooklyn. I'm going to ask another question that
10 deals specifically with this, and then I know
11 there's another question I just want to ask my
12 colleagues if we can get these or rehashing the
13 issues from the last hearing, and I want to get to
14 the more detailed stuff. So I will allow some
15 limited questions, because I do want to get to the
16 question about development rights and TW and air
17 rights. So we talked about at the last hearing a
18 definition for overcrowded and extremely-
19 overcrowded, that is the definition that NYCHA
20 works under, and where it originated. Do you have
21 those definitions for us today?

22 CHAIRMAN RHEA: We do. The
23 official definitions of overcrowded and extremely-
24 overcrowded are based on NYCHA policies. So
25 NYCHA's occupancy standards are created by the

agency, but in accordance with the HUD mandate.

So generally standard occupancy is two persons per room, so overcrowded for NYCHA means that the family is short one room based upon the occupancy standards, and extremely-overcrowded means that the family is short two rooms or more, based upon the occupancy standards. And we can provide you with a chart--

CHAIRPERSON MENDEZ: (Interposing)

Can you put that in plain English for me? So, we have a one-bedroom, so overcrowded would be how many people living in the apartment?

CHAIRMAN RHEA: So, if it's a one-bedroom apartment, the basic occupancy standards say a bedroom should accommodate two people, all right, so if there were three persons living in that apartment, then they would be short one bedroom, and so that would be overcrowded. And if there were five people living in that apartment, then that would be extremely-overcrowded. Five or more.

CHAIRPERSON MENDEZ: Okay. And we had asked the last time, and I don't know if you have those numbers for us, how many individuals

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2 are in overcrowded or extremely-overcrowded
3 conditions at the Housing Authority? And if you
4 don't have that answer, you can get it to us
5 after.

6 CHAIRMAN RHEA: We can provide you
7 with those exact numbers. One second, pardon me.

8 CHAIRPERSON MENDEZ: So ... okay, go
9 ahead, Mr. Chair.

10 CHAIRMAN RHEA: As of January 3rd of
11 2012, we have slightly under 15,000 units, 14,569
12 units that are overcrowded, and--

13 CHAIRPERSON MENDEZ: (Interposing)
14 What was that?

15 CHAIRMAN RHEA: 14,569 units are
16 overcrowded, so 90 ... and I'll take you through the
17 numbers. And 654 units that are extremely-
18 overcrowded, for a total of 15,223 units that are
19 in some overcrowded capacity. So 96% of them are
20 overcrowded and 4% are extremely-overcrowded. And
21 then we have that broken down by each of the
22 bedroom sizes.

23 CHAIRPERSON MENDEZ: If you could
24 provide those details to the Committee, you don't
25 have to do that now, that would be really helpful.

1
2 And stated in your last hearing, you have, what is
3 it, 55,000 -- it was also in the New York Times
4 today -- 55,000 that are under-occupied, is that
5 correct?

6 CHAIRMAN RHEA: That number
7 obviously is not a static number, it changes, you
8 know, but it is, you know, in general that number
9 is accurate, an accurate reflection of the
10 magnitude of the problem. But it may move up and
11 down by, you know, a 100 or 200 at any given time.

12 CHAIRPERSON MENDEZ: Okay, I'm
13 going to ask my colleagues to bear with me,
14 because there's like three or four other questions
15 as follow-up, and then I will allow colleagues to
16 ask questions as follow-up to this, and then we
17 will get to the new material. So--

18 CHAIRMAN RHEA: (Interposing) Just
19 so you have the number, because we do have the
20 exact numbers, on under-occupied apartments, it's
21 56,326.

22 CHAIRPERSON MENDEZ: 56,000?

23 CHAIRMAN RHEA: 326.

24 CHAIRPERSON MENDEZ: Thank you.

25 CHAIRMAN RHEA: And 44,000 are

1 under-occupied and about 12,000 are extremely-
2 under-occupied. 44,436, to be exact, are under-
3 occupied, and 11,890 are extremely-under-occupied.
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5 CHAIRPERSON MENDEZ: 11,000?

6 CHAIRMAN RHEA: 890.

7 CHAIRPERSON MENDEZ: 890. Thank
8 you. Okay. How many households are facing any
9 type of administrative hearings, court cases, as a
10 result of not being placed on a transfer list for
11 a smaller apartment?

12 CHAIRMAN RHEA: To date in 2012,
13 for this year, we have 51 cases that are pending
14 for failing to comply with the requirements to
15 transfer due to under-occupied status.

16 CHAIRPERSON MENDEZ: You say 51
17 cases, are they in administrative hearing or are
18 they in Housing Court?

19 CHAIRMAN RHEA: It would begin in
20 an administrative hearing, so those are
21 administrative.

22 CHAIRPERSON MENDEZ: They're all
23 administrative?

24 CHAIRMAN RHEA: Administrative,
25 yes.

CHAIRPERSON MENDEZ: And it's also important for us to know if you have any updated numbers in terms of apartments that are not currently occupied, that they may be offline for any number of reasons, and if we could have the breakdown of why they're offline and if they are vacant because of a bad state of disrepair, if they are being used by the NYPD, which sometimes they are, or any other administrative purposes. I know sometimes apartments in the past have been used by tenants' associations because they don't have a room, and I know there is ... the Authority is looking at trying to convert those back to apartments. So if you have any of that information for us?

CHAIRMAN RHEA: Sure, we can provide you with that. In general, often there's a number that's quoted, that NYCHA has over 3,000 apartments that we're warehousing, and we go through very exhaustive efforts to dispel the notion that we're warehousing any apartment. So of the over-3,000 units that show up as being offline, roughly, as of March 9th, 1,471, so almost 1,500 units, are vacant apartments that are

1 actually available for rent, but the apartments
2 are in the process of being prepared and prepped,
3 as we say, for re-renting. And those apartments
4 are usually not offline very long, but obviously
5 the number is large, because those apartments turn
6 over. So the 1,471 is not the same 1,400 or 1,500
7 that you see, those apartments that turn over and
8 come offline, we prep and put them back into the ...
9 onto the rent rolls with a new family, or with a
10 transfer family. The balance, 1,644 apartments,
11 are off the rent rolls for a series of reasons,
12 and I'll take you through the large buckets. The
13 largest bucket are apartments that are off the
14 rent roll, again, to be repaired, what we call
15 major modernization work. There are roughly 700
16 of the 1,644 that fall into that category, and
17 that includes some of the large developments like
18 Whitman and Ingersoll and Randolph Houses, where
19 we are doing massive rehab work to bring those
20 units back online. The second bucket are what we
21 call ... or a related bucket, is non-major
22 modernization, but it's apartments that require
23 extensive repair work in order for the apartment
24 to be habitable, and it's 202 units that fit that
25

1 description, or are in that category. There are
2 additional categories, including apartments and
3 buildings to be redeveloped or disposed, and 327
4 apartments fall into that bucket, and that
5 includes, to give you an example, Prospect Plaza,
6 which is in the process of being redeveloped,
7 which will come back onto the rent rolls with
8 brand-new apartments in that development, and then
9 we have a number of single-family homes, like our
10 FHA homes out in Queens, that we are moving to
11 other forms of ownership, to remain as affordable
12 housing. The other categories with large numbers
13 are NYCHA maintenance and management offices,
14 that's 148 apartments, so these are units that we
15 need--
16

17 CHAIRPERSON MENDEZ: (Interposing)
18 Could you repeat that number, please?

19 CHAIRMAN RHEA: 148.

20 CHAIRPERSON MENDEZ: Uh huh, 148.

21 CHAIRMAN RHEA: For maintenance and
22 management, or "other offices", and so those are
23 onsite NYCHA staff and personnel that serve the
24 development's needs. Then we have community
25 centers that utilize certain units for activities,

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2 that's 147 apartments, and then we have resident
3 association use of 94 apartments. So that's the
4 vast majority of the 1,644 apartments that are
5 offline.

6 CHAIRPERSON MENDEZ: Thank you very
7 much. So--

8 CHAIRMAN RHEA: (Interposing) Oh,
9 and there's one I left off, which was the NYPD,
10 including their Viper rooms, which occupy 26
11 apartments.

12 CHAIRPERSON MENDEZ: 26, okay.
13 Okay, my colleagues, so just based on these
14 limited questions and then we'll get into the new
15 material, does anyone, I'll start with people who
16 are on the list, Council Member Arroyo, do you
17 have any questions regarding this material right
18 now? Okay. Melissa, do you have any questions
19 regarding this?

20 COUNCIL MEMBER MARK-VIVERITO: Yes,
21 thank you, Madam Chair. Very quickly, just to
22 touch on the under-occupied apartment issue.
23 Obviously, looking at the articles that have come
24 out, and we raised this at the last hearing, and
25 this may be a question that you don't want to even

1 approach, but considering the sensitivity of it,
2 obviously there's hesitation in some cases of
3 people even getting on the list, although they're
4 in non-compliance because the fear of being
5 relocated to a neighborhood they don't know or
6 aren't familiar with, maybe have never known,
7 multiple, multiple reasons, has there been any
8 thought given to developing some sort of an
9 exception plan or strategy with HUD around this
10 matter, if there's a way, for instance, one of the
11 things that was raised in the articles, and which
12 we've talked about, that if there is an apartment
13 that is suitable for the person in the same
14 development, that person cannot be moved within
15 that development because of all the challenges or
16 all the requirements of the waiting list, you
17 know, and obviously there's very rigid regulations
18 in place. But I'm wondering if there's any sort
19 of alternative strategy, considering this is a
20 crisis, considering the real need that families
21 have to be placed in the right apartments, those
22 that are overcrowded, you know, has there been any
23 thought given to figuring out if there's a
24 conversation that can be had with HUD to develop a
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1
2 very specific plan for New York City Housing
3 Authority regarding this matter?

4 CHAIRMAN RHEA: Can you ask the
5 question a little differently? Meaning, and I'm
6 not, I think I do ... I want to answer the question
7 as accurately as possible, but I'm not exactly
8 sure what you're asking.

9 COUNCIL MEMBER MARK-VIVERITO:
10 Well, I mean, I know that there are limitations
11 that the Federal regulations mandate that there's
12 a way that the waiting lists are to be treated. I
13 don't know exactly the language to utilize in this
14 case, but if there is an apartment available
15 within the same development that would accommodate
16 the person that is living in an under-occupied
17 apartment, ways of moving that person there ... you
18 know, you see--

19 CHAIRMAN RHEA: (Interposing) All
20 right, I understand.

21 COUNCIL MEMBER MARK-VIVERITO:
22 Okay.

23 CHAIRMAN RHEA: I just wanted to
24 make sure that I did truly understand what you
25 were asking. So I want to start at the top, which

1 is we are working very closely with the impacted
2 residents, as well as in conversations with other
3 stakeholders, to try to be as considerate and
4 thoughtful about the impact on each family, not
5 just broad categories but individuals, and
6 understanding those situations. Obviously there
7 are some families who can't move for very specific
8 reasons, for example, like disabilities, where
9 obviously they have rights that we will not then
10 try to move them. In terms of working directly
11 with HUD to get around what I think you're
12 referring to, which is both the consent decrees
13 that we operate under as well as the basic tenant
14 selection and assignment plan, which is to insure
15 fairness of how units are allocated, we are
16 looking at all of our options to gain flexibility
17 within that system without in any way
18 discriminating against anyone in the process. So
19 I want to make an example, give you an example.
20 So you're saying Ms. Smith is entitled to a studio
21 or a one-bedroom, she's currently in a three-
22 bedroom, a studio one-bedroom opens up in her
23 building in Baruch Houses, why can't we just move
24 her there? And the answer would be, because she's
25

not the next person on the waiting list to be either transferred into that unit or brought off the waiting list into that unit. So we are trying to look at a range of ways in which we can gain flexibility in that, whether it's prioritization of transfers versus the waiting list, whether it's executing forms of swaps, but these are all things that have real legal implications, and we can't sit here and tell you today exactly how we will work through each of those issues, but we are absolutely looking for that flexibility. So that would be one answer to that question. The second answer to the question is we're trying to look at other alternatives to understand, again, each individual's family's dynamics and needs. Do they have to stay in that development? Or can they move to a surrounding development and be equally satisfied in terms of meeting their true needs, not in terms of their wants, but their needs in terms of whether it's access to the friends and family, clergy, doctors, you name it. We're also looking at how could we amend and recast our Section 8 marketing plan that would again allow potentially vouchers to be made available to those

1 families to keep them directly in their existing
2 community, even though it may not mean directly
3 within Baruch Houses, in this case, but in the
4 very surrounding buildings to the development. So
5 we are looking at a range of options to try to
6 address the specific needs of each family, and to
7 give us flexibility in how we meet and satisfy
8 their needs.
9

10 COUNCIL MEMBER MARK-VIVERITO:

11 Thank you for that, because I think that's
12 important, because I think at the last hearing you
13 indicated that since this has not been dealt with
14 in years, it's obviously become an accumulated
15 effect. But at the same time, because of that
16 punting of the football, it would be unfair, I
17 think, to have the tenant then be held
18 responsible, and that as an authority, it would be
19 over-aggressive in trying ... I'm not saying you
20 are, I think you're being very thoughtful about
21 it, but that's why I was asking the question,
22 because it is complicated, it's extremely complex,
23 and there's the regulations, I just want to make
24 sure all options are being looked at, and that
25 we're working collectively to insure that this is

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2 as least-traumatic an experience for what seems to
3 be particularly elderly people at this point, I
4 would think the vast majority of these are in, you
5 know, are older people and seniors, and we want to
6 be mindful, so I think that seems to be the case,
7 and I appreciate that.

8 CHAIRMAN RHEA: Okay, so I just
9 want to say, we are ... what we are being diligent
10 about, right, is to insure that each family that
11 is in an under-occupied situation adheres to the
12 lease requirements, which is to put their name on
13 the transfer list. And we have to be vigilant
14 about that, because that's where the process
15 begins to work our way through the challenge. If
16 we don't have the families on the list, then we
17 cannot actually pursue transferring and
18 redeploying people in a fair and equitable way.
19 And to allow some people to go on the list, or to
20 require some people to go on the list and not put
21 others on the list, you are basically ... it's a
22 form of discrimination. And so we have to be
23 vigilant about insuring that families go on the
24 list, and then that we prosecute or pursue that
25 list in an equitable and fair way. And so it is

1 absolutely our expectation that our families will
2 comply and work with us, but there's a long
3 process from going on the list to actually being
4 up for transfer, and we want to work with families
5 to make that process as smooth and thoughtful as
6 we can.
7

8 COUNCIL MEMBER MARK-VIVERITO: I
9 appreciate that, thank you, Madam Chair, and you
10 know, just again, that that's very important that
11 these other options are being pursued in terms of
12 how we can be more flexible with the existing
13 regulations, so I appreciate that. Thank you,
14 Madam Chair.

15 CHAIRPERSON MENDEZ: Thank you.
16 We've been joined by Council Member Erik Dilan
17 from Brooklyn, and Council Member Ydanis Rodriguez
18 from Manhattan. Council Member Jackson, did you
19 have any questions pertaining to the material that
20 we just covered?

21 COUNCIL MEMBER JACKSON: Thank you,
22 Madam Chair, I do, in fact my questions are
23 relating to the whole transfer of residents from
24 over-utilized or over-crowded ... under-crowded
25 units to more appropriate. I would assume that

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2 there is a written protocol that's given to your
3 managers in how to deal with this from an
4 emotional point of view, from a practical point of
5 view. Do you have a written protocol to your
6 managers in how to handle communicating with
7 and/or addressing the fears, the emotional stress,
8 the issue of, you know, I live in a two-bedroom
9 apartment, but my kids grew up and I've lived
10 there for 35 years, and now I'm there by myself,
11 and I have all of this furniture, and all of the
12 issues that come with that? So my question is, do
13 you have, what do you have for your managers to
14 describe to them how to deal with this situation,
15 and is it in writing?

16 CHAIRMAN RHEA: Thank you for
17 asking that question. The--

18 CHAIRPERSON MENDEZ: (Interposing)
19 Mr. Chair, I did say earlier that this is a really
20 complicated issue, and that there is the consent
21 decree, which you're bound by, and the HUD regs,
22 so I don't know if you can give a simple answer,
23 because I think maybe this is probably better left
24 to have a hearing where we can get into these
25 details at a later date. Can you give us a short,

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quick answer to this?

CHAIRMAN RHEA: The short answer is we have protocol, they are in writing. We provide training to our managers who are responsible for communicating to residents around the transfer requirement, and we also have our Family Services team, that is actively engaged in providing counseling to families to the extent that they are involved in the transfer process, and we identify it as being unduly stressful on them. So Family Services, it's a separate unit that works very closely with the property management team to insure that families have the appropriate supports.

COUNCIL MEMBER JACKSON: With respect to a resident that has lived in a development for 25, 30 years, and they live in an under-utilized or extremely-under-crowded apartment unit, is it statutorily or regulation or whatever that they ... do you relocate them either in that development or another development? Because I just know that so many people who have lived in a development for 35 years, they don't want to move to another development. They may

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2 want to move to a smaller unit in that
3 development, but not to another development.

4 CHAIRPERSON MENDEZ: Council Member
5 Jackson, I really would like, because we have a
6 lot of stuff to talk about, air rights, the
7 Moving-to-Work, the Housing Authority did say on
8 the record at the last hearing, which this is a
9 continuation of, that they do try to work with the
10 residents, and so I'd really like to try to get
11 onto the other questions, but I think because
12 there are so many issues, because this affects the
13 number right now, 56,000 under-occupied
14 apartments, that I think this would probably be
15 better left to another hearing where we can go
16 through all the details. Is that okay, my
17 colleague?

18 COUNCIL MEMBER JACKSON: I don't
19 really have a choice, I mean, if you say so, but
20 he was clearly talking about under-utilization,
21 overcrowding, and I think it's clearly an
22 appropriate issue. But if you say we're going to
23 have another hearing on this specific topic, then
24 I'll delay and wait.

25 CHAIRPERSON MENDEZ: Okay.

CHAIRMAN RHEA: That's fine and that we move on and we have another audience, but I think it's very important for the Board to express our position on this. And our position is that we have a responsibility to serve as many families as possible with an incredibly-scarce resource. We feel strongly, based upon both HUD regulations and that challenge and mandate, that our job is not to meet our residents' wants, but is to address their and the broader market's needs. And so that doesn't mean we are insensitive to the impact that this policy has on families, and to do all that we were describing as the Council Member asked about working with families to insure that the impact can be managed and minimized emotionally or otherwise, financially, you name it, but we feel strongly that this is not about managing to a set of wants, but to real needs, not only of the residents, but of the broader set of families in the community who need access to affordable housing.

CHAIRPERSON MENDEZ: Okay. We've been joined by Council Member Gale Brewer. And so again, my colleagues, if it's on the material we

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2 just covered, if you can ask your question, and
3 then we're going to move on to Moving-to-Work,
4 development rights, and air rights.

5 COUNCIL MEMBER BREWER: Very
6 quickly, I'm very familiar with this issue, we've
7 written to you, discussed it, and we've been
8 working with your social workers, my question on
9 the budget level is the amount that's used for
10 moving. Is that sufficient for the residents? So
11 it's a budget issue as well as related to this
12 topic.

13 CHAIRMAN RHEA: So we recognize
14 that in some cases the money that we allot, and I
15 think it's \$350, may not be sufficient, and our
16 goal is to work with families, and that's why
17 understanding their individual needs is important.
18 Some families have access to additional resources,
19 whether it be, you know, children, you name it.
20 Some families do not have access to additional
21 resources. Obviously we would like to be able to
22 pack everybody's stuff up and move it for them,
23 but financially that's not possible. So we've had
24 to set a standard, if we find out through working
25 with that family that that standard is

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2 unreasonable and that they don't have other means,
3 then we've started to implement other resources
4 that we can direct them to, Catholic Charities,
5 others, to try to help and assist with the moving
6 process. Oftentimes that includes, given that a
7 family or an individual is going through a
8 downsizing of their actual space, determining
9 which items that they should continue to own and
10 keep in their new residence, versus maybe
11 discarding of things, donating it, and other
12 sources, and often maybe there's opportunity for
13 them to realize money for items that they no
14 longer need. So we recognize that this is ... the
15 cost of moving is real, for anyone who has moved,
16 and I've moved many times, it can be expensive,
17 and our goal is to work with our families to make
18 sure that they have adequate resources, including
19 with the Council.

20 CHAIRPERSON MENDEZ: Thank you.
21 We've been joined by Council Member Jimmy Van
22 Bramer from Queens. Okay, so I'm going to get
23 ready to move into the other questions, I'm going
24 to start it off, and then whoever is ... whoever has
25 any questions. At the last time we met, we

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2 started talking about Moving-to-Work and that the
3 Authority is interested in the funding flexibility
4 aspects of Moving-to-Work, that you were not
5 interested in residential time limits, and a
6 couple of other things that we in New York here
7 have fought against. So I want to ask ... you also
8 said you were working with a coalition and that
9 you were going to be meeting in the future, I
10 don't recall the date, of where the coalition is
11 about Moving-to-Work, and if you move forward with
12 being part of the Moving-to-Work program, what
13 assurances do we get from the Authority now and
14 into the future respective of whether I'm sitting
15 here, whether you're sitting there, Mr. Chair,
16 that the New York City Housing Authority will not
17 look for residential term limits, and how has
18 funding flexibility helped other authorities, and
19 how do you think it would help yourselves?

20 CHAIRMAN RHEA: So let me, maybe
21 I'll take them in reverse. Funding flexibility
22 helps on a number of levels. First of all, almost
23 every major large housing authority across the
24 country has Moving-to-Work funding flexibility
25 today. NYCHA and Los Angeles are basically the

two of the only large public housing authorities that do not have this flexibility. And we're at a disadvantage as a result of it. As agencies have entered into Moving-to-Work agreements, which have given them broad flexibility on how to deal with many of their financial and operational issues, they also have entered into funding level agreements with HUD that basically have insured that as funding has decreased, their levels have been maintained much better than housing authorities that don't have Moving-to-Work funding. Additionally, they were given broad latitude to combine in a block grant format the commingling of Section 8 funding with capital dollars with public housing operating money. As a result of that, they were able to undertake not only certain types of development opportunities that we haven't been able to explore here in New York, but also when they've had challenges in one form and one area of the budget, they've been able to make up for it where there's been growth or flexibility in other areas of the budget, without having any of the programs at risk of not being able to meet their required mandate, or their

1 intended mandate. So there are a number of things
2 that housing authorities have pursued, from
3 development to providing supports to families, in
4 terms of social services and other things that can
5 be done through Moving-to-Work flexibility that
6 cannot be done without it. In terms of our
7 interests, it is to provide NYCHA with that
8 flexibility in light of our real financial
9 constraints. There have been a number of
10 examples, whether there's stress in our Section 8
11 program, whether it's issues around being able to
12 maintain certain levels of repairs, employment,
13 you can name it, where at different times along
14 the way, had we had the flexibility, we would have
15 been able to address the issue in a more robust
16 way than we were able to do as a result of the
17 hard lines between the funding streams. So that
18 is our principal interest, also by receiving,
19 entering into a funding agreement with HUD, it
20 allows us to take advantage of certain measures
21 and savings that we can create locally and for
22 that money to remain here in New York, as opposed
23 to returning to HUD to be reallocated to housing
24 authorities across the country. And lastly, the
25

1 question about how can we give you assurances that
2 in the future someone sitting in your role or
3 sitting in the role of the Board won't look to
4 pursue changes in MTW or changes in any policy
5 that NYCHA currently has, we can't give you those
6 hard and fast assurances. What we can tell you is
7 what our current intent and plan is, we can ... and
8 again, part of this will be dictated by how the
9 Moving-to-Work legislation ultimately comes out of
10 Congress, but what we've said, based upon a number
11 of years of work, so this predates me and we've
12 been consistent in supporting it, that there was a
13 collection of advocates around the table, resident
14 leadership, as well as NYCHA, at the direction and
15 support of Senator Schumer years ago that agreed
16 to the form that Moving-to-Work should take in New
17 York, we've continued to support that, and we've
18 articulated that. To answer your question, we met
19 directly with that group over, it's about two
20 weeks ago now, where we reiterated our position,
21 where we heard from them their concerns, and where
22 we agreed that we have no intention or interest in
23 pursuing term limits or pursuing work requirements
24 that are allowed under the MTW regulatory and
25

1 statutory flexibility. And so we've continued to,
2 you know, stand by that position, and that would
3 be our intent, and depending on how the
4 legislation comes out of Congress, we would either
5 have to agree not to embrace certain components of
6 it, because each Moving-to-Work agreement is
7 signed directly between HUD and the local
8 authority, and so you have the opportunity to
9 enter into an agreement that includes or excludes
10 certain provisions of the MTW flexibility. And to
11 the extent that once we enter into that agreement,
12 then the protections are the same protections that
13 public housing residents have today, which is,
14 once we enter into that agreement, it's part of
15 our annual plan, we would not be able to change
16 and amend components of the MTW agreement without
17 it being put up through the annual plan process,
18 or through a significant amendment process, which
19 then requires public hearings and public
20 engagement for a specific period of time before
21 the changes could be adopted. So once we enter
22 into an agreement, which will be dictated by a
23 negotiation and an agreement with HUD, it will be
24 contractually written down and codified. That
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2 will then become part of the annual plan, and to
3 the extent that it needs to be changed, it would
4 have to go through a significant amendment
5 process, which is the method and protections that
6 exist for public housing residents today.

7 CHAIRPERSON MENDEZ: Mr. Chair, you
8 said that the New York City Housing Authority and
9 LA do not have this funding flexibility, and some
10 other major large developments, housing
11 authorities, do. Can you just tell me, if you
12 know, what is the number in LA's housing
13 portfolio, and another large housing portfolio
14 that does have funding flexibility? If you could
15 give a city, state?

16 CHAIRMAN RHEA: I can't rattle off
17 the numbers in each of the portfolios, but I can
18 tell you, as I said, almost every--

19 CHAIRPERSON MENDEZ: (Interposing)
20 But as compared to NYCHA, so LA has maybe half of--
21 -

22 CHAIRMAN RHEA: (Interposing)
23 30,000 units, and that's ... they have, now they
24 have more Section 8 than they do physical housing
25 units, so I can't give you the exact numbers, I'd

1
2 be happy to give you a list, but the bottom line
3 is, I mean, New York is larger than every other
4 housing authority.

5 CHAIRPERSON MENDEZ: Yes.

6 CHAIRMAN RHEA: But I don't think
7 that's really a relevant point. We're large
8 because we're eight million people, and so we're
9 going to be larger than everybody else. What I
10 will say is that Philadelphia, DC, Boston, you go
11 down the list, you know, they all have it.
12 Chicago, so these are obviously our large
13 metropolis areas, metropolitan areas in the United
14 States, they all have Moving-to-Work flexibility.
15 Atlanta.

16 CHAIRPERSON MENDEZ: Thank you.
17 Council Member Wills, followed by Council Member
18 Rodriguez.

19 COUNCIL MEMBER WILLS: Good
20 afternoon, Chair, Chairman Rhea. Thank you.

21 CHAIRMAN RHEA: Good afternoon.

22 COUNCIL MEMBER WILLS: Chairwoman
23 Rosie Mendez. I just have a quick question. I
24 found in some of the capital projects that we've
25 been working along with you and there has been

1
2 some setback on timelines, not because your agency
3 hasn't been responsive, you've been great, but as
4 far as you having the manpower in different
5 portions of the Authority to move the projects
6 along, and when we give capital funding, when the
7 members allocate capital funding for some
8 projects, there are agencies that are able to keep
9 a portion of that capital funding for their
10 agency, whether it be design or whatever it is, or
11 DDC can do it, Parks does it, other agencies do
12 it. But from what I found out, is NYCHA is not
13 allowed to do this, and I wanted to know, number
14 one, why ... I do understand that you get your
15 operating budget from the Feds, but why wouldn't
16 NYCHA be allowed to do this, and how do you feel
17 about it, because I believe that NYCHA should be
18 allowed to be able to keep a portion of the
19 budget, whether it's 5% or 7%, towards some of the
20 costs, so that you could help us push some of the
21 projects through? I mean, I don't think that if
22 we're allocating the funds and you're working
23 hand-in-hand with us that something as simple as a
24 park or a playground should take three years to
25 get done.

CHAIRMAN RHEA: And so I appreciate the frustration that many members of the Council have with the speed and ease of insuring that the money is spent on an appropriate timeline, and we are working with you to insure that where there are issues, we resolve them. I will say that this is not a monolithic issue though, in many cases we receive funding from Council members or from other electeds, that is only a portion of the cost of the project, and that's often the case. It's rare that we receive a full allocation that allows us to move forward with a project independently of some other forms of matching money, either from NYCHA's coffers or from other electeds at the state level or you name it. And so there's a portion of those that I would say are delayed for appropriate funding reasons. Ones where they are fully-funded, again, you know, I don't think that we're not allowed to do it, I think it's been a policy decision, and maybe it's one that should be revisited, in which we work to make sure that the dollars that you are providing to us are going specifically for the capital project, and not for "our administrative and other operating costs",

1 even though in many cases those are real costs.
2 Now, if it's something specifically like our
3 architect and design team, then we actually do
4 charge that to the project. But what other
5 agencies do, what you were referring to, is more
6 of a holdback. They will hold back 7% or 10% of
7 the amount that they use for "administrative
8 purposes", which obviously supports the work that
9 they do. We have chosen not to do that. Does
10 that mean that, you know, we have costs that are
11 what they call "sunk costs" and stranded costs
12 that we are not recouping as part of those
13 projects? Yes, but it also means that in many
14 cases if we were to take it, then either the
15 project couldn't get done to the level that the
16 Council's attempting to fund, or we would have to
17 actually ask you for a larger contribution in
18 order ... a funding stream in order to achieve the
19 same project. So we just try to balance the
20 realities of all of our needs with our funding and
21 our cost reality. So we have chosen not to do it,
22 I don't think because we don't have the ability to
23 do it.
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25 COUNCIL MEMBER WILLIS: Okay, so

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CHAIRMAN RHEA: (Interposing) The short answer is yes, right, and I was just trying to be, you know, but it's like anything else, it's a balloon with air in it, you push it one place, and it goes, you know, somewhere else. So to the extent that we take 7%, you give us a million dollars and we keep \$70,000, whatever, I think that my number is right, we keep it for ourselves, for administrative purposes, that's fine, but it

1 just means that \$70,000 of actual capital costs
2 that we won't be able to fund with that grant, and
3 that's a reality and other agencies make it clear
4 from the beginning that if the cost is, you know,
5 a million dollars of capital work, then you need
6 to give us 1,070,000, because we're going to keep
7 70,000 for our administrative purposes, and the
8 cost of the actual work itself is a million
9 dollars. So the short answer to your question is,
10 that would help us, certainly, the trade-off is
11 that we would need to fund the capital work itself
12 through additional funding.
13

14 CHAIRPERSON MENDEZ: Council Member
15 Rodriguez, followed by Council Member Brewer.

16 COUNCIL MEMBER RODRIGUEZ: Thank
17 you, Chairman. Look, there's no doubt that with
18 the waiting list that we have of New Yorkers
19 waiting for an empty apartment in NYCHA, there's
20 something that we have to do, and I don't think
21 that anyone has the solution. You know,
22 affordable housing is a big issue, and it's an
23 issue that I represent, we have lost 18,000 people
24 in these ten years, and the main reason why people
25 move from Washington Heights district 10, is

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2 because they could not afford to pay their rent,
3 they were pushed out. And of course like my
4 district has one of the worst conditions, because
5 only one building has been built in Washington
6 Heights from those 165,000 affordable housing
7 units, and 65,000 new units. From the 65,000 new
8 units, only one was built in HPD (inaudible) in
9 2005. When it comes to housing, as you know, we
10 have to address the issue of capital and land, and
11 to me one of the questions is, how much land does
12 NYCHA have that can be available for developers to
13 take advantage of that opportunity to build
14 affordable housing in those places?

15 CHAIRMAN RHEA: Well, I'm not going
16 to give you an exact number, but the number is
17 large, and we are in the process of looking at all
18 the sites that can support new development, and
19 we're not just identifying the sites, but we're
20 going to the next stage, which is to understand
21 what limitations to development exist at that
22 site, so that we can for our own internal planning
23 purposes and for communication with developers and
24 other not-for-profits that are in the affordable
25 housing development space and industry, can work

1 with NYCHA on proposing projects to support the
2 development of new affordable housing, in
3 particular affordable housing that supports
4 certain targeted populations like seniors or those
5 with supportive needs. So we are going through
6 that work, we're specifically focusing on sites
7 that have 75,000 square feet or more of
8 developable footprint, and then based upon that,
9 we will work through with local electeds,
10 developers, and other interested parties like not-
11 for-profits, what we believe we can do in terms of
12 either affordable housing or some other form of
13 community supportive development in that area.

14 COUNCIL MEMBER RODRIGUEZ: And to
15 give credit to NYCHA, I've got to say in my two
16 years on the Council, I think what I got from day
17 one is NYCHA's commitment and flexibility on
18 coming to us and saying we (inaudible), the
19 question is can we bring the right developer, an
20 interested developer, in our land, so I think that
21 where we are I think 21,000 affordable housing is
22 still for the Mayor to complete his 65,000
23 affordable housing, I think that we should be
24 looking as a city, and I hope that the
25

1 administration throws all their support to NYCHA,
2 to provide any incentives to any developers, and
3 to work with you to navigate the system to see how
4 we can take advantage of it. I know that in my
5 district, where the administration has been using
6 as an excuse that they have only built one
7 building, because there's no land available. Of
8 course yesterday we provided seven potential
9 sites, and it does not include that land that
10 still NYCHA has in northern Manhattan's community
11 boards, so I just hope that working with you and
12 your leadership, the administration should work
13 and identify the sites, bring the incentives, work
14 with the developers, and see how we can build
15 those 21,000 affordable housing that the
16 administration has the money, because I also asked
17 the question to Mark Page in his budget hearing,
18 does the administration have the financing in
19 place to complete the 65,000 units of affordable
20 housing, and Mark Page said yes. So if the money
21 is there, if NYCHA has the land there, so I hope
22 that we can move quickly, so before the end of
23 this administration that we can expand the
24 construction of affordable housing for the working
25

1 class New Yorkers.

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3 CHAIRMAN RHEA: Well, what we've
4 expressed in Plan NYCHA is that is one of the
5 imperatives of Plan NYCHA, and we have already
6 begun a substantial amount of work with our sister
7 agencies at both HDC and HPD to prioritize those
8 locations on existing NYCHA developments that can
9 support new housing construction, new affordable
10 housing construction, and to insure that the
11 funding streams are made available in partnership
12 with the city. It's worth saying now that our
13 existing plan of 6,000 units as part of the
14 Mayor's new housing marketplace plan, we're well
15 on our way to meeting our objectives, we have
16 either over 2,000 have been completed, and another
17 2,000 that are in either pre-development or
18 planning, and then we're beginning to have
19 conversations with other developers about
20 completing the remaining balance of that 6,000
21 commitment. But right now our focus is to go
22 above and beyond that as we identify these new
23 sites, and as we identify new sources of funding
24 with our sister agencies, HPD and HDC.

25 COUNCIL MEMBER RODRIGUEZ: My last

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question is about how much--

MS. LOPEZ: (Interposing) Could you hold on a minute, one second? I just need to clarify one thing. I want to make clear that NYCHA has been working with the administration very diligently. The plan of the Mayor of producing the amount of housing that he promised, NYCHA has been part of that, and I want no mistake in regard of the understanding of that issue. I want to give you an example of something as recently as Washington houses where we a couple of months ago, right, we voted in NYCHA at the board level to approve a development that is happening there, and from that development in the land that was available, 89 units of affordable housing for low-income New Yorkers is going to be built. I don't want to give the impression to anybody or allow the impression of anybody here to think that NYCHA has not been an active member of producing units on our land, for the purpose of what you said, and that has been done in coordination and under the leadership of Mayor Michael Bloomberg.

COUNCIL MEMBER RODRIGUEZ: Okay, thank you.

CHAIRMAN RHEA: And in those ... and we've looked at the entire portfolio that we produced in concert with, again, our sister agencies at the Mayor's direction and NYCHA has invested significant sums of money in subsidizing those deals. We've taken only at best 20 cents on the dollar in terms of the value of that land in those transactions, so NYCHA has been a big enabler and funder of the production of those affordable units as well.

COUNCIL MEMBER RODRIGUEZ: Okay, first of all, I hope to also get an opportunity to know and get the information from you firsthand that I know about a project that will be built in my district, that will produce that amount of affordable housing. So far for the record only one building has been built in Washington Heights, in the whole community board only 138 affordable housing units have been built, and that's one at 204 Nagle, and the other one is in the south part of 158th between Broadway and Amsterdam. So that's it, that's the data right there. But I just hope that we will have the opportunity to see future plans and understanding that even when we had the

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2 rally on Sunday, I did not have a confrontation
3 rally, because in talking to the HPD commissioner,
4 he is committed also to continuing the
5 conversation, because everyone understands the
6 need to continue to build affordable housing. But
7 my last question is about how much funding does
8 NYCHA contribute to the NYPD?

9 CHAIRMAN RHEA: Per the memorandum
10 of understanding between NYCHA and the New York
11 City Police Department, we currently contribute
12 about \$70 million a year for police services that
13 are described and defined as above baseline
14 services. the majority of that \$70 million is in
15 the form operating support, and about ... we also
16 commit 1.5% of our capital, I think it's 1.5% of
17 our overall capital budget annually to support
18 certain capital purchases that the NYPD makes for
19 NYCHA, for policing NYCHA.

20 COUNCIL MEMBER RODRIGUEZ: Do you
21 have a breakdown by community board, by Council
22 district, on how much the different precincts get
23 from those \$70 million?

24 CHAIRMAN RHEA: I do not.

25 COUNCIL MEMBER RODRIGUEZ: Does

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NYCHA have it?

CHAIRPERSON MENDEZ: Council Member Rodriguez, so there are how many PSA's, seven, nine, what?

CHAIRMAN RHEA: More than that, there's different PSA's per borough, right?

CHAIRPERSON MENDEZ: Yes.

CHAIRMAN RHEA: So there's more than that.

CHAIRPERSON MENDEZ: Okay, so it's split up by ... the boroughs are split up into PSA's, and then when the area is too large, then a precinct is assigned. So, you know, we can get you this information, we've had a hearing on this before that outlines a lot of the details, and then if you still have some questions after reviewing the material, we can come back and--

COUNCIL MEMBER RODRIGUEZ:
(Interposing) I do, but in the information from the meeting that we had with NYCHA, in previous meetings, and again I think that we have a good relationship with NYCHA, and I know that you try to do the best under the conditions that you operate. I think that we as a city have to come

1
2 and work together. When it comes to affordable
3 housing, I'm not going after NYCHA. I think that
4 we as a city have to work to provide incentives to
5 the developers. We've got to work with you as a
6 partner.

7 CHAIRMAN RHEA: Thank you.

8 COUNCIL MEMBER RODRIGUEZ: But I
9 have a lot of concerns, especially in my precinct,
10 in Washington Heights, where the crime is not what
11 we talk about citywide, where crime related to the
12 whole community affects everyone, especially the
13 (inaudible) project, where crime has increased,
14 and I think that we should have the data on how
15 much, what is the breakdown, how does NYPD benefit
16 from those \$70 million, precinct by precinct.

17 MS. LOPEZ: Council Member, I also
18 want to ask you, thank you for the kudos that you
19 gave us, and thank you for trusting that we are
20 working with you in good faith, but I also want to
21 point out to you the following thing. In the plan
22 that NYCHA has, it has included a new way of
23 bringing security and safety to our developments,
24 and I want you to be aware of that. One of the
25 things that is important for this hearing to know

1 is that on the component of safety and security,
2 under the leadership of the Chairman, we put
3 together a new way of addressing this problem, and
4 one of the things that all of you can work with us
5 and help us is to activate the resident base in
6 the different developments. One of the things
7 that we need is for the residents to become part
8 of the resident watch component that we have put
9 in place. Crime is going to continue unless we
10 are willing to all of us address this issue
11 collectively, and the police are not the only
12 solution here. The residents have to be part of
13 the solution, the workers at NYCHA have to be part
14 of the solution, and I would like to ask you if
15 you would like to receive more information on
16 this, we will be more than willing to give it to
17 you, because we really need the leadership of all
18 of you helping us to create this resident watch in
19 every development.
20

21 COUNCIL MEMBER RODRIGUEZ:

22 (microphone not on) (inaudible), ... to the tenants'
23 association, my question is not about (inaudible),
24 but thank you, it's about do we have right now
25 (inaudible), that they are in my district, that

they provide 24 hour presence in the (inaudible).

CHAIRPERSON MENDEZ: So, Council Member Rodriguez, I'm going to ask NYCHA if they can bring us that information to the executive budget hearing in May, when they will present their budget, and now that this question has been raised, they can try to get us that number and hopefully precinct by precinct.

COUNCIL MEMBER RODRIGUEZ: Thank you.

CHAIRPERSON MENDEZ: Okay. Council Member Gale Brewer.

COUNCIL MEMBER BREWER: Thank you. A couple of questions, picking up on Council Member Rodriguez. We all know residents who sit and do tenant patrol and watch the front doors, it's very commendable, some of them have done it for 30 years. Do they get a stipend? I think they used to, and they might not now. Can you update me on that?

CHAIRMAN RHEA: Each of the specifics we need to get back to you, but there are some residents that were receiving stipends in certain districts around the city because of

1 funding that had been provided from particular
2 elected officials. And that money is, I believe,
3 is drying up.

4
5 COUNCIL MEMBER BREWER: Okay, my
6 understanding is it didn't come from elected
7 officials, it just came from NYCHA. So okay, well
8 we need clarification because I've been hanging
9 out at NYCHA for about 35 years, and I've never ...
10 they've always gotten a stipend and I've never
11 allocated funding and now they're not. So--

12 CHAIRMAN RHEA: (Interposing) There
13 were certain state-elected officials that had
14 created with NYCHA a program to provide funding
15 for residents during resident watch, as we refer
16 to it, in certain developments, but that was not
17 citywide.

18 COUNCIL MEMBER BREWER: Okay, if
19 you could get us the specifics, I'd like to know.
20 Number two, and I'm supposed to know this, but the
21 capital fund financing program which you very
22 diligently took leadership on, can you update it?
23 There was round one, round two, and how much round
24 one cost, how much round two might cost, and just
25 give us a sense of what you think you

1
2 accomplished. I guess this is a budget hearing,
3 so funding-wise on the first round.

4 MS. YOUSSEF: Well, the first
5 round was what we call ... oh, Emily Youssouf, Vice
6 Chair of NYCHA. The first round was a \$300
7 million issuance, Bond A, and that was done in
8 2005. All those funds have been expended to
9 various capital projects. The Bond B, we're
10 beginning to work on now, hopefully we'll get
11 approval from HUD to do it, and it will be
12 approximately \$500 million, and it will be
13 utilized for, to answer a lot of our capital
14 needs. It's not going to cover everything, but it
15 will be very helpful.

16 COUNCIL MEMBER BREWER: Okay, and I
17 should know this, but up on the website, or in
18 your plan, it lists everything that got
19 accomplished in the \$300 million?

20 CHAIRMAN RHEA: I'm not sure that's
21 on the website right now, we actually have it, we
22 could provide the Council with that breakdown on
23 the specific projects in which the \$300 million
24 was expended.

25 COUNCIL MEMBER BREWER: Okay, and

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could it be up on the website in the near future?

CHAIRMAN RHEA: There's ... we can look into that, there's no reason it can't, I mean, it's transparent disclosable information, we've actually disclosed it before, it just a matter of there's certain things that are up on the website, mainly active capital projects, for example, all of our ARA expenditures, the \$425 million that we were currently spending--

COUNCIL MEMBER BREWER:

(Interposing) Who's to be asked?

CHAIRMAN RHEA: The federalization work, and so since this was 2005, and it was dated, it just hasn't been up there, but it could be added.

COUNCIL MEMBER BREWER: Okay. Next question is the Section 8, and I ... Rosie and I go back, we all have been working on these things forever. If you could just update me, I know originally the Section 8 was going to be the cure-all before you started, Mr. Chairman, and we said at the beginning it wasn't going to be, so if you could just update us on the Section 8 vouchers, how they're helping in terms of funding, and what

1 some of your challenges are.

2
3 CHAIRMAN RHEA: So a couple of
4 things. I mean, we ... Section 8 has been an
5 incredibly-important tool across the country, but,
6 you know, important here in New York City and so
7 too the Council members' concerns about the
8 production of affordable housing, yes, we need to
9 look at how many new units of affordable housing
10 we're creating, but we also have to look at how
11 many families we're serving through the use of our
12 Section 8 vouchers, and so there are 97,000
13 families that NYCHA is serving currently today--

14 COUNCIL MEMBER BREWER:

15 (Interposing) And that's in the developments--

16 CHAIRMAN RHEA: (Interposing) No,
17 no, this is overall. So obviously Section 8
18 vouchers have been an important piece of providing
19 affordable housing to families. I think you're
20 specifically asking about the plan that was put
21 forward and the plan to preserve public housing in
22 which we were given the right to convert certain
23 public housing units to "Section 8 units".

24 COUNCIL MEMBER BREWER: And it was
25 a voluntary program, to the credit of NYCHA.

CHAIRMAN RHEA: So far to date, of the 8,000 ... it was actually 8,400 were in the original plan, a little over 2,000 units have been converted to Section 8, so that has actually been very helpful, because we're receiving on average I want to say about close to \$900,000 in "rent" from that voucher, subsidy payments through that voucher. So they've been very helpful to subsidizing and supporting the part of our portfolio that didn't have any funding. That leaves another 6,000 plus units that are currently not receiving any funding through Section 8 or traditional operating or capital subsidies, we had a plan to migrate those units over a number of years to Section 8 vouchers, so the real issue is not that that mechanism isn't working, it's that our voucher program is fully leased up right now. And so our ability to actually use vouchers to support families in those 6,000 plus units is curtailed by the sheer fact that we don't have vouchers available to put out on the street for--

COUNCIL MEMBER BREWER:

(Interposing) Well, the 6,000 were hoped-for to come from Shaun Donovan, or they were already

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2 being used in the private sector, or they just
3 didn't exist? I never understood that part.

4 CHAIRMAN RHEA: A combination of
5 things. Number one, the majority of NYCHA's
6 vouchers are called tenant-based vouchers, which
7 means you don't project-base them, so instead of
8 us saying this voucher is attached to this unit,
9 the voucher is given to the individual and the
10 individual has the right to search for an
11 apartment anywhere in the five boroughs. So we
12 have a marketing plan to attract families to a
13 NYCHA unit with their Section 8 voucher.
14 Assumptions were made about how difficult that
15 would or wouldn't be, and let's just say that
16 2,000 is the end result of that. Having said
17 that, for the past two years we have not been in a
18 position to provide vouchers to attract a certain
19 percentage of those who are on the street looking
20 for apartments into NYCHA, to use that voucher for
21 their subsidy. So it's unfair to just say, well,
22 you haven't been successful, because families
23 don't want to take you up on it. There's been two
24 years where we haven't been in the marketplace at
25 all. Where we have been in the marketplace are

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2 with the VASH vouchers which are veterans'
3 vouchers, and we've been very successful in
4 getting veterans to choose NYCHA units for the use
5 of their VASH vouchers. So the bottom line is,
6 it's the constraint currently on the available
7 vouchers, and there are a lot of things that go
8 into that, Council Member Brewer, from our
9 attrition is substantially lower than we had
10 anticipated, I can go on and on.

11 COUNCIL MEMBER BREWER: No, I
12 understand. Maybe this is my, also my ignorance,
13 but do veterans get special vouchers?

14 CHAIRMAN RHEA: They do, correct.

15 COUNCIL MEMBER BREWER: So that
16 doesn't come through HUD, it comes through--

17 CHAIRMAN RHEA: (Interposing) It
18 comes through HUD, but it's a separate allocation,
19 and HUD has been increasing the allocation over
20 the past two years, just given the state of
21 veterans' affairs.

22 COUNCIL MEMBER BREWER: So in other
23 words, there would be more veterans' vouchers
24 available if we could make the match.

25 CHAIRMAN RHEA: That is correct.

1 We have veterans' vouchers available, and we've
2 been working very closely with the VA on a
3 targeted program to assist veterans into getting
4 into housing, of which we've used NYCHA units as a
5 way to show veterans specifically the units that
6 are available within our portfolio in which they
7 could use their voucher immediately, and we've
8 worked with them around giving them the supports
9 to move in.
10

11 COUNCIL MEMBER BREWER: They could
12 bring in their family too, it doesn't matter?

13 CHAIRMAN RHEA: Right. Most ...
14 yeah, but most of these are--

15 COUNCIL MEMBER BREWER:
16 (Interposing) Individuals.

17 CHAIRMAN RHEA: ... individuals.

18 COUNCIL MEMBER BREWER: Okay, final
19 question. The issue, as you know, the number one
20 issue for residents is maintenance, or lack
21 thereof, despite all of your efforts. Is there
22 any other way of trying to front-load any funding
23 to work on this maintenance issue? Or is that
24 something, I'm sure you're looking at, but that is
25 the number one complaint.

CHAIRMAN RHEA: So as Vice Chair Youssouf ... so, again, we hearken back to Plan NYCHA, we've been very clear that in order to accelerate the maintenance and repair program, we have to think differently about how we deploy capital. And so as the Vice Chair mentioned in the question to the Bond A, Bond B--

COUNCIL MEMBER BREWER:
(Interposing) Right.

CHAIRMAN RHEA: Bond B is one of those major initiatives to insure that we can front-load a substantial amount of the maintenance capital repair work and to do it, you know, in an organized--

COUNCIL MEMBER BREWER:
(Interposing) That starts when? I'm sorry.

CHAIRMAN RHEA: So we would ... well, we've already started aggressively pursuing maintenance and repair through the work order task force.

COUNCIL MEMBER BREWER: Right.

CHAIRMAN RHEA: But the Bond B, the earliest would probably be if we could get, you know, HUD approval this year, begin to work

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2 closely with our HDC and our other partners
3 internally and externally, we would hope to be in
4 the market early next year.

5 COUNCIL MEMBER BREWER: Okay.

6 CHAIRMAN RHEA: But in addition to
7 the Bond B program, we're also having
8 conversations about a massive energy performance
9 contract, an EPC, which would allow us to, again,
10 front-load major investments in capital repairs
11 and replacement in all of our energy systems,
12 which then will allow us to use our capital
13 dollars--

14 COUNCIL MEMBER BREWER:

15 (Interposing) For something else.

16 CHAIRMAN RHEA: ... for something
17 else.

18 COUNCIL MEMBER BREWER: Okay.

19 CHAIRMAN RHEA: So there are a
20 number of items we're looking at, including some
21 other novel programmatic ways to accelerate that,
22 including access to tax credits and using the
23 capital markets more broadly than we have
24 historically.

25 COUNCIL MEMBER BREWER: All right,

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2 thank you, I could go on and on. Thank you very
3 much.

4 CHAIRPERSON MENDEZ: Thank you,
5 Council Member Brewer. I want to get us back to
6 your potential real estate and land rights in
7 undeveloped land. Has the Authority commenced a
8 comprehensive analysis of what real estate assets
9 you may have? And Mr. Chairman, this was printed
10 by the Manhattan Borough President back in 2008,
11 Scott Stringer, and he alludes in here that in
12 Manhattan there's 30.5 million square feet of
13 developable space, and I know that there are
14 certain restrictions, so what might look like
15 available land is not, has NYCHA ... what analysis
16 have you started to do, and what can you tell me
17 specifically about the borough of Manhattan,
18 because we have a number out there?

19 CHAIRMAN RHEA: I can give a couple
20 of answers, and I'll give part of it and the Board
21 members can chime in. First of all, all I would
22 say about the Borough President's report is that
23 directionally it suggests that we have a large
24 amount of under-utilized and developable rights,
25 which I would agree with. The specific numbers in

1 his plan I do not agree with. But it's really not
2 the point. The point is that there is a
3 substantial opportunity, we've identified that
4 opportunity in Plan NYCHA. As Commissioner Lopez
5 said, in many cases we've actually not only
6 identified the opportunity, but we've actually
7 realized the opportunity. Again, we have over
8 4,000 units that are either built or currently
9 being built. In addition to those 4,000 units,
10 there are a couple of RFP's that are out on the
11 street right now that we will be making selections
12 of developers, and commencing with redevelopment
13 plans that will put new units in our portfolio,
14 and in addition to using our land for affordable
15 housing, we've had substantial use of our land for
16 other important community purposes, including
17 schools, community centers, and in some cases, as
18 with Prospect Plaza, we're looking at commercial
19 uses, like supermarkets that can support the NYCHA
20 and broader communities. So I mentioned earlier
21 that we have currently commenced an effort around
22 those that have 75,000 square feet or more, so we
23 are pursuing this very aggressively, and it is in
24 our plan, and I think some of our Board members
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want to add some additional comments here.

MS. YOUSSEF: I'll just say that the planning process, you know, it's long and entailed, because when you are going to build something on the land, even though ... even if we still own it and we do some sort of joint venture, you have to go through a HUD process called Section 18, and that takes at least a year to go through. But we are actively planning all of the sites that we feel are developable, and it's like a program that's going to take years to complete, but we have a whole team filled with planners who are on it right now.

CHAIRMAN RHEA: But there are, again, projects actively out on the street right now, many developers who haven't participated in the past are taking a very hard look at putting in their proposals, there's a lot of excitement about the potential to increase the stock of affordable housing and to be a catalyst for redevelopment, and you know, we think that this is a significant opportunity for us financially, but most importantly to provide, as the Council Member was saying, additional housing that's desperately

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2 needed, and we have a number of them, Van Dyke
3 Houses, obviously here, L.A. Chelsea in the city,
4 Council Member Lopez mentioned ... excuse me, Board
5 member Lopez mentioned what we're doing in
6 Washington Houses right now, also at Soundview in
7 the Bronx. So there are a lot of--

8 CHAIRPERSON MENDEZ: That title
9 predates your tenure, so I don't know why you got
10 confused.

11 CHAIRMAN RHEA: Right, I'm sorry.

12 CHAIRPERSON MENDEZ: But that's all
13 right.

14 CHAIRMAN RHEA: So she's close,
15 over me in there. But, so we, this is not only
16 something that again we're pursuing, but we've
17 made an explicit initiative and component of Plan
18 NYCHA, and we believe that it is one of the most
19 important things that we will achieve through this
20 plan.

21 CHAIRPERSON MENDEZ: I'm going to
22 ask one more question, and then I'm going to turn
23 it over--

24 MS. LOPEZ: (Interposing) One
25 minute, Council Member, I just want to indicate

1 the following thing. I agree with what the
2 Chairman indicated about the release of the plan
3 of the Borough President, I just want to put in
4 the mind of all of you the following thing. I
5 think his numbers are inaccurate, because in order
6 to calculate the potential, a lot of information
7 needs to go into that calculation. That required
8 an enormous study, and I'm going to give you an
9 example of the kinds of things that need to be
10 included. A lot of the NYCHA land had underground
11 improvements, and to see empty land and evaluate
12 the amount of land that we have for development
13 based just on that, it's a big mistake. Then
14 everybody needs to look at this issue in a
15 different way, although their report states a very
16 important point, that NYCHA has land that can be
17 developed, that is correct, but the number is
18 inaccurate, no question about it.

19 CHAIRPERSON MENDEZ: Okay. And
20 when his report came out, I actually had a hearing
21 on that topic, and one of the things that came up
22 in the hearing at that time is that, when you're
23 looking at empty space under HUD regs, you also
24 have to have a certain amount of distance from an
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2 entrance and an exit, so that what looks like
3 developable land actually is not, because it
4 wouldn't fit within the HUD regs. Having said
5 that, I'm going to ask this question about
6 something you alluded to in Plan NYCHA about the
7 sale of air rights. So how are you looking at
8 this, and are you going to use it to fund capital
9 repair work, and use it for inclusionary zoning?
10 What, if any, possible developments where
11 inclusionary zoning can be used have been
12 identified? And as you started to look at this,
13 keeping in mind that what we see not always could
14 be developed, and then I'm going to turn it over
15 to Council Member Reyna.

16 CHAIRMAN RHEA: So I think you gave
17 some examples that were consistent with the type
18 of examples that the Commissioner is giving, which
19 is, there's an aggregate number and then there's a
20 usable number, in terms of what we can actually,
21 you know, even that's still hypothetical, because
22 hypothetically develop, because then there are
23 other issues that come into play in terms of
24 density issues, you know, green space, so we put
25 in place what we're referring to as a triple

bottom line method of determining when we should build and what we should build. So there are a number of things that will constrain the art of the possible. On your question about air rights and inclusionary zoning, in many cases, right, we have as-of right development potential, and we may realize that by developing on the land or we may want to extract value by monetizing those air rights for a host of reasons. In that case, we can do it today through a number of forms, but one form that we're exploring, as you said, is is there a way for us to use inclusionary zoning, that historically hasn't been applied to NYCHA as a way to generate additional dollars for our maintenance and repair capital program. And the basic, without getting into a lot of detail on it, because we're working very closely with our partners at the city level, to see how this can be implemented, but the basic concept is, there are zones that have the ability to generate an inclusionary bonus, and there are areas that have the right to receive that inclusionary bonus to upsize the density FAR of a new housing development, and our goal would be to work with

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2 developers who have the right to receive it, so
3 that they can upsize their FAR, and in exchange
4 they would pay for that inclusionary bonus, and we
5 would take the proceeds from that and invest a
6 portion of it in maintaining and rehabbing
7 existing public housing. So it's a way for us to
8 generate additional funds above and beyond what we
9 receive from our current sources to invest in
10 capital improvements.

11 CHAIRPERSON MENDEZ: Council Member
12 Reyna.

13 COUNCIL MEMBER REYNA: Thank you
14 very much, Chair, I just wanted to take a moment
15 to clarify, you had mentioned a figure of 7,500 or
16 75,000 square feet or more is what you're looking-
17 -

18 CHAIRMAN RHEA: (Interposing)
19 75,000.

20 COUNCIL MEMBER REYNA: 75,000
21 square feet or more you're looking to re-adapt
22 into what would be housing opportunities.

23 CHAIRMAN RHEA: Development
24 opportunities, so of which a large portion would
25 be housing, but again I mentioned that there are

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2 other, as we look at our triple bottom line
3 approach, there are times other community-based
4 facilities and resources that are important to
5 that neighborhood that we would look to also
6 address as part of that development plan.

7 COUNCIL MEMBER REYNA: And this is
8 a citywide figure.

9 CHAIRMAN RHEA: The 75,000 is,
10 obviously there is a range, and getting back to
11 the kind of hypothetical development rights, some
12 could be as small as, you know, a couple of
13 hundred square feet, some are as large as hundreds
14 of thousands of square feet. When you add all
15 that up in aggregate, it's a huge number, but some
16 of the smaller lots aren't useable.

17 COUNCIL MEMBER REYNA: Correct.

18 CHAIRMAN RHEA: Right, so and some
19 of the massive lots, you know, are certainly
20 useable, but have other constraints around them,
21 and so what we were looking at is at 75,000 as a
22 starting point. It doesn't mean we wouldn't look
23 at something smaller than that if it can
24 accommodate a specific purpose, but as we look
25 through the portfolio, we're trying to identify

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2 places where it certainly would be able to
3 accommodate large-scale new in-fill housing, or
4 housing and some other support.

5 COUNCIL MEMBER REYNA: Sure. And I
6 wanted the clarification because I wanted to
7 understand if the reason for the delay, back in
8 2005 for the rezoning of Williamsburg-Green Point,
9 HPD and NYCHA had agreed in the points of
10 agreement to include what would be developable
11 land on the premises of Cooper Park, and we had
12 multiple meetings with you and the previous
13 Chairman and HPD to engage in what would be a
14 moving-forward plan. Today there's very little
15 affordable housing in neighborhood, a massive
16 displacement of families and the affordable units
17 that were promised have not been delivered,
18 including what would be Cooper Park, and so I want
19 to understand, is the delay on Cooper Park
20 opportunity to build affordable housing delayed
21 because of this particular plan, which obviously
22 predates what would have been an agreement, prior
23 to you coming on board, nevertheless an agreement?
24 And I want to understand whether or not there is
25 the consideration of what would be in your

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2 assessment of the 75,000, if it does include
3 Cooper Park, the issues that the residents
4 themselves have engaged with you on requesting
5 that the land where the site was selected to be
6 developable, now it is deemed not appropriate to
7 their needs, and making sure, just to make sure
8 that we understand each other. The land that's
9 park land today swapped so that the parking lot--

10 CHAIRMAN RHEA: (Interposing) I'm
11 very familiar with this, as you know.

12 COUNCIL MEMBER REYNA: Okay.

13 CHAIRMAN RHEA: Council Member
14 Reyna, I've been to many meetings with you and
15 other electeds around this concern or opportunity.

16 COUNCIL MEMBER BREWER: All of us
17 have.

18 CHAIRMAN RHEA: All of us. Yes,
19 and all I would say is without, you know, singling
20 out, you pointed this particular one out, is that
21 there is a multi-variable equation on why that
22 hasn't moved forward. So one, you outlined it
23 very well, which is coming to an agreement and a
24 consensus with residents in the community about
25 what and where. That is still an ongoing

1 discussion. Some of what is being "proposed" is a
2 very difficult hurdle to jump over, in terms of
3 alienation of park land and a number of things
4 that is not within NYCHA's sole control, would
5 require the state and others to participate in it.
6 So agreeing, and then also the path that is
7 currently being suggested is a difficult path.
8 There's also issues about funding, and where does
9 that particular project fall in the funding queue.
10 So I want to be very clear, Plan NYCHA hasn't held
11 up a single development, we've been signing
12 development agreements, we've been putting shovels
13 in the ground, we've been cutting the ribbon on
14 putting people into apartments, we did it just ten
15 days ago on Pomonok Houses with Council Tower #6,
16 with a brand-new senior building, and on and on
17 and on. So we continue to move forward
18 aggressively on this plan, to use our land in a
19 thoughtful way, but we have to have agreement with
20 the community, we spent a lot of time in
21 Washington Houses getting agreement with the
22 community on what would be built, how it would be
23 built, and even there, there are still challenges,
24 just like there are in any development deal, about
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2 specific aspects of it, and those have to be
3 worked out with the community as we move forward.
4 And so Cooper Park has a lot of issues to be
5 resolved, but we remain steadfast and committed to
6 trying to use one of the locations there for the
7 production of affordable housing.

8 COUNCIL MEMBER REYNA: I just want
9 to make sure that I count the years, it's seven
10 years in May since that agreement, and today, you
11 know, these steadfast discussions continue and yet
12 no solution, so I hope that we can ... I don't know
13 when was the last time there was a discussion to
14 finding a solution to this problem, never-ending
15 problem, because you mentioned discussions that
16 have been ongoing, but it's been probably a year
17 since we--

18 CHAIRMAN RHEA: (Interposing) So in
19 a world ... you know, I'm just going to be blunt, in
20 a world of scarce resources and scarce time, the
21 more difficult the solution, the longer it will
22 take, and the greater likelihood it won't happen.
23 And that's just facts. And we've been able to
24 green-light stuff that came on the radar screen
25 long after Cooper Park, in which the shovels are

1 in the ground and the ribbons are being cut. So
2 there's not an issue of, you know, we don't have
3 the capacity to move forward, but people have to
4 be reasonable in what we can get accomplished.
5 And if everything has to be accommodated, which
6 may be the case in any particular deal, it just
7 means it's going to take a long time to get it
8 done. And we just opened some community centers
9 that took many, many years, ten years, 15 years to
10 get them done, it took a long time for a whole lot
11 of different reasons, some are problems at NYCHA
12 in terms of execution, but we opened them, we
13 delivered them to the community, so I don't want
14 you to think, just because the time, you know, may
15 be longer than any of us would like, that we don't
16 remain engaged and diligently trying to find
17 solutions to these problems.

18
19 COUNCIL MEMBER REYNA: And I just
20 wanted to ask, as far as 202 funding is concerned,
21 is there a cycle that you will be participating
22 in?

23 MS. YOUSSEF: Yes, in fact we got
24 an allocation for a particular project, and we are
25 looking to put other sites up for 202, we're

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2 working with, you know, a number of various
3 supportive housing groups who have come in to us,
4 and we are trying to put everything together.

5 CHAIRMAN RHEA: But to add
6 something to the Vice Chair's response, we are
7 looking at "synthetic 202's", because in many
8 cases the funding made available from Washington
9 for new senior housing has been limited, and
10 there's not a clear direction and commitment to
11 increasing the funding for 202's, and so, you
12 know, we are working very closely to come up with
13 other forms, tax credits, other things in which we
14 can create senior housing, even if it's not
15 through a traditional 202 mechanism. So we need
16 support on that as well.

17 MS. LOPEZ: And I think it's
18 important to point out here now that part of the
19 issue under-utilized apartments by seniors get
20 addressed by producing 202 housing units.

21 COUNCIL MEMBER REYNA: I agree.

22 MS. LOPEZ: And I want to ask you
23 publicly to also support us when we propose 202
24 units of housing, because our intention in
25 resolving the issue of under-occupied apartments

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2 can be helped by producing these units that are
3 202 housing, and also the residents of public
4 housing need to look at this as a solution to the
5 problem of under-utilization, and many times I
6 want to point out to you, the residents don't want
7 to move into these apartments, not helping to
8 resolve the issues that we confront, and not
9 allowing families who need the bigger apartments
10 to move there with their children and to allow to
11 grow healthy and be productive members of society.

12 COUNCIL MEMBER REYNA: And on the
13 contrary, in reference to Cooper Park, this is
14 exactly what we have been trying to suggest, as a
15 matter of fact the residents themselves have been
16 suggesting a 202 combination so that they can have
17 what would be a community that's already aged. We
18 have residents that have lived in Cooper Park for
19 50 years, and it's considered to be an unofficial,
20 naturally-occurring NORC, naturally-occurring
21 retirement community. And so we want to work
22 hand-in-hand with you to resolve this matter,
23 because this is a perfect example of how delaying
24 and levels of government and obstacles that we
25 just find harder to remove, harder to move and

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2 remove whatever barriers there when it shouldn't
3 be so difficult. And so I want to work with
4 NYCHA, with you, Chairman, and the Board, to be
5 able to apply in the next round for 202 funding
6 and multiple other sources, to garner support for
7 what would be this development site that has
8 already been identified since 2005, and whatever
9 barriers there are, to be able to garner support
10 wherever needed. I know that it's a give-and-take
11 situation, but every year we miss out, those are
12 dozens of families further displaced, as well as
13 the seniors who are not able to accommodate them,
14 but who are willing, willing participants to move
15 out, but they're not willing to just move out
16 after 50 years and starting all over again, in a
17 development that's not going to meet their needs.
18 And I support them with that effort. So I want to
19 just make sure that I got to thank you for all of
20 the discussions we have had, but moving forward if
21 there could be a timeline of certain goals that we
22 could accomplish with this one fight, it would be
23 very helpful. And just, you know, our continuing
24 conversations regarding all the information you
25 supplied us regarding back orders on the work

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2 orders, we're trying to assist NYCHA in trying to
3 resolve and assess where our capital projects are,
4 and I look forward to just, you know, the
5 surveillance cameras at Borinquen House that I
6 funded, to be able to help us reduce the crime
7 issue that we've been experiencing in the
8 neighborhood. Thank you very much.

9 CHAIRMAN RHEA: No, thank you for
10 all your support.

11 CHAIRPERSON MENDEZ: Mr. Chair, of
12 the 56,000 under-occupied apartments, do you have
13 the number of how many of those are senior
14 citizens? In those apartments?

15 CHAIRMAN RHEA: A little over
16 30,000.

17 CHAIRPERSON MENDEZ: A little over
18 30.

19 CHAIRMAN RHEA: I'm sorry, a little
20 under 30,000.

21 CHAIRPERSON MENDEZ: So more than
22 half. Okay. If I could ask this question
23 regarding disposal of land for whatever the
24 identified need might be, I know that in this
25 Council, when the issue has come up to us, it has

1 specifically been around a rezoning, rezoning of a
2 certain area in the community, in a Council
3 district. Is this, you know, I'm assuming, since
4 you're looking at other ways of looking at how to
5 develop land, are you still just looking at it in
6 terms of rezonings, when the issue is brought up
7 to you, or is it easier to facilitate it within a
8 rezoning?
9

10 CHAIRMAN RHEA: So the easiest, if
11 you're just saying meaning ease of use, what we
12 control with resident consultation and engagement,
13 the easiest is for us to develop on our land where
14 we have as-of right development, and to not have
15 to go through community boards or other processes,
16 just in terms of ease. Now, having said that,
17 there are a number of developments where we
18 specifically have sought community board input and
19 approval because we have wanted to do things that
20 require rezoning, or other mechanisms that are
21 beyond our as-of development rights. But
22 irrespective of whether it's as-of right or
23 through the community board, we are making an
24 attempt and effort to have broader community
25 engagement and consultation for the work they were

1
2 doing, because we believe it's important to have
3 community support, and to hear the needs of the
4 community, whether it's because we want to make a
5 decision between housing or a supermarket or some
6 other form of community resource, and also because
7 we believe ultimately NYCHA is part of a broader
8 contextual community and we'd like to make sure
9 that the community supports families in public
10 housing, and they look at the resources that we're
11 developing as part of the broader fabric of the
12 community. But we don't need to come before the
13 community boards or the Council unless there is a
14 zoning element of it that needs approval or
15 amendment. Does that answer your question?

16 CHAIRPERSON MENDEZ: Somewhat,
17 that's okay. Yes, yes it does. In the last
18 hearing you also talked about 50-30-20's, and so
19 when we're looking at this land, and we're talking
20 about 202's and 50-30-20's, what is anticipated
21 looking at the ... if you're looking at size of
22 75,000 or greater square feet, that would be
23 market rate as opposed to affordable housing? Do
24 you have a--

25 MS. YOUSSEF: (Interposing) Well,

1 I think, you know, we're looking at each site
2 independently, about where they are, you can't
3 just have an overall plan that addresses all of
4 them. So we're looking at everything from 80-20's
5 to 50-30-20's to, you know, 202 and various types
6 of supportive housing. It depends on the location
7 of the site, you know, one of the big things is,
8 if there's any remediation that has to be done on
9 the land, because remember, a lot of these are on
10 ... will be parking lots and that always requires
11 remediation, and then that adds on another layer
12 of complexity, which I know you all are well aware
13 of. But we're really just looking to try to
14 figure out which type of project fits in better
15 with which neighborhood. And we're trying to
16 structure them in a way that if there is an
17 ability for NYCHA to get any money back from it,
18 either through long-term lease payments or some
19 sale of the land, you know, we will try to add
20 that in, because NYCHA needs that money to be able
21 to do capital projects in the existing projects.

22 CHAIRPERSON MENDEZ: And when
23 you're looking to identify which works better in
24 the various developments, I'm assuming you're also
25

1
2 looking at whether you sell or lease, and what
3 works better in those developments, or in what
4 borough?

5 MS. YOUSSEF: Yes, exactly,
6 because it's going to vary, and the thing is, if
7 you do a long-term lease, that's, you know, what
8 our preference would be, because then we get to
9 keep the land, you know, always in NYCHA's
10 portfolio. However, on some sites the developers,
11 you know, finding a developer who's willing to
12 build in a situation like that could prove to be
13 more difficult.

14 CHAIRMAN RHEA: We also, as we
15 spoke earlier, we have to be thoughtful about
16 opportunities for substantial rehab and
17 reinvestment in our capital needs today, and in
18 some cases monetizing the land to provide us with
19 capital to make certain wholesale repairs and
20 capital projects on the development is the right
21 answer. And as you know, unfortunately you don't
22 really do capital work, you know, in the
23 thousands, you do it in the millions, and when a
24 roof needs to be replaced, or all the roofs need
25 to be replaced, it can be 10, 20, 30 million

1 dollars, and when you need to replace elevator
2 cars and cabs, it can be, you know, \$50 to \$100
3 million, and so in some cases we may need to
4 monetize, even though our long-term preference
5 would be to have an ongoing income stream, in
6 order to do the repair work in an efficient
7 manner, we may need to supplement our capital
8 program, and that might be the answer.
9

10 CHAIRPERSON MENDEZ: And what
11 conversations or assurances of any have you had
12 with HPD, HDC or OMB regarding financing for some
13 of this mixed-income housing?

14 MS. YOUSSEF: Well, we have, we're
15 working with HPD and HDC very closely, and we have
16 requested from HPD to get a preference in their
17 QAP, which covers their 9% tax credit, and with
18 HDC to also get a preference in the tax-exempt
19 bond private activity allocation that they get.
20 And they both have agreed to it, so we're very,
21 you know, excited about being able to work
22 successfully with our sister agencies for housing
23 in New York. So I believe that we're in a good
24 position, so now it is either getting back the
25 RFP's, getting answers for the ones that are out

there, or developing new ones, which as I said, we're very active in pursuing right now.

CHAIRPERSON MENDEZ: Council Member Rodriguez.

COUNCIL MEMBER RODRIGUEZ: Does NYCHA have a deficit right now in their budget?

CHAIRMAN RHEA: Yes we do.

COUNCIL MEMBER RODRIGUEZ: How much is it?

CHAIRMAN RHEA: A little over \$50 million, between \$50 million and \$60 million a year for the next five years.

COUNCIL MEMBER RODRIGUEZ: So when it comes to building housing, are you looking at the offering that land to the developers as a measure to get some revenue to close the gap?

CHAIRMAN RHEA: Yes, that's part, that's one of our gap-closing measures, but obviously balanced against the fact that in many cases subsidy is required to, you know, support, you know, maximize the number of affordable units that can be developed, and so we have to balance that. But yes.

COUNCIL MEMBER RODRIGUEZ: So in

1
2 your reality, as the person in charge of NYCHA, it
3 is very difficult for you, for NYCHA to say we can
4 use the land to build affordable housing, when
5 your reality is, we need to get the revenue to
6 close the deficit.

7 CHAIRMAN RHEA: I look at it a
8 little, slightly differently, as to say we believe
9 they can support each other, right, and so we
10 recognize, as I mentioned in all of the deals in
11 aggregate, they ... each deal has been structured
12 differently, but in aggregate NYCHA subsidized,
13 you know, hundreds of millions of dollars of
14 affordable housing construction as part of the
15 Mayor's plan because we took less than appraised
16 value for our land. But we did receive some
17 proceeds, and so our goal is to balance our
18 funding requirements today with our broader goal
19 of helping to enhance the stock of affordable
20 housing, we've got to get that equation right. In
21 some cases, you know, we will look to extract
22 more, and in other cases the economics of the
23 particular transaction or the needs of the
24 neighborhood and the community, you name it, may
25 dictate that we take less.

COUNCIL MEMBER RODRIGUEZ: What I think is probably the formula that we should be looking at is, as I see it, two weeks ago Mark Page said we have the money to complete building for the city 5,000 affordable housing units that this administration is committed to. We are short by 21,000 to accomplish that goal, but we have the money, NYCHA has the land. However, in order for NYCHA to facilitate this land and to work with the administration, they have to be understanding of the administration that NYCHA should not be the one that is saying, we are just taking your land, because I would never be able to support market price apartments in my district. But I have to learn from Harlem, Harlem is not majority black any more, and now they have to be dealing with that reality. People have been pushed out from Harlem. In my district, Washington Heights, a district that has an average income of \$30,000, 18,000 people have moved in the last ten years. So it is important, it is my responsibility to work with NYCHA, to work with private developers, to see how we sit down with the administration and see how can we get the public dollars to build

1 affordable housing, and I think that what we
2 should be clear is that there are two different
3 realities, the reality of NYCHA is, we have to
4 close the gap because at the end of the day we are
5 the ones that are accountable for that deficit.
6 And when you are being asked to run an agency that
7 are providing important services, that are
8 providing affordable housing, but we should not be
9 the only one responsible when it's time to close
10 the gap. So I think that what I hope is that we
11 end it with a new conclusion here by all the
12 commissioners, the city says we have the money,
13 NYCHA has said we have the land, the city should
14 be able to say, we should take some responsibility
15 from those 75,000 deficit that we have, and let's
16 use the land. The only excuse that the
17 administration, from the Mayor, from everyone, has
18 explained to the media about my reality. I don't
19 know the reality of my colleagues here, but
20 everyone should speak about their own district.
21 The only excuse that the administration said, we
22 only have built one building of 100 units in your
23 district in the last ten years because we don't
24 have land.
25

CHAIRMAN RHEA: So we should take a look at what the opportunities are in your district as well, Council Member, but I do want to say, on an aggregate level, the Mayor and Deputy Mayor Steel, have strongly encouraged the three agencies, HDC, HPD, and NYCHA, to work together on a plan. We are working on that, as Vice Chair Youssouf had mentioned. We have already come to terms on some very specific components of that plan, you know, prioritizing use of 9% credits and other funding streams, to insure that we can accelerate the production of affordable housing on NYCHA land, but we would like to work directly with you as well to understand what we could do in Washington Heights.

COUNCIL MEMBER RODRIGUEZ: Thank you.

CHAIRPERSON MENDEZ: Mr. Chair, can you tell us when NYCHA will complete a comprehensive analysis of any potential real estate assets?

CHAIRMAN RHEA: I don't think you should wait for one whiz-bang announcement, we are doing this real-time as we speak, so there's of

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Chairman, of the 334 developments that you have in your portfolio, how many where a developer has outreached to the Housing Authority or an elected official or through your own analysis of looking at 75,000 or more, how many of those developments are being looked at, of the 334?

CHAIRMAN RHEA: A lot. I mean, I would ... a lot. And--

CHAIRPERSON MENDEZ: (Interposing)
Under 100? Under 200?

CHAIRMAN RHEA: I would say, when you say development, I mean, we've been approached, you know, to build a community center or a school, new housing, a commercial space, a lot. I'm being vague for a reason, we are getting, you know, approached on a regular basis with various proposals.

CHAIRPERSON MENDEZ: Okay, so of the needs, can I just get a sense? I mean, you have 334 developments, and the needs are great, and people are very creative, maybe 50%, an issue has come up with about 50% of your developments about an idea for either potential housing or a bank or a supermarket or a community center?

MS. YOUSSEF: Well, one of the, you know, we are getting the inquiries and we are doing the work internally. But some of the inquiries come in and they don't work, and we know that. So not everybody who comes in automatically gets it, there is a limited amount of volume cap

1 that allows us to issue bonds, which are needed by
2 any developer. I mean, HDC would issue the bonds
3 for them, but there's a very limited amount of
4 that that the city gets. Additionally, the 9% tax
5 credit, there's also a very limited amount of
6 those. And you have to be able to utilize items
7 like that, plus the capital funds that come from
8 the city, either through HOME or AHC, to put them
9 all together to actually develop a site. So it's
10 ... we look at, we talk to everybody who comes in,
11 and we look at all the sites, but there just isn't
12 enough money, if there was enough funding to do
13 all, you know, every site we have, I mean, that
14 would be wonderful. But that just isn't reality.
15 Every year we know we can do just so many if we
16 are able to get some of the funding. So like
17 right now we have, I guess, three ... two RFP's that
18 are outstanding, and we're hoping that, you know,
19 we're going to be able to make a decision. We
20 have those RFP's outstanding in conjunction with
21 HPD, so we are actively working on this, but
22 development takes a long time, you know, it
23 doesn't happen overnight, unfortunately.

25 CHAIRPERSON MENDEZ: And that leads

1
2 me to the next question, Mayor Bloomberg's term
3 will be ending in less than two years, so how much
4 do you think can be realized during his next two
5 years in his housing marketplace plan, and how
6 many do you think will be in the years afterward
7 with another mayor?

8 CHAIRMAN RHEA: Well again, I'll
9 give you another technical term, we can get a lot
10 done. And that's why we put the plan out and
11 we've been meeting with not only our partners at
12 HDC, HPD, but also with the state as well as with
13 all of the development community. The Mayor's
14 plan, in terms of the new housing marketplace
15 plan, is well on track to meet the objectives that
16 were set out, so I think this is really about what
17 can NYCHA do with our partners above and beyond
18 what the Mayor is already committed to, and so we
19 have to work with them as the Vice Chair said, in
20 terms of understanding what their available
21 funding capacity is, because obviously the two
22 have to come together, as all of the Council
23 members have noted. We believe also, though, that
24 as we focus on some of our priorities, that has to
25 be taken into consideration too, and so, you know,

1
2 senior housing and support of housing are some
3 things that NYCHA needs that we may ... that aren't
4 just about funding availability, so we have to
5 find the right partners and the right locations.
6 We have a supportive housing proposal out for Van
7 Dyke Houses right now, you know, and that's very
8 specific to some of the needs of Brownsville. And
9 so in addition to funding and the existing goals
10 of the Mayor's plan, there's some needs at NYCHA
11 that need to get met, and some of which we've
12 talked about earlier in this hearing.

13 CHAIRPERSON MENDEZ: If I can go
14 back to the funding of capital repairs, can you
15 give us more specifics on that, and how you think
16 that capital repair work could be realized through
17 the sale of air rights or inclusionary zoning, and
18 is this current repairs that have been pushed out
19 that you can't get to because of funding
20 restrictions, and is it also anticipated work that
21 should be coming up?

22 CHAIRMAN RHEA: So again, I just
23 want to put it into context of the plan. What
24 we've outlined in the plan is \$5.5 billion of
25 unmet capital needs through 2011, and this year

1 we're going to receive \$270 million. So without
2 executing Bond B, without pursuing an energy
3 performance contract for critical building
4 systems, without pursuing things like inclusionary
5 zoning, there's just no way we can even begin to
6 approach the \$5.5 billion. But even if we do all
7 of those things successfully, which, you know,
8 with support of our partners we believe we can do,
9 there will still be a gap in terms of meeting the
10 \$5.5 billion need, and without kind of a
11 collective effort to identify additional sources
12 of funding, we will have real significant unmet
13 needs, to the tune of over \$1 billion.

14
15 CHAIRPERSON MENDEZ: Thank you. In
16 the plan you make reference to utilizing a variety
17 of tools to help fund operations and with a mix of
18 private and public moneys, can you tell me a
19 little bit more about how do you ... what will be
20 NYCHA's participation in programs such as HOPE 6?

21 CHAIRMAN RHEA: Well, a couple of
22 things. I mean, there are funding streams that
23 HUD makes available to housing authorities for
24 redevelopment. HOPE 6 in and of itself is not
25 for, you know, "recapitalizing existing public

1 housing developments", it's for complete
2 redevelopment. And so for the case of Prospect
3 Plaza, we're utilizing HOPE 6 funds to make
4 Prospect Plaza work. That is for a limited piece
5 of our portfolio, and is not going to address the
6 sizable unmet maintenance and repair and
7 backlogged \$5.5 billion of unmet capital needs.
8 To the extent that the funding comes up short, and
9 there's no way to fund the full rehab of all of
10 our buildings, then looking at HOPE 6
11 opportunities for some of our sites would be
12 something that we would have to explore in
13 consultation with residents, the Council, and
14 other members of the community. But that is not
15 part of the existing Plan NYCHA, beyond the
16 existing HOPE 6 project.

17
18 MS. YOUSSEF: And right now
19 there's no money in any of the proposed budgets
20 for HOPE 6 going forward, so.

21 CHAIRPERSON MENDEZ: Can someone
22 tell me about NYCHA's application for the Choice
23 Neighborhood program? And what, if any, specific
24 developments NYCHA would like to use this?

25 CHAIRMAN RHEA: So I'll answer the

1 first part of it. The first part of it is
2 building on the Vice Chairman's comments about
3 there's no money funded in the HOPE 6 budget. The
4 secretary and the administration have moved the
5 traditional HOPE 6 funding into a bucket called
6 the Choice Neighborhood Initiative, and the
7 difference is that the intent is for the money to
8 be used to preserve existing public housing
9 communities, and to reinvest in them. And so we
10 will explore Choice Neighborhood Initiatives, and
11 there's at least one that we were going to pursue
12 in this funding round.

14 CHAIRPERSON MENDEZ: And that one
15 would be where?

16 MS. YOUSSEF: It's to be
17 determined, we're talking with ... we have to go
18 along with a partner, with another agency, and so
19 we are looking at a number of different sites, and
20 we should be making a decision very shortly.

21 CHAIRPERSON MENDEZ: Okay. You
22 don't have it limited to a borough or just--

23 CHAIRMAN RHEA: (Interposing) No,
24 we have some priorities, there are some priority
25 areas, whether it be the South Bronx, whether it

1
2 be Brownsville, there are a number of priority
3 areas where, if you read the HOPE 6 regulations,
4 they put ... they obviously are directing you to
5 areas that have significant unmet needs, not just
6 the physical aspect of the housing, but also
7 supports for the community. And so we are going
8 through a tabletop exercise with our partner to
9 identify the best location. I do want to
10 highlight, although we think that this is a much
11 better program for New York than necessarily in
12 comparison to HOPE 6, it's still only a small part
13 of the HUD budget, I think it's \$200 million.

14 MS. YOUSOUF: And the most per
15 grant that you can get is \$30 million.

16 CHAIRMAN RHEA: So, again--

17 MS. YOUSOUF: (Interposing) It's
18 nothing to sneeze at, but obviously it only helps
19 this much of our problem.

20 CHAIRPERSON MENDEZ: Council Member
21 Brewer.

22 COUNCIL MEMBER BREWER: I worked on
23 HOPE 6, I still have nightmares. My question is
24 about privatization in terms of management. I do
25 have one development which Grenadier operates, the

1
2 Dome, and it's ... it could be better, in terms of
3 the quality, I think, of the management. So my
4 question is, I understand and I should know this,
5 that there's going to be other pilots where there
6 would be private management and contracting out,
7 so I'm worried obviously about the clericals in
8 the NYCHA developments and NYCHA staff and
9 obviously I'm always concerned about DC37, so I
10 want to know if there will be layoffs or
11 attrition, or how you're going to handle, if you
12 are doing any kind of private management?

13 CHAIRMAN RHEA: Okay, first of all
14 a couple of things. There are no planned layoffs
15 as a result of our private management company
16 pilot that we are pursuing. First of all, NYCHA
17 did a lot of benchmarking, and we recognize that
18 here in New York, unlike many other housing
19 authorities across the country, we are much more
20 internally-managed and we have ... than we work with
21 private management companies. And even where we
22 work with private management companies, we have
23 not implemented a real private management company
24 model to the way that other housing authorities
25 have. So we feel very strongly that we need to

1 put a pilot in place that explores the best
2 practices of private management companies in other
3 markets, and we want to benchmark the performance
4 of that private management company demonstration
5 with a controlled group of NYCHA-managed similar
6 sized, similar situated, similarly staff,
7 similarly funded development so that we can do an
8 apples-to-apples comparison, and then compare that
9 to our traditional way of managing. And to look
10 at other efficiencies in the private management
11 model, versus an internally-managed model, if so
12 what are they, are they related to work rules, are
13 they related to training, what is deriving the
14 benefits in the private management company model
15 versus the existing NYCHA model, so that we can
16 adopt many of those best practices, and if that
17 requires or would be advantageous to expand the
18 use of private management companies to deliver
19 better service levels to residents, and to reduce
20 the expense of management for NYCHA so that we can
21 serve more families better, then we will explore
22 that in a much more aggressive way.
23

24 COUNCIL MEMBER BREWER: Well yes,
25 but you have privately-managed, I don't know if

1
2 Dome is the only one in the whole portfolio. So
3 can--

4 CHAIRMAN RHEA: (Interposing) Our
5 private management company models today are not--

6 COUNCIL MEMBER BREWER:
7 (Interposing) Apples to apples?

8 CHAIRMAN RHEA: Apples to apples,
9 to private management company models in other
10 cities, and that we're exploring here. And we
11 spent an incredible amount of time understanding
12 what those other models look like, what are the
13 service level agreements. It's not just that you
14 hire someone, it has to do with a lot of the
15 service level agreements that are mandated in the
16 contract.

17 COUNCIL MEMBER BREWER: No, I
18 understand all that.

19 CHAIRMAN RHEA: And how you manage
20 that contract.

21 COUNCIL MEMBER BREWER: Can you
22 include in your analysis tenant input?

23 CHAIRMAN RHEA: Absolutely, that's
24 one of the fundamental things.

25 COUNCIL MEMBER BREWER: That's one

1
2 of the challenges right now with Ms. Daisy and Ms.
3 Felice. Go ahead.

4 MR. GONZALEZ: Council Member,
5 Victor Antonio Gonzalez, the other member. We've
6 looked into the private management that we have
7 currently, and we've made some changes, and
8 they're looking into how we can monitor them a
9 little better, and yes, private resident input is
10 one of the things that we're looking at, because
11 it seems like ... well, there wasn't any.

12 COUNCIL MEMBER BREWER: Correct.

13 MR. GONZALEZ: You know, as a
14 former TA president, I was at the Dome site myself
15 and kind of took care of some of the problems that
16 were happening there at certain times.

17 COUNCIL MEMBER BREWER: You surely
18 did.

19 MR. GONZALEZ: And I turned around
20 and also brought that information to this board
21 and to the Deputy General Manager, General
22 Manager?

23 MS. YOUSSEF: No, Vice.

24 MR. GONZALEZ: Oh, excuse me,
25 Executive Vice President Mr. Laboy, and gave him

1
2 that information, and he's utilizing it to the
3 point where he's putting something in place that
4 will actually address those particular issues.

5 COUNCIL MEMBER BREWER: Thank you
6 very much. Thank you for all your work.

7 MS. LOPEZ: Council Member?

8 COUNCIL MEMBER BREWER: Yes, ma'am.

9 MS. LOPEZ: There's one more point
10 that should be mentioned, and it's that in our
11 current situation, the plan that we have put
12 forward is asking for cooperation with the unions
13 that we currently work. And in regard of that
14 cooperation, issues that would allow us
15 flexibility of how the delivery of services is
16 done will be very helpful, to preserve public
17 housing. Then it is important to look at this
18 issue not only from the pilot that we're going to
19 put in place and the management of this new
20 company, it's also important to look at this issue
21 from the point of view of the cooperation of the
22 staff of NYCHA and how that cooperation is going
23 to take place in regard to flexibility for NYCHA
24 to be able to deliver services in the apartments
25 of people, for example.

COUNCIL MEMBER BREWER: Can unions apply to be the management?

CHAIRMAN RHEA: It's an RFP, and it's open to those who have the experience and expertise, staff and resources to manage--

COUNCIL MEMBER BREWER:
(Interposing) And it's open to non-profits, union and--

CHAIRMAN RHEA: (Interposing)
Correct.

COUNCIL MEMBER BREWER: ... for-profits.

CHAIRMAN RHEA: Correct.

COUNCIL MEMBER BREWER: Well, that might be something to think about, the union. Obviously the unions in other situations, other parts of the country, tree pruners if I remember was the main one, but that has been done in the past. Okay. I'm supposed to ask these questions, so we'll see. NYCHA has short-term measures and we wanted to ask some questions about that. The plan states that NYCHA will apply to participate in HUD's proposed rental assistance demonstration pilot. First of all, what is the status of this

1
2 application, when do you expect HUD to grant
3 approval for this application?

4 CHAIRMAN RHEA: I'm sorry, pardon
5 me for one second. Okay, I was just trying to get
6 it, the applications for the rental assistance
7 demonstration are due late in 2012, so we are in
8 the process of analyzing which of our developments
9 would most benefit from a rental assistance
10 demonstration conversion, and that's a lot of
11 analytical work. The current rental assistance
12 demonstration program doesn't provide more money,
13 it converts the current form of operating capital
14 subsidies you receive as public housing into this
15 new form of subsidy, this ... which mirrors more
16 like contract base Section 8 and gives you the
17 flexibility to take mortgages on the building, to
18 apply the funding streams that you receive to
19 repay capital that we can't do today. So it gives
20 you more flexibility, but it doesn't give you more
21 money, but it does allow you to access the private
22 capital markets to bring money in today to
23 enhancements and improvements to the buildings,
24 with protecting all of existing tenant rights as
25 they are today.

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COUNCIL MEMBER BREWER: Thank you.

Madam Chair?

CHAIRPERSON MENDEZ: Thank you, Council Member Brewer. We have a couple of more questions, but we're going to forward this year because we do have the public here who does want to testify. I want to thank the Board, the entire Board, for being here, and at the hearing on the 27th and answering all of our questions and getting back to us quickly with those answers that we still want, and I want to thank my colleagues who stayed here till the end, and look forward to seeing you at the next hearing. And the first panel for the public will be--

CHAIRMAN RHEA: (Interposing) Thank you.

CHAIRPERSON MENDEZ: Thank you, Mr. Chairman. The first panel for the public will be Anders Hansen and Lorraine Brown and Cissy Stamm. Okay. So if you could make your way to the front and when ... thank you, Mr. Chair. And I'd just like to note that while the Board members are leaving, there are people from NYCHA here still, who will be listening to the public testimony.

1 And okay, so you make ... whoever is ready, if you
2 could all just come and sit down up in the front,
3 and then whoever is ready to give testimony,
4 please identify yourself for the record and just
5 to let the next panel will be Victor Bach from the
6 Community Service Society, Lucy Newman from Legal
7 Aid Society and Brent Meltzer from Legal Services,
8 that will be the next panel up. Thank you.

10 MS. STAMM: I'm ready, I want to
11 thank you, by the way, for allowing me to speak.
12 My name is Cissy Stamm, I'm with the New York Area
13 Assistance Dogs, and I'm here to say two things:
14 the new housing that's being built and the
15 renovated housing that's being built, are they
16 going to have universal design, so that they'll be
17 able to be used by both people with disabilities
18 and people without disabilities. There is
19 virtually no increase in cost for building for
20 universal design. The other question that I have
21 is that veterans who serve in the military who
22 have criminal records, arrest records, misdemeanor
23 records and are honorably discharged, my
24 understanding is that they do not get certificates
25 of relief from disability automatically, which

1
2 seems to me to be extremely unfair, since they've
3 done their duty to the country, and they're not
4 allowed to vote or get into public housing or get
5 benefits. And the needs-based priorities just
6 leaves them out for veterans. And with regard to
7 the problems of getting people to make changes
8 where there are more occupants in an apartment
9 than go by the regulations, to get people to
10 switch, mediation is a very powerful tool for
11 doing that, mediation is free, the mediation
12 centers in New York already do mediation for some
13 NYCHA disputes, and they can do facilitation as
14 well for tenant meetings, and I'm done.

15 CHAIRPERSON MENDEZ: Okay. We'll
16 listen to the rest of the panel, and then we'll
17 answer whatever questions we can answer, and have
18 the Housing Authority look into whatever issues
19 they may be able to look at.

20 MS. BROWN: Thank you. My name is
21 Lorraine Brown and I'm a Section 8 resident and my
22 voucher is administered by NYCHA, and I'm a member
23 of Community Voices Heard. First I wish to thank
24 this honorable body for allowing me to speak today
25 regarding Plan NYCHA and Chair Rhea. Thank you

1 for your vision ... he's gone. I want to talk about
2 NYCHA's application to HUD's rental assistance
3 demonstration program, also known as RAD, and the
4 impact RAD would have on its residents. Two years
5 ago Secretary Donovan asked the National Housing
6 Law Project to select a group of public and
7 Section 8 housing residents to meet with him for
8 the purpose of discussing plans to transform
9 public housing. I was selected, along with 74
10 other residents throughout the country. We met
11 with the Secretary to discuss the proposal, which
12 has now become RAD. The name has been changed
13 four times, perhaps to distract us. We continue
14 to speak with the Secretary's key staff, we
15 outlined our concerns at that time, and I want to
16 be sure that this body understands the impact that
17 RAD would have on NYCHA's portfolio. One,
18 tenants' rights: residents must become involved
19 through public hearings for the 60,000 proposed
20 RAD developments; legitimate resident tenant
21 organizations must be able to meet regularly and
22 organize in the development, independently of
23 owners, management or representatives. These
24 tenants' rights must be spelled out, for example,
25

1
2 rescreening, hearing rights, access information,
3 and involvement in NYCHA's RAD. The \$25 unit-year
4 funding must remain in place. Tenants must be
5 provided technical assistance wherever needed.

6 Two, enforcement: owners of project-based Section
7 8 housing who violated the residents'

8 participation rules must be sanctioned, such as
9 debarment of future contracts, suspension, or

10 limited participation in Federal programs. Three,
11 five-year agency annual plan: it is critical that
12 RAD have an annual public hearing, this is not in
13 place at the moment. The annual plan is an

14 opportunity, a voice for the residents, if you
15 will, to raise concerns and/or recommendations

16 regarding proposed demolitions, changes and
17 conversions, and opportunities for public

18 ownership for trained local tenant organizations.

19 Four, capital plan construction: residents must be
20 provided the documents in advance, but more

21 importantly, technical assistance training to

22 understand the capital plan, the breakdown as to

23 how and why units are selected. Residents should

24 be trained, technically trained, to serve on key

25 decision-making committees for their respective

1
2 developments. Plan NYCHA is only including \$31
3 million for repairs for the next five years.
4 NYCHA gives NYPD \$98 million per years. Community
5 Voices Heard urges NYCHA to end the MOU. As
6 stated by Chairman Rhea, \$10 million could cure
7 100,000 repairs if the NYPD funding were to stop
8 for one year. Given that, NYCHA could address
9 over 500,000 repairs in one year. Section 3, key
10 to jobs, jobs, jobs and empowerment of the
11 residents. Under Petra, Section 3 was included,
12 but I do not see any reference in RAD. Given that
13 residents are concerned that Section 3 is not an
14 effective program in places due to the lack of
15 training and lack of access to apprenticeship
16 programs by Section 3 residents. Current
17 enforcement of Section 3 must be improved. CVH
18 has created a Section 3 proposal which implements
19 the principles of Philadelphia's Workers' Center.
20 Mixed finances: how is Section 3 going to be
21 addressed in a mixed-finance development, public
22 housing, project-based Section 8 and fair market
23 revenue? Also, what is going to be the breakdown?
24 20% public housing, 70% project-based Section 8,
25 and 10% FMR? What happens to the residents when

1 the contract mortgage expires and/or opts out and
2 the lender no longer wishes to participate? What
3 protections would the resident have in the event
4 the subsidy contract is transferred to another
5 development? These conclusions must be spelled
6 out for the residents. Public ownership: public
7 land must be maintained in perpetuity by a public
8 agency, legitimate mission-driven non-profit or
9 resident-controlled housing entity such as a
10 resident-run non-profit. The local tenant
11 organization should have first right refusal. And
12 in closing, Chairman Rhea, thank you for your
13 vision ... I know he left, but his representatives
14 are here. But can you define at this time how
15 NYCHA is going to successfully implement the RAD?
16 Let us help you with the heavy lifting. NYCHA is
17 unique in that its portfolio is unlike any other
18 in the nation, and therefore we could do things by
19 transparency, accountability, and your
20 continuation in working with the residents and
21 partners such as Community Voices Heard. Now, one
22 last thing regarding the inclusionary zoning. I
23 reside in an inclusionary building for seniors and
24 the disabled, and because of the inclusionary
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MR. HANSEN: Hello, my name is Anders Hansen, I'm here as a student of Public Policy at Hunter College, and as a resident of New York City, and I'd like to thank the City Council for the opportunity to give testimony today before the Committee on Public Housing. I'm here mainly because of my concern over the lack of affordable housing in New York City. It is fundamental to provide all citizens, irrespective of income levels, with the living conditions that meet their needs and foster wellbeing and a feeling of security. This is especially true for the city's most vulnerable inhabitants. Without sufficient affordable housing, this group is left to live in

1 subpar housing, homeless shelters or in the
2 street. Unfortunately, this is currently the case
3 for an unprecedented number of people in New York
4 City. Public housing is important not only as a
5 means to secure living conditions among the poor
6 that meet their needs, it is also important for a
7 sound housing market. If public housing becomes
8 less accessible, the housing market would tighten
9 and drive up costs for almost all renters in the
10 city. I understand that the rising utility and
11 maintenance costs, combined with a decrease in
12 Federal funding, have resulted in a repair backlog
13 in NYCHA developments. In the short term this
14 will lower the life quality of public housing
15 residents, and in the long term this could cause
16 apartments or even entire buildings to become
17 uninhabitable, which would be very unfortunate in
18 a city with so many people on the waiting list for
19 public housing. I understand that NYCHA is in a
20 position right now in which it has no choice but
21 to cut back wherever possible. The services
22 provided by NYCHA are all valuable, but the main
23 priority must be to help people on the waiting
24 list for public housing. NYCHA spends more than
25

\$60 million annually from its operating budget on community center services. Some of these services could be discontinued, or preferably the city government could assume the cost, thus saving the services and reducing NYCHA's annual deficit.

Also, NYCHA could increase its revenue by raising the rent for the highest-income families living in its developments. High-income families' rents have been kept artificially low with the intention of attracting working families and promoting mixed-income communities. This is obviously a praiseworthy goal, but in the light of the extremely-high number of people waiting to move into one of the units in the NYCHA developments, focus should be on helping those most desperately needing affordable housing. Raising the rents of the highest-income tenants would make them contribute more, and a more reasonable proportion of their income to NYCHA, or alternatively give them an incentive to move to private-market housing, opening up their apartments to lower-income applicants on the waiting list. Another main reason for the unmet demand for affordable housing in New York City is the low number of new

public housing developments built in the last 25 years. The growth in new affordable housing severely lags behind the growth in demand; at the same time rents in the private market remain high due to very-low vacancy rates and a growing number of residents. The only way out of the current housing crisis is the construction of new affordable developments. Many new developments in gentrifying areas claiming to provide affordable housing are in fact not affordable for low-income families. The method used to calculate affordable income limits stipulates affordability with income figures for New York City based on a broad region when it should instead be determined by neighborhood. The affordability level is therefore set too high and what is technically considered affordable, is not affordable to most low-income families. In Bushwick, for instance, the median income was \$32,328 in 2009, according to census figures, while the entire region's median income was \$76,800. And lastly, another reason why the number of affordable housing units is far from meeting demand is that market-rate developments on NYCHA-owned land tend to offer

1 less than 50% of the units at affordable housing
2 rates. NYCHA should mandate future developers to
3 provide a share de facto affordable housing that
4 exceeds the norm today. Thank you for the
5 opportunity to testify.
6

7 CHAIRPERSON MENDEZ: Thank you very
8 much. So just a little bit of housekeeping, at
9 the hearing of February 27th, Community Board #1
10 submitted written testimony that has been
11 incorporated into the record, and we will provide
12 the Housing Authority with a copy of that. Ms.
13 Stamm, so I'm going to, you know, someone is here
14 from NYCHA, and so they will take your testimony
15 back to the Authority, I just want to mention a
16 couple of things. And one, thank you for being
17 here, and at the hearing on February 27th, I
18 remember you being here that day as well.

19 MS. STAMM: It's hard to forget me
20 because of the dog. I'm one of your constituents.

21 CHAIRPERSON MENDEZ: Yes I know, I
22 saw your address. So in terms of access, you
23 know, there are laws in this city about how access
24 is supposed to be made into buildings when there's
25 new construction, and of course there's also some

1
2 loopholes for that as well. So at this point,
3 like they said, they're analyzing not just housing
4 options but other needed services, like
5 supermarkets is an issue that's come back to us at
6 the City Council quite often, because there's no
7 place near a development to go buy food. Schools
8 are some of the other things that the Housing
9 Authority in the past year or so has put up their
10 public land for schools. And on a side note,
11 another issue that we've been discussing with the
12 Housing Authority is to discuss and have a clear
13 definition of transfer for ... what transfers might
14 be for individuals who are disabled and how would
15 you be categorized. The veterans' issue, this
16 body passed a resolution to give preference to
17 veterans. There are sometimes, irrespective if
18 you're a veteran or not, certain issues that
19 disqualify you from getting affordable housing,
20 either through HPD Section 8 and traditional
21 public housing as we know it, based on if you have
22 a criminal background and what that might be, so
23 that's based on Federal law that if the Housing
24 Authority disregards that, they could lose their
25 Federal funding. And then in terms of the over-

1 occupancy, I think that the Chairman was also
2 getting to, as you referred to it, mediation, but
3 trying to do this analysis. The constraint right
4 now has been the court case of Wauback (phonetic)
5 and the consent decree that mandates that
6 apartments, when they become available, have to be
7 done in a certain manner. So in decades ago, when
8 I lived in public housing, we used to be able to
9 go forward and swap apartments, and so if my
10 parents' neighbor, her children moved out, she had
11 a two- or three-bedroom, and if my parents were in
12 a one-bedroom, we would be able to go to the
13 management office and they would see in their
14 records what was our household composition, and we
15 would be able to make that change. That now is
16 not allowed, and so what the Authority is talking
17 about trying to figure out a way to facilitate
18 some kind of agreement considering the consent
19 decree, so that they might be able to do this and
20 expedite individuals moving into the appropriate-
21 sized apartment. So I want to thank you for
22 coming here, and when we engage in other hearings,
23 we are trying to do one with Council Member Oliver
24 Koppell's Committee, the Committee on Mental
25

1 Health, Disabilities, Substance Abuse ... it's a
2 long title, I can't remember all of the topics,
3 but we want to do a joint hearing regarding
4 disabilities issues in NYCHA, and we will let you
5 know in case you--

6
7 MS. STAMM: (Interposing) Very
8 quickly on the issue of universal design.

9 CHAIRPERSON MENDEZ: Can you grab
10 the microphone a little bit closer, so we can
11 capture.

12 MS. STAMM: Universal design, it is
13 design that can be used both by people with
14 disabilities and people without disabilities, and
15 it is no more expensive to build than regular
16 housing, and it gives NYCHA much more flexibility,
17 and it also allows for the integration of people
18 who have disabilities into the general population.

19 CHAIRPERSON MENDEZ: We will ...
20 NYCHA is here, they will take that back, and the
21 issue that the Housing Authority has had is that
22 they have a very old housing portfolio, some of it
23 dating back to more than 70 years, and I have been
24 working with the Housing Authority in some of my
25 developments, where it looks like it's accessible,

1 but once you get past the front door, there are
2 several steps before you get to the elevator, and
3 I'm happy to report that the Housing Authority and
4 I are systematically working on some of those
5 buildings to make them completely accessible.
6 That requires capital funding, which I am
7 committed to doing and I ... and some of it gets
8 unwieldy, I'm having to do this over several
9 years, because I can't provide all the funding at
10 once. But in terms of any new construction, that
11 is something we will have the Housing Authority
12 follow up on.
13

14 MS. STAMM: The access board can
15 provide you with funding to retrofit old
16 buildings.

17 CHAIRPERSON MENDEZ: We will look
18 into that. Thank you. Ms. Brown, thank you for
19 your very-detailed testimony. Many of the things
20 that you highlight are some of the questions that
21 we did not get to today, and additional stuff that
22 you highlighted, we will look forward to getting
23 the answers from the Housing Authority, and we
24 will send you a copy of those answers when we get
25 it and make it available to the public. And Mr.

1 Hansen, thank you again for your testimony, these
2 are some of the very real issues we've been
3 dealing with with public housing and trying to
4 maintain this very critical affordable housing
5 resource, and in looking at Plan NYCHA to insure
6 that what we do, whatever we may do in the future,
7 that we are doing something that will insure the
8 permanent affordability and not open any doors up
9 to possible privatization in the future. So thank
10 you for your testimony. If there's anything else
11 this panel would like to raise that I can bring to
12 the Authority, otherwise I will bring on the next
13 panel. Yes, can you grab the microphone?

14 MS. BROWN: I'm sorry. The NYCHA
15 staff person that's here, could he or she raise
16 their hand? Okay. May I have your card please?
17 Okay. Thank you.

18 CHAIRPERSON MENDEZ: Okay, thank
19 you very much. And now Victor Bach, Lucy Newman
20 and Brent Meltzer. Whenever you're ready, just
21 grab the microphone and start giving testimony.

22 MR. BACH: Can you hear me? Yes.
23 There are several significant policy directions
24 outlined in the NYCHA--
25

CHAIRPERSON MENDEZ: (Interposing)

Can you identify yourself for the record?

MR. BACH: I'm sorry.

CHAIRPERSON MENDEZ: Sure.

MR. BACH: Victor Bach, Community Service Society, hi. There are several significant policy directions outlined in the NYCHA roadmap plan that have the potential to transform the city's public housing communities in terms of their physical fabric, in terms of their financial infrastructure, and that can also affect the rights and protections that existing ... that public housing tenants now enjoy under existing Federal statutes and regulations. Those are, just to list them, accelerated disposition of NYCHA property, which you've heard a good deal about today, applying to become a Moving-to-Work Housing Authority, applying to HUD, applying to the HUD rental assistance demonstration program, and innovating an inclusionary zoning approach to generate private support of NYCHA developments. In each of these cases there's a premium, a growing premium, that's placed on NYCHA accountability, we think. That is, as you know,

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2 NYCHA is required to have a public hearing on its
3 annual plan each year, that hearing lasts for
4 three hours, and NYCHA is a city of about 600,000
5 residents, 340 developments, it's not sufficient,
6 it's not sufficient accountability for NYCHA
7 simply to fold in any of these proposals, we
8 believe, into its annual plan process. There's
9 simply no time to hear them, no time for residents
10 and the concerned public to voice their views. So
11 there are really two recommendations we make
12 across the board on these four policy directions.
13 One is that in each case a special public hearing
14 be held on section 18 proposal to dispose of or
15 demolish NYCHA property, on an application ... it's
16 NYCHA's application for MTW or the RAD
17 demonstration program, or an inclusionary zoning
18 proposal. We believe in each of these cases, a
19 special public hearing is appropriate, and should
20 be conducted with the same standards that apply to
21 the annual plan hearing. Secondly, in our
22 experience we find that just consultation with
23 affected resident councils is not sufficient for
24 residents to have an effective voice in a NYCHA
25 plan or decision. We believe that residents

1 involved in affected developments in any of these
2 proposals should have access to independent
3 technical assistance. That technical assistance
4 could be provided without cost by simply setting
5 aside a portion of the dollars that are received
6 annually for tenant participation, and allowing
7 resident councils involved in any of these
8 development proposals to tap those resources to
9 get their own advisers, whether they be attorneys,
10 development consultants or whatever. We don't
11 think that residents should have to depend on
12 NYCHA for information and advice. NYCHA, after
13 all, has a natural interest as landlord in its
14 real estate, certainly an interest in preserving
15 public housing, we don't doubt. But it also has a
16 vested interest in its own plans, and in order for
17 residents to be effective in grappling with and
18 dealing with very technical proposals of this
19 kind, we think that provisions should be made for
20 independent technical assistance. Thank you.

22 MS. NEWMAN: Hi, Lucy Newman from
23 the Legal Aid Society. Thank you very much for
24 this opportunity to speak today on the important
25 matter of preserving public housing. I think Bach

1 had mentioned the number of policy thrusts in Plan
2 NYCHA, and I wanted to focus on NYCHA's intention
3 to apply to become a Moving-to-Work Housing
4 Authority. While we are sympathetic and sensitive
5 to NYCHA's financial issues and situation, we do
6 not believe that Moving-to-Work and an application
7 for Moving-to-Work is a panacea for everything it
8 faces. The financial flexibility that comes with
9 participation in Moving-to-Work demonstration
10 should not come at the cost of tenant rights and
11 protections. As a rule, public housing
12 authorities that are currently participating in
13 the Moving-to-Work demonstration have waived many
14 of the important tenant rights and protections,
15 including the Brooke Amendment, the 964
16 regulations, which provide for tenant
17 participation in organization, and they've also
18 imposed work requirements and time limits on
19 tenancy. As you may know, in 2007, in connection
20 with the SEFRA (phonetic) bill, there was a
21 roundtable of residents, Congress members,
22 advocates and other stakeholders that was convened
23 by NYCHA to come to a consensus on the form that
24 an MTW application would take and an agreement was
25

1 reached in 2007 on that. And we are happy to
2 report that NYCHA has reached out again to various
3 stakeholders to start discussing recent issues in
4 the ASEA (phonetic) bill and potential application
5 for MTW, and while Chairman Rhea has assured us
6 that an application for MTW would not come with
7 residential term limits and other things, we would
8 really like to see an agreement from NYCHA in an
9 enforceable form, such as an MOU, memorandum of
10 understanding, that will bind NYCHA for the
11 foreseeable future and future administrations in
12 the form that an MTW application would take. In
13 particular, we are looking for an agreement
14 whereby NYCHA will agree to hold a special public
15 hearing prior to the submission of any MTW
16 application, including a written proposal and a
17 45-day review period between the release of that
18 material and the public hearing, whether or not a
19 hearing is required by Federal law. We would
20 also like NYCHA to agree that in any MTW
21 application, it will not waive Federal statutes
22 and HUD regulations which protect public housing
23 residents and Section 8 tenants, in particular the
24 Brooke amendment, rent ceilings, tenant organizing
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2 and participation rights provided under the HUD
3 964 regs, applicants' and participants grievance
4 and hearing rights, current statutory protections
5 regarding pet ownership, and current regulatory
6 standards on eligibility screening, such as
7 criminal records. We also hope that NYCHA can
8 agree that in any MTW application they will not
9 curtail existing tenancy rights such as the
10 imposition of work requirements or tenancy time
11 limits. And to that end we look forward a
12 continued dialogue with NYCHA on this issue, and
13 hope that we can come to some agreement with NYCHA
14 that, again, is enforceable and binding. Thank
15 you.

16 MR. MELTZER: Good afternoon, my
17 name is Brent Meltzer, I'm the co-Director at
18 South Brooklyn Legal Services in the Housing Unit,
19 we're a program of Legal Services NYC, which is
20 one of the largest legal services provider in the
21 country, and I would just ... am going to talk to
22 you, we have a unique perspective, we have 18
23 offices around the city, and one of the fun
24 things, very similar probably to your constituent
25 services, is that people come into our offices day

1
2 in and day out, and we get to see things that are
3 going down on the ground, and what's happening at
4 NYCHA. Probably the best example of this was, I
5 think, last year I came ... or the beginning of last
6 year, I came and testified about the problems with
7 the Section 8 program, and I want to give you a
8 little bit of an update on that. We did file our
9 litigation, this was about the recertification
10 process with Section 8 residents, and NYCHA's
11 problem with their computer systems. And NYCHA is
12 now, you know, has told us that they fixed the
13 problems. In essence what was happening, tenants
14 were submitting packets, and then were receiving
15 notices saying that they had not submitted those
16 packets, and they would take off work and submit
17 packets over and over again, and would eventually
18 be terminated and have problems in Housing Court.
19 And so NYCHA stopped the terminations initially
20 and has re-started it back in December of 2012
21 (sic), and we've been meeting with them about
22 monthly in front of the Federal Court on this, and
23 they've assured us that the problems are fixed,
24 however, we brought to their attention over the
25 last couple of weeks several tenants who ...

1 participants who had problems with recertification
2 again, delays in the packets being shown and
3 receiving notices, and so we're continuing this
4 dialogue with them. But it's an issue for
5 tenants, especially as recertification now begins
6 to roll out and the terminations will start
7 happening at some point in a later date. Another
8 area where we brought some litigation and have
9 been finding some problems is around repairs. We
10 just recently partnered with FUREE, Families
11 United for Racial and Economic Equality, which is
12 a grassroots organization in downtown Brooklyn who
13 we love and think are fantastic. And their
14 membership was having problems with repairs. I'm
15 sure you're familiar with the ticket system, where
16 someone calls up and says, I need repairs to be
17 done, and then they're given a number and then
18 they're made to wait. And we were hearing stories
19 of, you know, anywhere from one to four years for
20 repairs to have happen. We had one tenant who had
21 a fire in her apartment, she had her windows
22 boarded up, because of the fire, the fire itself
23 didn't cause the damage, it was because the Fire
24 Department had to come in and do some work ... not
25

1 work, but they had to save the apartment,
2 basically. She has no kitchen sink, she called to
3 get a ticket, and then she came into my office,
4 maybe about three, four weeks ago, and we called
5 and said, when is the ticket going to be fixed,
6 they said, December 26th, 2012, which is, you know,
7 just ... it's unacceptable for the Housing Authority
8 to make someone have to live with boarded-up
9 windows and no sink. We had another tenant who
10 put in a ticket May 2010 for mold, and she was
11 starting to have respiratory problems, and she
12 still did not have any sort of ability to get the
13 repairs done. So we brought litigation, and lo
14 and behold, as soon as we brought this case and
15 had a press conference, NYCHA then did the repairs
16 within days.

18 CHAIRPERSON MENDEZ: So I'm going
19 to ask you one question.

20 MR. MELTZER: Of course.

21 CHAIRPERSON MENDEZ: Because we
22 could be here for days.

23 MR. MELTZER: Yes.

24 CHAIRPERSON MENDEZ: Talking about
25 things that were not done, and I think their Plan

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2 NYCHA is an acknowledgement that things have not
3 been done timely and that there are some reasons
4 for that, and trying to figure out how to address
5 those reasons, whether we like what they're
6 proposing in this plan or not. How do these
7 specific issues relate to Plan NYCHA, if you can
8 tell me at this point, otherwise what I would like
9 to do is just have a meeting with you to discuss
10 your issues in specifics, and if they were
11 specific residents, because the Housing Authority
12 has been meeting with me, and I've been bringing
13 issues--

14 MR. MELTZER: (Interposing) Sure.

15 CHAIRPERSON MENDEZ: ... you know,
16 from the city and that my colleagues are dealing
17 with them, and they are being very responsive when
18 it comes to these repair issues, we can start
19 another conversation about the Section 8 problems
20 that I'm starting to hear are again systemic, and
21 people getting their paperwork approved.

22 MR. MELTZER: What I'd ask is maybe
23 I'll reach out to FUREE and maybe we can set up a
24 meeting with them and Community Voices Heard.

25 CHAIRPERSON MENDEZ: In my office.

1
2 MR. MELTZER: Yeah, that would be
3 perfect, and have sort of a broader discussion of
4 those, because I think I would like working with
5 my organizers.

6 CHAIRPERSON MENDEZ: Great.

7 MR. MELTZER: And they have a lot
8 of good ideas on this.

9 CHAIRPERSON MENDEZ: Absolutely.

10 MR. MELTZER: And so I think if
11 that's something you would like, I'd love to do
12 that.

13 CHAIRPERSON MENDEZ: I would like
14 that. Ms. Newman, thank you for your testimony, I
15 will ... you know, disturbing to me, I think, is
16 when I heard the Chairman say that they can't make
17 any guarantees into the future, so that for me is
18 a big red flag when it comes to Moving-to-Work,
19 because, you know, we have a responsibility,
20 whether I'm in office or not, the next generation
21 of Council members, the next generation of
22 chairmen, chairpersons, to insure that public
23 housing remains public, that it remains affordable
24 and viable, and to me Moving-to-Work throws a lot
25 of doubt into that prospect, and so we will

1
2 certainly follow up with that. I will ask the
3 Housing Authority to go back and take back the
4 consideration about the special hearing with the
5 45-day review period, and we can sit with you to
6 go through the specific Federal statutes and we'll
7 certainly work on that. And Mr. Bach, so you lay
8 forward a lot of issues that are of concern, I
9 want to apologize to the public, because since
10 this hearing was split up in two, I think for me
11 it's become a little disjointed, I don't know if
12 it's become disjointed for everyone else, and I
13 think the last time we got into a groove, and then
14 we had to lay the hearing over to another day, and
15 a lot of the natural questions I think that re-
16 asked, and some natural questions that did not
17 asked again, but this body will want to weigh in
18 on what we like and don't like about the NYCHA
19 plan, and work closely with NYCHA to take forward
20 those issues that are very acceptable, and that
21 will be good for NYCHA and good for tenants, and
22 to work with them to go to the Federal government
23 and get these things implemented. And by that
24 same token, those things that we find
25 unacceptable, and that will have a real hardship

1 on tenants and future tenants, and future
2 permanent affordability, I think that it's going
3 to be our responsibility to stand up and fight
4 against it. So the staff and I are working on
5 putting something comprehensive, we were waiting
6 to get some of the answers today, and some of the
7 answers that are remaining to come forward to us,
8 so that we can go back to our Speaker, Christine
9 Quinn, and have a dialogue with her about what we
10 think about this plan, and what the City Council
11 would like to do to help it or to stop certain
12 parts of it. So, and also I ask you as always to
13 reach out to me with any additional things that
14 may come to mind, and you'll probably get a call
15 from us as well, as we go through the plan point
16 by point and start to make our analysis. So I
17 want to thank the public, I want to thank this
18 panel, and thank the Housing Authority for being
19 here today, and this hearing has come to an end.
20 Thank you very much.
21

C E R T I F I C A T E

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



Signature_____

Date _____March 24, 2012_____