

**TESTIMONY FROM NYCHA EXECUTIVE VICE PRESIDENT FOR CAPITAL PROJECTS
RAYMOND RIBEIRO
COUNCIL MEMBER-FUNDED CAPITAL PROJECTS AT NYCHA
COMMITTEE ON PUBLIC HOUSING
WEDNESDAY, DECEMBER 18, 2013 – 1:00 PM
COMMITTEE ROOM, CITY HALL, NEW YORK, NY**

Chairwoman Rosie Mendez, members of the Committee on Public Housing, and other distinguished members of the City Council, good afternoon. Thank you for the opportunity to discuss with you the Council Member-funded capital projects at the New York City Housing Authority (NYCHA). I am Raymond Ribeiro, Executive Vice President for Capital Projects at NYCHA. Joining me today are Margarita López, the Authority's Executive Vice President for Community Programs and Development, and other members of NYCHA's team. This afternoon, I will give you an overview of our work to utilize the City Council's contributions to our capital program, as well as how we can most effectively work together moving forward.

NYCHA's Capital Program

As the largest public housing authority in North America, NYCHA successfully manages a vast capital program that maintains and preserves the homes of more than 400,000 residents in 2,596 buildings across the city. Last year, we spent more than \$269 million and obligated more than \$330 million on capital projects, meeting or beating every U.S. Department of Housing and Urban Development deadline in the process – as we have done every year. And as part of our organizational transformation, we made significant progress in accelerating our own timeframes for the obligation and expenditure of capital funds. By completing more than 50 critical construction projects last year – including repairs to roofs, exteriors, elevators, and heating and plumbing systems – we are improving the quality of life for our families and ensuring that our developments will be here to serve New Yorkers in the decades to come. Since 2009, our capital investments total about \$1.9 billion. However, as my colleagues and I have shared in previous testimonies before the City Council, NYCHA's funding

continues to dwindle at an alarming rate – we have suffered a cumulative federal capital funding loss of more than \$1 billion in the last 12 years. At the same time, our capital needs are considerable: 75 percent of our buildings are more than 40 years old, and we currently have a \$6 billion unmet capital need. Federal grants comprise about 90 percent of our capital funding, with approximately \$2.2 billion in allocations projected in our Five Year Capital Plan for current and future projects. City capital funding is generally associated with projects that are initiated and prioritized by our residents and supported by the Council, and represents about 10 percent of our capital revenue.

Efforts to Increase Engagement

In light of our serious fiscal challenges, the City Council has been a vital partner to NYCHA, providing a total of about \$150 million in capital funding over the past decade. The Authority has effectively managed these much-needed funds, replacing elevators, renovating community centers, and installing closed-circuit television cameras (CCTV) to benefit our residents. A critical element of the success of any capital program is the commitment to engagement and communication around the program. Last year, we pledged to develop quarterly reports on City capital dollars, and have issued four reports since then. These reports are emailed to every Council Member individually, delivered to the Speaker's office, and posted on our website. Additionally, we meet with Council Members one-on-one to discuss their capital projects, and will continue these meetings into the future.

Internally, we have developed project charters, formal project management plans, and detailed project schedules for all of our capital projects in order to more effectively deliver them. We have hired, and continue to hire, staff to work specifically on advancing City capital projects. And we sought and implemented several alternative contracting methods that have allowed us to accelerate our program.

The City capital process is lengthy and complicated, involving about 15 steps and several approvals from various agencies, regardless of the size or scope of the project. When possible, we have streamlined the process by completing some of the steps in parallel rather than in sequence. At the same time, we involve residents and elected officials at every relevant stage to keep them informed, obtain their buy-in, and ultimately eliminate the need to reprocess projects as a result of scope changes. We continue to work with our partners in other City offices to enhance the required approval process so that projects can move from design through construction as quickly as possible. All of these process improvements are a direct result of NYCHA's commitment to preserving public housing and enhancing the quality of life of our residents, as detailed by Plan NYCHA, our strategic roadmap for sustaining public housing in New York City.

Our Successes

Several key NYCHA initiatives have been effectively initiated with the support of City capital dollars; a productive partnership with the City Council has been crucial to our success. The first example of that partnership is the successful implementation of a comprehensive approach to security, known as layered access control, which includes modern intercoms and technologically advanced cameras. Since August 2012, we used City Council funding to install 3,528 CCTV cameras in 442 buildings at 72 developments. Installation of 383 cameras is underway at 12 developments. The installation of those cameras is scheduled to be completed by the end of this year, putting us on track to honor the commitment we made at last year's hearing to install all outstanding Council-funded CCTV cameras by the end of this year.

Initiatives that combined City Council support, in the form of capital funding, and strategic capital planning by NYCHA had a profound, positive impact on our residents. A \$10 million 2013 capital allocation from the Council enabled NYCHA to hire 176 caretakers who assisted with almost 310,000 work orders. With a \$10 million 2014 capital allocation, the Council enabled NYCHA to address another

critical need, apartment painting, by hiring 108 painter apprentices who are currently providing support for paint work orders citywide.

As I previously testified, NYCHA has submitted four quarterly reports to date. The last of these reports was submitted in November and reflects progress on projects through September 30, 2013. That report includes the detailed status of several hundred individual allocations to over 200 projects in all five boroughs with a total value of over \$131 million. I am pleased to inform the Council that 53 percent of those funds are associated with projects that are either complete or in construction. Another 20 percent of those funds are associated with projects that are actively being designed. Ten percent of the funds are associated with projects on hold. Only 9 percent of the funds are associated with projects in the preliminary planning stages. These figures include the 2014 allocations, which were made only months ago. If the recent 2014 allocations were not included in this analysis, our completion percentages would be even higher.

Our Challenges

That said, there are some challenges impacting NYCHA's ability to most efficiently and effectively utilize City capital funding. For instance, obtaining the required approval to proceed with community center improvements using City capital dollars is a complex process that now involves providing a copy of the executed lease between NYCHA and the center's sponsor. In many cases in which formal executed leases are either expired or do not exist, projects are stalled until these issues can be resolved. NYCHA is currently working to address all lease issues so that future projects will not be delayed.

Our limited funding has at times required us to make difficult but unavoidable decisions, reprioritizing the work we are doing and moving federally funded projects such as roof repairs, brickwork, and elevator rehab to the top of the list. This has had an impact on City-funded projects. However, we are currently working on fully staffing a unit within the Capital Projects group that will solely

manage City-funded capital projects to ensure they receive the attention they deserve by staff with expertise in all the unique requirements of these projects.

Limitations on the availability of City capital also present a challenge in spending these funds quickly. At times, when capital dollars are not available to fully fund projects, smaller allocations have been made by Council Members over multiple years until the full funding is available to proceed with a project. NYCHA has estimated, from the latest quarterly report, that almost \$5 million, or 4 percent, of City capital allocations are associated with projects with funds insufficient to cover the estimated cost of the proposed project. Similarly, approximately \$9.2 million, or 7 percent, of the funds detailed in the latest quarterly report are associated with multi-phase projects in which Council funds are allocated to later phases and cannot be advanced until earlier phases of work, not always under NYCHA's direct control, are completed. It is our hope that the quarterly reports now provide some visibility into these issues.

Moving Forward: A More Collaborative Approach

Our alliance with the City Council is effective because we are serving the same stakeholders, with their interests and needs in mind. The positive results of our collaboration are evident in the success of our CCTV/layered access initiative and the continued decrease in outstanding maintenance and repair work orders. Increased collaboration and a more holistic approach between NYCHA and the Council going forward will only enhance our ability to better utilize City capital dollars. For instance, we can identify the infrastructure needs of a particular development and suggest projects that will best aid our residents, such as painting and the cycle replacement of items like stoves and refrigerators.

In addition, Council Members' priorities have, and should continue to be, a factor in NYCHA's investment decisions. We should, where possible, leverage Council funds and incorporate them into our capital planning process. For example, NYCHA recently collaborated with the Council on a specific allocation that had

been made to initiate repairs to exterior lighting at a particular development. NYCHA had already identified the need to completely replace the lighting, but with competing needs, the work could not be funded. However, by leveraging the City funds, the investment of federal dollars became much more cost effective, and the complete replacement of old, inoperable exterior site lighting with new, state-of-the-art, energy-efficient LED lighting is now well underway with a combination of City capital and federal capital allocations. Our residents benefit from this continued collaboration.

Conclusion

NYCHA and our residents are incredibly grateful for your assistance, and we ask for your continued support and funding. Through partnership and communication, and the identification of new and innovative ways to work together, we will continue to improve the lives of NYCHA residents and communities. Thank you; I am happy to answer any questions you may have.

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Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Margarita Lopez

Address: _____

I represent: NYCHA

Address: _____

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Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

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Date: _____

(PLEASE PRINT)

Name: RAY Ribero

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I represent: NYCHA

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