

CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON PUBLIC HOUSING

----- X

March 21, 2014
Start: 10:17 a.m.
Recess: 02:31 p.m.

HELD AT: Committee Room - City Hall

B E F O R E:
RITCHIE J. TORRES
Chairperson

COUNCIL MEMBERS:

LAURIE A. CUMBO
ROSIE MENDEZ
DONOVAN J. RICHARDS
JAMES G. VAN BRAMER

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

[gavel]

CHAIRPERSON TORRES: Good morning

everyone. I'm City Council Member Ritchie Torres.

I'm the Chair of the Committee on Public Housing. I

want to welcome my colleagues who are with me; the

Majority Leader Council Member Jimmy Van Bramer and

Council Member Donovan Richards. And today's

special because we have the dayview [sp?]

appearance of the new Chair of the New York City

Housing Authority Shola, forgive me if I

mispronounce Olatoye, okay right? See I'm a master

at pronouncing Nigeria names. And I would, I would

submit to all you that Shola, our chairperson has

the probably the hardest job in city government.

Where NYCHA is unique in many ways. It's unique in

size. It's the largest public housing stock in

North America which unique in its relationship to

government, has relationship to the federal

government, the state, and the city. But it's also

unique in the fiscal challenges that it faces. Just

for the sake of comparison everyone knows that the

mayor is planning to create and preserve affordable

housing units and housing first estimates that that

will cost about 10 billion dollars. Well that is

1 less than what the New York City Housing Authority
2 would need to building the public housing stock
3 into a state of good repair. So that is the scale
4 of fiscal challenge that the New York City Housing
5 Authority uniquely faces. And that's the context of
6 which we hold to those hearings. So I want to
7 welcome you Madam Chairwoman. I want to welcome the
8 General Manager Cecil House. And I want to welcome
9 the Executive VP for Finance Richard Couch, great,
10 as well as the Budget Director who's sitting right
11 there and I met you yesterday, yes. With that said
12 we will turn it over for testimony.
13

14 SHOLA OLATOYE: Good morning Chairman
15 Ritchie Torres, members of the Public Housing
16 Committee, and distinguished members of the City
17 Council. I'm honored to be here this morning. I'm
18 Shola Olatoye Chair and Chief Executive Officer of
19 the New York City Housing Authority. As you just
20 said Chair joining me today are my, my key staff
21 here. We have our general manager Cecil House,
22 Executive Vice President and Chief Financial
23 Officer Richard Couch and Tommy Dempsey our Budget
24 Director. I was honored to accept the mayor's
25 appointment. I have spent my career as an advocate

and unabashed houser. As a New Yorker, Harlem resident, and Mother I assume this responsibility with deep humility and respect. And in, for the challenge to create affordable housing for New York's families. I appreciate the opportunity to present NYCHA's adopted budget for the years 2014 through 2018 which was passed on time in December 2013. I'm eager to share with the Committee an update on 2013 and the authority's future outlook. NYCHA is the largest public housing authority in North America committed to serving 630 thousand low and moderate, moderate income New Yorkers with safe and affordable housing and access to critical social services. NYCHA administers two distinct programs. The first of which is public housing where NYCHA acts as the property manager. The second is the housing choice voucher program more commonly known as Section 8 where in most cases NYCHA provides a cash subsidy to private landlords on behalf of voucher holders. While NYCHA operates the two major platforms we receive funding from four distinct streams; first public housing operating funds for maintenance work, second public housing capital funds for modernization, third

housing assistant, housing assistance payments for Section 8 vouchers, and finally an administrative fee for managing the Section 8 program. Unlike the city of New York NYCHA's financial fiscal year follows the calendar year beginning on January 1st and ending on December 31st. For this fiscal year NYCHA's federal subsidies account for over 60 percent of the authority's total revenues. These subsidies make up about 50 percent of revenues supporting the NYCHA owned public housing portfolio and 100 percent of the Section 8 program. We receive federal operating funding for public housing based on an eligibility formula that is intended to reflect the costs of operating public housing. Congress determines the level of this funding eligibility annually. If congress appropriates less than 100 percent of eligibility the Department of Housing and Urban Development will prorate each Public Housing Authorities accordingly. While the average proration for the past five years has been 90 percent 2013 saw the lowest proration rate PHAs have experienced in over a decade, just 82 percent. In conjunction with the existing strain on the operating funding stream

NYCHA is further challenged by a rapidly aging housing stock. This challenge is not dissimilar to many other city agencies. In fact the Center for Urban Future recently released a report highlighting the city's dire infrastructure needs demonstrating that public systems remain a relic of the early 20th century. Specifically more than 75 percent of NYCHA's residential buildings are over 40 years old and are there for a need of significant capital improvement. Unfortunately NYCHA has seen a consistent decrease in capital subsidies. From 420 million dollars in 2001 to 258 million dollars in 2013. In spite of the decreased level of funding NYCHA has employed new strategies to expedite repair work and invest in our aging housing infrastructure. We look forward to working with the administration on its new housing plan. We are confident that it will offer a meaningful commitment to improving the quality of life for our public, for our, for our residents. The noticeable cultural shift in the New York City government ensures that NYCHA's residents will continue to have access to safe and quality housing in the years to come. Moreover NYCHA appreciates all the

contributions that the council and mayor have made this year so far. The mayor's forgiveness of 52.5 million dollars in New York City Police Department Payments will allow the authority to create a new assessment unit at an address critical maintenance and repair work orders. We also greatly appreciate the Council's investment in our capital and maintenance program as well as community centers. These partnerships are down payments on a future and on our future and signal a unified commitment to public housing. Now I'd like to take you through some of our 2014 operating budget assumptions. For the plan that was adopted in December we projected a Section 8 program deficit of 90 million dollars. The authority assumed that this program would only receive 927 million dollars from HUD for housing assistance payments which is 94 percent of total eligibility. In addition we expected to receive 62 million dollars of the 90 million dollars required to administer the program. We were just advised this week actually that funding for the Section 8 program will increase to 99 percent of eligibility for housing assistance payments and 75 percent of eligibility for the Section 8 administrative fee.

1 This welcomed revenue reduces the deficit by
2 approximately 68 million dollars leaving a 13
3 million dollar deficit. NYCHA's hopeful that HUD
4 will provide shortfall funding to completely
5 eliminate that deficit. The availability of
6 shortfall funding was part of the federal
7 government's, government's response to sequester
8 cuts where HUD held funds for PHAs in dire need of
9 additional subsidy. If NYCHA cannot obtain this
10 funding the authority will need to reduce our
11 expenditures or look for other sources of income.
12 In order to fully fund NYCHA's Section 8 program in
13 2013 the authority exhausted all reserves as well
14 as received 21 million dollars in shortfall funding
15 from HUD. It is because of this additional subsidy
16 that the authority did not have to cut the number
17 of voucher holders or reduce payments to property
18 owners. Now public housing. The adopted 2014
19 operating budget assumed a deficit of a hundred
20 and... [beep] public housing due to continued
21 reductions in federal funding. On the expense side
22 approximately 55 percent is attributable to
23 personal services and 35 percent to other
24 expenditures. The main components of personal
25

services are full time salary and fringe which includes benefits for both current employees and retirees. These costs make up a total of 1.1 billion dollars. Specifically the budget assumes that fringe has risen three percentage points from 70 percent to 73 percent of total compensation costs. Another major expense component is utilities projected to be 576 million dollars in 2014, an increase of 32 million dollars from the prior budget. Ensuring, insurance premium, premiums are an important factor of budgeted expenses as well and have increased 28 percent from the previous budget. Like many property owners in New York City NYCHA is seeing a rise in insurance costs due to the impact of Superstorm Sandy and higher payments for our, for our buildings that are in the expanded zone A flood area. Through attrition of the 2014 plan we assume the elimination of 426 positions saving the authority 37 million dollars in full time salaries and 185 million dollars cumulatively through 2018. These eliminate, eliminations will primarily affect the central office while front line head count will benefit from an increase. Furthermore NYCHA has requested funding and support

from our partner agencies for the 57 NYCHA operated community and senior centers. Our adopted plan assumes funding for these centers through June 30th, 2014 leaving a 17 million dollar shortfall for the rest of the calendar year. These centers provide critical services for approximately 5,000 people annually. I am confident that an agreement can be reached so that we can continue to operate quality programs and keep these centers fully functioning at capacity. The majority of public housing revenues consist of tenant rent and HUD operating subsidy. Specifically 973 million dollars is revenue from our residents of which 955 million dollars is rent and 18 million dollars is revenue from other fees. It's important to note that NYCHA bears the cost of utilities provided to each unit. Federal operating subsidy in the adopted plan totals 784 million dollars which assumed a 77 percent proration from HUD. Fortunately the budget outlook in Washington has become more favorable since NYCHA adopted the budget in December of 2013. As of March one 2014 NYCHA is currently being dispersed at 89 percent of eligibility. If this level remains constant the authority will receive

an additional 120 million dollars in revenue.

Although the appropriation for public housing is at

higher levels these increases are still expected to

be insufficient and will not allow us to fully fund

our commitments. It's important to note that the

authority also operates 51 hundred units that

receive no dedicated federal state or local

government funding. Now I'd like to share details

on our 2014 to 2018 capital plan. Capital funds

provided by the federal government can only be used

on major modernization efforts to our existing

infrastructure. In recent years this funding has

decreased dramatically. This gap has not only

jeopardized the preservation of our public housing

stock and the safety of, of our residents but also

increased NYCHA's operating cost due to the rising

level of repairs. As of 2014 NYCHA needs

approximately 18 billion dollars to bring all of

our developments to a state of good repair. In

contrast the estimated revenue from HUD for major

modernization and infrastructure is only estimated

at 2.3 billion dollars. Clearly NYCHA needs,

NYCHA's needs far outweigh the availability of

fines. On top of our existing need NYCHA is, is

estimating an additional 1.8 billion dollars to address any damage incurred by Superstorm Sandy. Of the 3.9 billion dollars assumed in the five year capital plan 37 percent is an annual appropriation from the federal government, 45 percent is from funds related to disaster recovery. 13 percent is from our Bond B program, and five percent comes from the City of New York. Lack of funding severely constrains NYCHA's ability to make needed repairs.

As I mentioned earlier the outlook on Washington has improved. We all, we have just learned that the capital subsidy will be around 300 million dollars, a 15 percent increase from the plan. Superstorm Sandy inflicted extensive damage to NYCHA's developments and severely affected our finances.

Over 80 thousand New Yorkers and NYCHA residents in 423 buildings were significantly affected, many of whom are still dealing with that aftermath today.

NYCHA's immediate response included installing 23 mobile boilers, restoring service to 397 elevators, installing more than 100 generators, and pulling resources from nonpacted [phonetic], impacted developments to provide much needed cleaning services. The capital plan projects a onetime

infusion of 1.8 billion dollars for repair and resiliency work at the developments impacted by Sandy as well as those developments located in the expanded flood, flood zone A. Today NYCHA's only recovered 206 million dollars from our private insurance and from federal, from the federal emergency agency. NYCHA shares the concern of residents and advocates that delays and disaster related capital investments and repairs place our developments at risk. In recent weeks we have appreciated the intervention of Senator Schumer to help us move past some of the programmatic sticking points with FEMA in order to quick, quicken the federal pipeline of recovery dollars. When we do receive funds we intend to use the disaster recovery money to fund an implementation plan that will repair and replaced, replace damaged infrastructure and safeguard NYCHA against future extreme weather events. Funding for this needed work includes a combination of insurance reimbursements, FEMA dollars, and community development block grant disaster recovery funding. Now that we've discussed the budget I'd like to update you on a few notable initiatives. Last year

NYCHA embarked on a maintenance and repair backlog initiative to reduce the number of open work orders and the average time to respond to, to these work orders. As of today NYCHA has reduced open work orders by 79 percent from a peak of a shocking 423 thousand to approximately 88 thousand. We also reduced the average time it takes to respond and close a work order request. When comparing February 2013 to 2014 the average time it takes to complete a maintenance task has declined from 147 days to an average of seven to 15 days. It still takes us longer to complete a skilled trade work request. Although much progress has been made our work is not done. With your help I'm confident we can improve our response time even more. In 2013 NYCHA expended 420 million dollars on major modernization at our developments. About 70 percent of those funds were spent on building facades, roofs, and the administration of the capital program. Moreover NYCHA has fully completed work at 53 developments and improved the quality of life for more than 59 thousand residents. In addition NYCHA has completed every one of its HUD mandated deadlines ahead of schedule successfully spending the 2009 capital

grant and obligating 90 percent of the 2011 award. Additionally NYCHA closed on a 732 million dollar bond issuance called Bond B which provides funding for critical repairs and quality of life improvements for residents. Of the 732 million dollar bond NYCHA used 232 million dollars to pay back the 2005 bond issuance, about 50 million dollars for closing costs, and a debt service reserve, and 450 million dollars to rehabilitate building envelopes, and to install new roofs at up to 38 developments across all five boroughs. In total this bond will impact up to 30 thousand NYCHA residents. Today NYCHA has executed six contracts under the Bond B program. We are confident that we will complete this work by 2016. In 2013 NYCHA also completed the installation of 3,879 new security cameras at 84 developments. This met our goal to install all pre 2012 City Council funded closed circuit television security cameras by the end of 2013. Despite funding challenges significant upgrades to the Section 8 program board initiated in 2013. NYCHA implemented two significant customer service online portals. We received additional funding for veterans housing and increased our HUD

Section 8 management assessment performance scores by 30 percent. The first initiatives is the successful launch of the tenant self-service portal which allows a Section 8 applicant or an existing participant to register their voucher or case electronically and obtain status information on their request. Additionally existing Section 8 tenants now have the ability to create service requests for special instructions and reschedule their annual inspection appointments online. The second initiative is the owner portal where property owners can now review their tenant leases online and have the option to self-certify outstanding housing quality standard inspection violations. These portals improve customer service and drive efficiency in the Section 8 program. Additionally the collaboration between NYCHA and the Department of Veteran Affairs to ensure the, that veterans receive Section 8 vouchers was so successful that we received new funding under the veteran affairs supportive housing program for 250 new vouchers and an additional 2.6 million dollars in annual housing assistance payment funds. This funding enables the authority to serve almost 25

hundred homeless veterans. NYCHA submitted the annual HUD Section 8 management assessment program certification which indicated a score of 125 points or rating of 86 percent which is a 30 percent improvement over 2012. Productivity remains very high with the completion of annual recertifications and inspections at 96 percent. NYCHA's office of resident economic empowerment services or REES is responsible for overseeing NYCHA's compliance with the employment related provisions of Section 3 and the resident employment program. Section 3 encourages PHAs to connect residents to employment opportunities through public, through public housing authority contractors. These policies facilitate access to economic opportunity for our residents by creating lasting partnerships with some of the city's best employers. REES also provides topical assistance and oversight of contracts, contractors to ensure they are well informed of their obligations to hire Section 3 eligible residents for NYCHA approved projects. For the current HUD Section 3 reporting period from October 2012 to September 2013 REES has facilitated over 1,000 direct job placements, a five percent

increase from 2010 placements. I look forward to accomplishing even more with, and for our residents. Collaboration with stakeholders and government partners is an essential component to NYCHA's success and a cornerstone of my leadership approach. In that spirit the city council has been a critical partner to the authority helping to bolster our physical outlook. In response to the federal sequestration in 2013 the council provided NYCHA an additional 58 million dollars for fiscal years 2013 and 2014 which prevented the closure of 70 community centers and 87 senior centers, and approximate, and avoided approximately 300 layoffs. More importantly community services at these centers were able to continue at full capacity at with the help of partner, our partner agencies DYCD, and DFDA [sp? 24:13]. We'd also like to thank the Council for its commitment to improving maintenance and repair conditions at NYCHA developments. 10 million dollars in Council funds enabled us to hire 175 temporary workers to address repair and maintenance needs. Our plan assumes this funding for maintenance and repairs will be continued through 2018 and we respectfully request

that the council make a commitment through 2018 and beyond. Over the past decade the council has also invested 175 million dollars in capital funds to renovate community centers and install CCT, CCTV and layer access controls. In this calendar year the authority is on track to install CCTVs and layered access projects at about 49 developments. In order to stay on track NYCHA's also committed to spend the 2013 and 2014 city capital funds by the end of the year. To reach this goal we are currently hosting meetings at developments citywide and engaging with our residents and elected officials. As part of our commitment to the city council we will continue to submit quarterly reports on Council funded capital projects. We are also working to extend transparency to the public by revamping our website and posting more pertinent and real time information. It is my intention to continue to drive transparency initiatives throughout the organization. In fact I've posted my public schedule on our website for all of our residents, partners, and stakeholders to follow along. Despite our very challenging fiscal future and a turbulent financial climate we are moving in

a direction of becoming a leaner and more efficient organization. However we cannot turn a blind eye to the reality of our fiscal situation. The fact remains that NYCHA will continue to be underfunded in its operation and capital budgets for the foreseeable future. While working with renewed energy to become sustainable we are confronted with unsustainable employee health care and pension costs. We are challenged by our capital needs that continue to outpace available funds. We strongly believe this invaluable asset is worth preserving and we will do everything and I will do everything we can do to meet the challenges ahead. Public housing is a lifeline to families and communities throughout New York City. With a new administration and a new city council leadership equally committed to preserving public housing now is the time to secure its future for generations to come. We will maintain a strong partnership with the council that will benefit the residents and our communities. I look forward to coming back in June to update you on HUD's funding levels and the authority's overall financial outlook. I'm eager to work with you and answer any questions that you may have. Thank you.

CHAIRPERSON TORRES: I thank you for your testimony Madam Chairwoman. I want to acknowledge a few of my colleagues who came in; Council Member Rosie Mendez from Manhattan and Council Member Helen Rosenthal from Manhattan as well. So about a, about a month ago I held a public housing hearing in a public housing development in Coney Island where you have hundreds of tenants living without permanent boilers and the delay in the replacement of those boilers was due to delays in receiving funding from HUD, from FEMA, as well as from the insurance companies. I want to focus on the insurance companies for a moment. How much is owed? Well how much money are we seeking, how much money is the authority seeking from the insurance companies?

RICHARD COUCH: Currently seeking 380 million dollars.

CHAIRPERSON TORRES: 300 and...

RICHARD COUCH: eight, 80 million dollars.

CHAIRPERSON TORRES: Okay, and of that amount how much have you received?

RICHARD COUCH: Right now we've received a little over 200 million dollars.

CHAIRPERSON TORRES: And are, and are the insurance companies willing to pay the rest or what's, what's going on?

RICHARD COUCH: Well right now we're at the stage where a level of work has to be done in order to receive additional fundings from the insurance programs.

CHAIRPERSON TORRES: So you're confident that you will receive the rest of the money from the insurance companies or...

RICHARD COUCH: ...working hard to try to... we're working hard to try to receive those funds. It does take a collaboration with the capital projects division. With our partners the insurance companies to show the work was done, to show how it was Sandy related. We're confident that we'll do our best to receive those funds but it, it does take work.

CHAIRPERSON TORRES: My concern is that you have thousands of tenants who have been living without these boilers for two heating seasons. It's projective that there will be at least another two

1 heating seasons. So I'm wondering... The insurance
2 companies have been slow to reimburse you for the
3 replacement of those boilers. Are you planning to
4 sue them or take them to court for their...

5
6 SHOLA OLATOYE: Right now we are as
7 Richard said still working very closely with them
8 to ensure that we do get those resources. I would
9 also add, we were, had, we were just in Washington
10 last week and had a series of very productive
11 meetings with, with Senator Schumer as well as
12 officials from FEMA to really unstick some of the
13 challenges that we've had with regard to getting
14 additional federal CDBG dollar, CDBGDR dollars into
15 our, our capital plan that would allow us to
16 replace those boilers, and not simply replace but
17 replace them for long-term resiliency as well. So
18 we're working very, very, very confidently on that.

19 CECIL HOUSE: Mr. Chair, Cecil House
20 General Manager. On the, on the insurance issue the
21 insurance proceeds are not begating[sp?] item for a
22 replacement of the mobile boilers or permanent
23 boilers. The more challenging item is the agreement
24 with FEMA and having sufficient CDBG money to cover
25 the entire program. So we've taken the position

1
2 that instead of repairing those boilers in place
3 and if we were going to simply repair those boilers
4 in place the insurance process would be a lot
5 quicker and a lot easier. But because we're going
6 to try to repair those boilers and replace them in
7 a more resilient way we need the FEMA funds and the
8 CDBG funds to, to move the entire process forward.
9 So what, what I would leave that is we've made a
10 lot of progress with FEMA over the last weeks
11 Senator Schumer helped us to get through a couple
12 hurdles. We do believe in the next couple of weeks
13 we will have documented the terms necessary to let
14 all the contracts for the, the boiler replacement
15 work and you'll begin to see some progress in that
16 regard.

17 CHAIRPERSON TORRES: Okay. Let's move
18 onto a new topic. Project base Section 8
19 properties; I noticed in the budget... does the
20 housing authority have plans to sell six project
21 base Section 8 properties or...

22 CECIL HOUSE: No, we have no plans to
23 sell properties. We are going to recapitalize...

24 CHAIRPERSON TORRES: Okay.
25

CECIL HOUSE: ...some properties. And with the funds that we get in that financing we will renovate those developments for the residents that live there and we will you know improve the conditions in, in a, in a number of ways but we will still own the properties.

CHAIRPERSON TORRES: And which properties are these?

SHOLA OLATOYE: We should follow up with you and give you... [crosstalk]

RICHARD COUCH: Oh we can give you a list.

SHOLA OLATOYE: We'll give you an exact list. And we have...

CHAIRPERSON TORRES: And so how much, how much, what amount in operating subsidies did you receive from the federal government.

SHOLA OLATOYE: So in, in 2013 our operating subsidy was 830 million, 830,263,743 dollars to be exact.

CHAIRPERSON TORRES: And how much did you receive from New York State?

SHOLA OLATOYE: Zero.

CHAIRPERSON TORRES: I'm sorry?

SHOLA OLATOYE: Zero.

CHAIRPERSON TORRES: Okay, so we have the largest public housing stock in North America and we received nothing from New York State?

SHOLA OLATOYE: We have not received funding from New York State.

CHAIRPERSON TORRES: How much did you receive from the city?

SHOLA OLATOYE: Last year we received approximately 58 million dollars, last year.

CHAIRPERSON TORRES: Okay.

CECIL HOUSE: We also received capital funds from the city as well. About 40 million in capital.

CHAIRPERSON TORRES: So 40 million in capital from the city and how much capital from the state?

SHOLA OLATOYE: Zero.

CHAIRPERSON TORRES: Zero, and how much from the federal government?

CECIL HOUSE: 258 million in capital from the federal government.

CHAIRPERSON TORRES: Do you feel the federal government is providing you with enough

resources to ensure that every public housing resident has access to a livable and safe home? Do you feel like you have enough resources to accomplish your mission?

SHOLA OLATOYE: As my testimony indicated the resources from the federal government are insufficient to meet our existing obligations.

CHAIRPERSON TORRES: And I suspect you believe that the, the city and the state are failing to pay their fair share as well?

SHOLA OLATOYE: We really, we look forward to working with both the city and state to help us meet our ongoing financial obligations.

CHAIRPERSON TORRES: Now you mentioned that the mayor granted you 52 million dollars in relief is, that's a onetime relief, have you asked the mayor's office to sustain the relief in subsequent fiscal years?

SHOLA OLATOYE: We are incredibly grateful to the mayor for acknowledging and, and, and allowing those payments to cease for the, for the housing authority. We will be working with our, with our old internal capital team to deploy those dollars efficiently as well as set up an inspection

unit and we look forward to working with the mayor to think about a plan going forward.

CHAIRPERSON TORRES: So is that a, have you asked the mayor for permanent relief from...

SHOLA OLATOYE: We've not asked him for a permanent, we've not had that conversation yeah...

CHAIRPERSON TORRES: ...And what are the other payments that you make and how much do you make, I guess what amount in payments do you make to the Department of Finance?

SHOLA OLATOYE: To the Department of finance okay. These are the additional pilots.

CECIL HOUSE: So our pilot payments to the city are 28 million. We do pay for water that our residents use. We'll get that number. We pay sanitation, a small amount for extra services. So 134 for, 134 million for water, BEP. Sanitation is about 682, that's 682 thousand for sanitation.

SHOLA OLATOYE: ...those are the major things... talked about... we talked about the NYP, NYPD subsidy, NYP, NYPD was 52 million five obviously. The Department of, of Investigations is 40, the Department of Sanitation is 754 thousand. OPA is approximately a million, PACES [sp?] is about 277

thousand. And the Department of Environmental Protection is about 187 thousand...

RICHARD COUCH: million.

SHOLA OLATOYE: Million, I'm sorry.

RICHARD COUCH: That's for the water.

SHOLA OLATOYE: That's for water. And EEP is 253 thousand as well. So in total...

CHAIRPERSON TORRES: Total.

SHOLA OLATOYE: ...pilot payments of about 29 million dollars chair.

CHAIRPERSON TORRES: You said 29...

SHOLA OLATOYE: 29, 29 million dollars chair.

CHAIRPERSON TORRES: Setting aside the, I guess the onetime relief on the, from the NYPD payments what's the total, under normal circumstances what's the total dollar amount of payments that NYCHA normally makes to the city factoring in pilot, sanitary...

SHOLA OLATOYE: 289 million dollars.

CHAIRPERSON TORRES: 280... So not only is the authority underfunded but you have the city government siphoning resources from the housing authority, resources not spent on the maintenance

1
2 and management of those properties. Is New York
3 City Housing Authority willing to ask the city
4 government, the mayor's office for permanent relief
5 from all of those payments?

6 SHOLA OLATOYE: We look forward to
7 working with the administration to identify ways in
8 which we can address our ongoing fiscal challenges.

9 CHAIRPERSON TORRES: Okay.

10 SHOLA OLATOYE: And we'd look at the
11 pilot payments as one of, as a part of those
12 conversations.

13 CHAIRPERSON TORRES: Okay, I hope that's
14 a yes. Revenue, so I guess one source of revenue I,
15 I suspect is rent equity. I'm wondering what
16 percentage of NYCHA tenants pay less than 30
17 percent of their gross adjusted income.

18 SHOLA OLATOYE: So we, in 2012 we went
19 through a process of adjusting rents. And there
20 were, at the time about 25 percent of NYCHA tenants
21 who were not paying that. We've now which is about
22 45 thousand, we now have about 40 thousand who
23 aren't paying, who are now paying 30 percent of
24 their income towards rent. So we're working on the
25

remaining five thousand families to move them to that level.

CHAIRPERSON TORRES: What's the percentage again, I'm sorry.

SHOLA OLATOYE: About 25 percent in total were not.

CHAIRPERSON TORRES: Were not, okay.

SHOLA OLATOYE: And so now... which is about 45 thousand chair. And so now we've moved at such that about 40 thousand are and so we remain, we're working to, to get the remaining five thousand to, to pay that 30 percent.

CHAIRPERSON TORRES: And I guess by closing the gap... [crosstalk] do you have a sense of how much more revenue you were able to generate for the authority or...

SHOLA OLATOYE: Correct. So the additional revenues that we expect there are approximately... I'm sorry let me grab that number for you sir.

[background comments]

SHOLA OLATOYE: Seven million dollars? Yeah, okay. I was going to say this is the... It's about seven million dollars if you sort of take the

average of, rent of, of about 350 dollars and average that out it's about seven million dollars in increased revenues from that portion of tenants now paying 30 percent of their income towards rent.

CHAIRPERSON TORRES: Is that from the 40 thousand or is that from the 5,000 from the future...

SHOLA OLATOYE: That's from the additional 5,000. So we, in total now we will have 45, we will have 45 thousand folks who will paying that amount of their income towards rent. And that additional 5,000 is about seven million dollars in annual revenue.

CHAIRPERSON TORRES: Okay... And now you're phasing in the increase so about, at that point will it be complete?

RICHARD COUCH: That will be phased in over time. Originally the plan was put in place in 2012 with it happening in the 2013 time frame for four years.

CHAIRPERSON TORRES: Okay. I have a question about federalization. I know the authority was able to generate additional revenue from federalization, how much revenue annually?

1 COMMITTEE ON PUBLIC HOUSING 34

2 SHOLA OLATOYE: About 65 million dollars
3 annually in our federalization effort.

4 CHAIRPERSON TORRES: And how many city
5 and state developments were subject to
6 federalization?

7 SHOLA OLATOYE: About 21 thousand units.

8 CHAIRPERSON TORRES: 21 thousand units
9 and...

10 SHOLA OLATOYE: Sorry 21 developments,
11 14,000... sorry my, my, I have 21 thousand units,
12 correct, 21 thousand units chair I'm sorry.

13 CHAIRPERSON TORRES: And 21 developments
14 is that...

15 SHOLA OLATOYE: In 21... 21... [crosstalk]

16 CHAIRPERSON TORRES: Oh, 21, 21 okay so...

17 SHOLA OLATOYE: 21 developments, 21
18 thousand units.

19 CHAIRPERSON TORRES: Fair enough and...

20 SHOLA OLATOYE: Thank you.

21 CHAIRPERSON TORRES: ...all those
22 developments, all those units have been
23 federalized?

24 SHOLA OLATOYE: Correct.

25

CHAIRPERSON TORRES: Okay so you're just... okay. So that process is complete. I have a, I, I don't... I'm sorry.

[background comments]

SHOLA OLATOYE: The councilwoman is correct. There is, as I mentioned in my testimony there are about 51 hundred units that, that have, have not been included in that and we're working on a plan to, to do, to actually include them into that program. You are correct, thank you for the correction.

CHAIRPERSON TORRES: Now I don't want to dwell too much on it but I do want to ask maybe a budget related question regarding infill development. How, do you intend to hold a hearing..

RICHARD COUCH: Just one clarification.

CHAIRPERSON TORRES: Yes.

RICHARD COUCH: All of those units were indeed federalized but they are not all receiving the full funding yet. So that's... just to be clear. They are all federalized but they're not all receiving the full subsidy yet. They will be.

CHAIRPERSON TORRES: Okay, that's... okay, my question then is... Okay, how many units are, for how many units are you receiving subsidies?

RICHARD COUCH: 11,743 currently receiving a new operating subsidy and 33 hundred have the Section 8 vouchers and then the 51 hundred as the, the chair mentioned are currently unfunded.

CHAIRPERSON TORRES: Okay, and at what point to you expect to receive federal subsidies for those units?

SHOLA OLATOYE: We're still working on a plan for those additional 51 hundred units chair. But the, currently they do not receive a direct step subsidy for, for their ongoing operations and maintenance.

CHAIRPERSON TORRES: Alright. So as you know there's considerable controversy around infill development. It's a subject on which I do intend to hold a hearing.

SHOLA OLATOYE: Mm-hmm.

CHAIRPERSON TORRES: I'm wondering what is going to be what, priority around infill development. You know NYCHA obviously has an urgent need almost an existential need to generate more

1 revenue. But at the same time the mayor has an
2 ambitious affordable housing plan and NYCHA
3 provides free land for affordable housing
4 development. So I'm wondering what's going to be
5 the priority in, the highest priority in infill
6 development? Is it going to be revenue enhancement,
7 is it going to be the mayor's affordable housing
8 plan, what's going to be driving the decision
9 making around infill?
10

11 SHOLA OLATOYE: Right. So the, the first
12 thing is, is hopefully everyone's heard and, and I
13 know chair we've, we've discussed this, the mayor
14 and the deputy mayor have, have formally put that
15 initiative on, on hold. We have completely ended
16 the conversations around the land lease initiative.
17 Now with that said what we are very enthusiastic
18 and excited about is that NYCHA's a part of the
19 affordable, the mayor's affordable housing plans.
20 We were at the table in the discussions around how
21 to provide 200 thousand units per, per his, per his
22 goal. Our objective, NYCHA's objectives in those
23 conversations are one, to ensure that any
24 development benefits residents. The, the residents
25 of our developments today as well as providing a

1 sustainable future, a sustainable path for the
2 future. What the priority is of our conversations
3 that we're currently having. But I can tell you
4 one, the key thing is ensuring and preserving our
5 existing units. Two, meeting the needs of some of
6 our vulnerable residents like seniors. You've heard
7 me talk about the, the importance of thinking about
8 senior housing development as part of the
9 affordable housing plan and the mayor has done that
10 as well. So we are working on a housing plan. We
11 are part of the ongoing staff conversations across
12 city agencies, which is a welcomed change of
13 collaboration and we look forward to developing
14 additional plans for the release of the mayor's
15 plan on May 1st.

17 CHAIRPERSON TORRES: Do you feel that
18 there's any tradeoff between I guess the
19 authority's interest in generating more revenue and
20 the mayor's housing plan at all or...

21 SHOLA OLATOYE: You know at, at, in all
22 discussions there will be tradeoffs. And I think
23 what is helpful now is that we're able to have a
24 conversation about those. The mayor, the deputy
25 mayor are very aware of NYCHA's fiscal challenges

1
2 as well as our ongoing needs to preserve our units
3 today. So that is front and center in any
4 conversation that we're having. And we're really,
5 this is an opportunity for us to take a
6 comprehensive look at our portfolio within the
7 context of the affordable housing plan.

8 CHAIRPERSON TORRES: Now since the mayor
9 decided abandon those plans I'm assuming that the
10 projections from the land use are no longer
11 included in your budget projections or...

12 SHOLA OLATOYE: Well actually chair
13 good, that's a good point that our budget was
14 adopted in December so it still does include those
15 projected revenue payments. And that is part of the
16 conversation with, with the mayor and deputy mayor
17 as to, to the overall housing plan. And we look
18 forward to coming back in June with a, with a, with
19 a resolution to how we will address those, that
20 ongoing...

21 RICHARD COUCH: And just to be clear for
22 2014 there are no revenue dollars associated with
23 that. That'll be in the out years really on an
24 annualized basis starting in 2016.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIRPERSON TORRES: Your 2013 budget projected I think about 906 million dollars which was a 90 percent proration and I believe you actually received 82 percent proration is that, is that correct?

RICHARD COUCH: That 90 percent was the original adopted 2013...

CHAIRPERSON TORRES: Okay.

RICHARD COUCH: ...budget as sequester came out the middle of spring in middle of last year we did revise our projections down to 78 percent in September of a given year, a HUD finalized proration becomes available. And that came in at approximately 89 percent.

CHAIRPERSON TORRES: Okay. And obviously NYCHA had an operating deficit in 2014 or projected, projects that operating deficit in 2014 diverse to 295 million by 2018 if this number's correct.

[background comments]

CHAIRPERSON TORRES: Okay. So I'm wondering does that deficit calculation include relief from NYPD payments or are you assuming that you... does this deficit of calculation assume that

the payment, the relief is going to be sustained into...

RICHARD COUCH: This, the, the adopted budget that was adopted in December 2013 still has the NYPD payments in it because we weren't made aware of that until February of the announcement.

CHAIRPERSON TORRES: Well NYCHA has a number of apartments that have been vacant. Do you know what that number is?

CECIL HOUSE: We have about 16 hundred apartments vacant at this time. And that's, and it varies from time to time. Of the 16 hundred that are vacant 12 hundred have been offered to potential residents of public housing and they are in the process of making a selection, finalizing their paperwork, or moving in to the, those developments. So there are about 400, 430 apartments that are still in the you know prep and selection process.

CHAIRPERSON TORRES: I guess I was... I just, I'm wondering, I guess these 12 hundred units go through the same process, the two step process or are being set aside for... the same process okay.

CECIL HOUSE: Right, that's the process.

CHAIRPERSON TORRES: Okay. Alright, and I guess what, I guess what, to what extent have you lost revenue as a result of these units being vacant, of a loss of rental revenue, do you have estimates on that?

CECIL HOUSE: I do not have estimates on it, it is, it is, we normally have a turnover of apartment every year so this cost is built into our financial and operating calculations. It's been that way and we would expect that it would continue to be that way as we have turnover in these units.

CHAIRPERSON TORRES: Now I think we all acknowledge that NYCHA is, been chronically underfunded. But I, I guess the next question is, is NYCHA making the best possible use of the funds it has. And I'm wondering what is the average cost of operating a standard NYCHA apartment?

CECIL HOUSE: 12 thousand dollars.

CHAIRPERSON TORRES: 12 thousand dollars?

CECIL HOUSE: Correct.

CHAIRPERSON TORRES: Okay, and Madam Chairwoman you actually have experience in the world of private affordable housing. How does that

compare to the cost of operating a private affordable housing unit.

SHOLA OLATOYE: Well I have experience, just to be clear I have experience in the affordable housing, low income housing tax credit for the... [crosstalk] space. And I think that the, it here in New York City the underwriting numbers that we use are in the seven to eight thousand dollar unit per, per our HDC and HBD guidelines.

CECIL HOUSE: And that's consistent with what we find when we go to the market for... in some, in some cases we do have private operators in our units and that's a, that 8,000 dollar number is consistent with what we find there as well. So our cost, our, our, our costs are, are higher.

CHAIRPERSON TORRES: And the cost is again?

CECIL HOUSE: 8,000, I was just confirming the 8,000... [crosstalk] consistent with what we find when we go out to the market and when we actually, we have private, we have privatized units as well. They're operated by private companies.

CHAIRPERSON TORRES: Why is your cost higher?

CECIL HOUSE: The, the biggest component of our cost is labor. So our, our labor costs are, are higher. Our fringe benefit adder is significant compared to the companies that you're comparing us to.

CHAIRPERSON TORRES: Okay.

RICHARD COUCH: If you looked at our fringe rate which includes just, not only current employees but retirees it's, it's approaching 78 percent of compensation. It's quite high and, and creates quite a drag on our ability to expand resources.

CHAIRPERSON TORRES: Okay. And unless General Manager do you have any plans for achieving cost savings within the housing authority or anything... anything notable or...

CECIL HOUSE: We, we are constantly working on being more efficient. Over the last year we have transitioned a significant number of positions from central office to field positions. So reducing the overhead cost in our, in the, in our operations and adding caretakers, maintenance

workers, skilled tradesman to help deliver better service to our, our residents. And through, through attrition and more efficient use of the resources that we have, more efficient use of technology we will continue to do that over the next year or two.

CHAIRPERSON TORRES: Okay. Now there's as far as fringe, fringe benefits was there, was there a substantial or dramatic increase over the past year in fringe, in the dollar amount in fringe benefits?

CECIL HOUSE: So we, we, we saw a significant, significant increase in pensions...

CHAIRPERSON TORRES: Okay.

CECIL HOUSE: ...in 2013. Health insurance last year did not go up as much as we had anticipated but...

CHAIRPERSON TORRES: Yeah.

CECIL HOUSE: ...that has been as you know a perennial driver of our fringe costs. And then just the, our overall benefit components, the holidays that we pay, things like that add significant cost into, to our operations compared to, to non-NYCHA entities.

CHAIRPERSON TORRES: And I'm noticing here 20 million dollar increase in utilities since last year. So I'm wondering is, and again somebody's cost the other, other controller board, is there anything that can be done here, anything that you're, to control...

CECIL HOUSE: Well we, you know we know, we negotiate what we think are very, very good rates for electricity. You know we're not buying retail, we're buying wholesale. We are a fairly large user so we do get benefits there similarly with gas. Some of the, the driver of our utility cost increased this year are the oil costs that we're paying for the mobile boilers that we have out in the zone A areas. So oil is more expensive than gas, than natural gas at this point. And so as we convert those mobile boilers to natural gas which is in the process of occurring. Those costs will come back in line to some extent.

SHOLA OLATOYE: I would just add Mr. Chair that this is an area that I'm particularly interested in in terms of sort of bending that cost curve and thinking about ways in which we can be more sustainable around our ongoing, our

significant utility expenses. So we will be working over the course of the next year with our energy services group to really understand it and come up with some interesting proposals and hopefully innovative practices that, that reduce that number.

CHAIRPERSON TORRES: Well I do notice that the... at your, at the announcement of your appointment and your reappointment the mayor as well as yourself did express an interest in improving the sustainability of the public housing stock. But I'm wondering... it, I guess more than expressing support for the concept is there going to be a capital investment from the mayor's office toward greening the public housing stock?

SHOLA OLATOYE: Well I know the mayor is, is committed to the issues of sustainability and green and I think it, it's, it's incumbent on us to come back with a plan and request and, and have that conversation with him.

CHAIRPERSON TORRES: I do have more questions but I do want to give my colleagues an opportunity to ask a few as well. So I'm going to recognize Council Member Richards from Queens.

COUNCIL MEMBER RICHARDS: Okay I'll try to be... [crosstalk]

CHAIRPERSON TORRES: Before, I want to interrupt briefly. I want to introduce my colleague from Brooklyn Council Member Laurie Cumbo. Thank you for the beautiful birthday card you left on my desk. I appreciate it so...

COUNCIL MEMBER RICHARDS: I missed the party. Congratulations Chairwoman. It is great to see you in this capacity and first off I just want to start off by thanking NYCHA for ensuring that my cameras are going to be installed this year and you guys have moved very fast to ensure that the cameras we funded are, are going through the process and with signing off I believe by the end of next week. So I'm very happy about that. Just a few questions I want to touch on. Number six oil. So a lot of your buildings are still using number six oil and I'm interested on knowing how soon you guys are converting to number two.

RICHARD COUCH: Well we, we, we use the oil that is prescribed by the city so that our last contract that we, we put in place last month... I don't of any kind of expectations to convert.

CECIL HOUSE: Council member I have to, I am, in my tenor I'm not aware of us acquiring number six oil. We do acquire number two oil...

RICHARD COUCH: Yeah...

CECIL HOUSE: That's the, the low sulfur with the biodiesel, bio mix... [crosstalk] but... So we'll have to look into that if, from my, from my recollection we're not doing that.

COUNCIL MEMBER RICHARDS: You're not using number six oil you're saying?

CECIL HOUSE: Right. So, so we have not purchased number six oil because...

COUNCIL MEMBER RICHARDS: Okay.

CECIL HOUSE: ...the purchases come through me. I see them. So if we're... we'll, I'll, we'll go back and see if the, that, if, if number six oil exists in our inventory. But to my recollection we have not purchased number six oil...

COUNCIL MEMBER RICHARDS: Okay.

CECIL HOUSE: ...in the last year...

COUNCIL MEMBER RICHARDS: Well I, well I look forward to having that conversation as the chair of Environmental Protection I'm certainly interested in us you know using as least sulfur in

our fuel as possible. Just wanted to, and I'm glad we, we had this conversation earlier as we move to, to make NYCHA more sustainable. I'm certainly interested in hearing our plans on doing some innovative things, possibly doing solar in NYCHA or green roofs. And I'm hoping that NYCHA would be open to certainly piloting some particular programs which are, which, which are actually good for, for cost savings as well since you guys are scrapping around and trying to make particular things work. I think that you know we obviously should be looking into that direction. I'm just going to get into some specific questions on some issues that are going on in our community and the general manager's aware of a vacant space across the street from ocean bay houses. It's been vacant for over 30 years. And you have the housing development where over half of the individuals who live in the, in the development are unemployed. And there was a program called Hope 6 that was supposed to go towards revitalizing this particular commercial corridor but it sat there vacant for 30 years. Now we had worked with EDC on something called the Fresh Foods Initiative. And I, I will cut short

1 because I know the general manager's aware of this.
2 I'm interested in, on where we're at in the RFP
3 process to, to make sure that you know people who
4 need access to fresh food and fruits have access to
5 it and most importantly employment so you know I'm
6 interested in hearing where we're at on that.

7
8 CECIL HOUSE: So we have reengaged with
9 EDC on the RFP. It has not been issued yet and we
10 will have to get you a definitive date on when
11 that's going to move forward.

12 COUNCIL MEMBER RICHARDS: There's a new
13 chairperson so I'm going to be kind today. But
14 we've been hearing this answer for the last three
15 years. And it's ridiculous that for 30 years you
16 have NYCHA commercial that you know obviously we
17 can be utilizing to put people to work and not only
18 that give them what they deserve you know. And so
19 I'm hoping to really hear something different as we
20 move forward. I can't hold it against her but I'm
21 certainly interested in hearing where you're going
22 to go with that. I just want to touch base on some
23 of the resiliency stuff. First I'll start with the
24 Boardwalk construction and I know you guys have
25 employment programs. I'm interested in knowing are

1
2 you guys working with EDC to ensure that your
3 residents with being billions of dollars are going
4 to be coming through our communities to rebuild.
5 Are you working with EDC to force the employment
6 opportunities for your residents?

7 CECIL HOUSE: So I'm, I'm not
8 specifically aware of a, a, a tie to EDC on the
9 Boardwalk issues. But as you know our REES
10 organization does work with our residents and, and
11 consistency partners on various projects. So I
12 would have to check specifically on the Boardwalk
13 project to see if there is a specific tie to EDC.

14 COUNCIL MEMBER RICHARDS: Okay. If I
15 could suggest you guys do that. That is great
16 opportunity for your residents. They're doing
17 hiring hauls and it would be good for NYCHA to be
18 aware of that and to actually engage their
19 residents with that. And then I just want to touch
20 on the boilers. So I guess this will be my last
21 question. So I know that you're, you're waiting for
22 FEMA dollars but our residents you know are living
23 on temporary boilers and they're unreliable. And
24 I'm very concerned about air quality. Are you guys
25 monitoring the air quality that goes along with

1
2 these boilers? One of the issues we're hearing is
3 there's a lot of smog going into, into people's
4 apartments and they're, they're having to breath
5 this in. Are you working with DEP in particular to
6 monitor these boilers?

7 CECIL HOUSE: No, we are and I think
8 what we're doing more, more importantly is we are
9 converting as much as we can from the oil fire
10 boilers to the gas boilers. And, and hopefully in
11 the next conversation that we have we'll be able to
12 tell you that that conversion is completed in all
13 of your locations.

14 COUNCIL MEMBER RICHARDS: Okay Chairman
15 that's all my questions.

16 CHAIRPERSON TORRES: Thank you Council
17 Member for your questions. I want to recognize my
18 colleague from the upper west side, Helen
19 Rosenthal.

20 COUNCIL MEMBER ROSENTHAL: Chairman
21 Torres... I know I'm one hearing late but
22 congratulations on your chairmanship. It's so
23 poignant.

24 CHAIRPERSON TORRES: Our condolences so...
25

1
2 COUNCIL MEMBER ROSENTHAL: Nope I, it
3 gives me hope. It gives me hope. And I say the same
4 to the new Chairwoman congratulations and welcome.
5 I'm very looking forward to working with you. You
6 are lucky to be working with Chair Torres. He,
7 there's no one who understands it more deeply and
8 personally than him. I just have a couple of sort
9 of random questions. Some following up from what I
10 head today and some other initiatives start with
11 Councilman Richards questioning about the greening
12 of NYCHA and wondering there's a small program
13 called the White Roof project. And I'm wondering if
14 you would consider then coming in and painting some
15 of the roofs white? It actually saves energy
16 tremendously. It's a project I've supported. I'd be
17 happy. There's a building... there's a complex in my
18 district, Amsterdam houses that I think would be
19 perfect, has the right height for it and I'm hoping
20 you'll consider it.

21 SHOLA OLATOYE: Right.

22 COUNCIL MEMBER ROSENTHAL: Any reason
23 not to?

24 CECIL HOUSE: No, not at all. I mean as
25 we, as we do the replace roofs we do, do, do take

1
2 that into consideration. And we have in quite a
3 number of our buildings had contractors or third
4 parties come in and actually paint them the white
5 sort of metallic color.

6 COUNCIL MEMBER ROSENTHAL: Oh, well I'd
7 be interested to hear if you're doing it now. I'd
8 be interested to learn about that. It doesn't
9 require roof replacement. It's just painting and
10 this volunteer group called the White Roof Project
11 that will come and do it for free. Free is good.

12 SHOLA OLATOYE: Free is always good.
13 Thank you.

14 COUNCIL MEMBER ROSENTHAL: Great. Okay,
15 I'd like to follow up with you on that. When as
16 soon, it sounds like you were doing some good work
17 in DC explaining the situation to FEMA this, over
18 the year and the, the federal government. Once they
19 give you the green light what's the timing
20 replacing the temporary boilers, when do you expect
21 completion? So once they say yes. So let's set
22 aside that question.

23 CECIL HOUSE: So it, it will depend on
24 the, the complexity of the replacements or the type
25 of resiliency that we're talking about, the most

1
2 complex will require a six to nine month design
3 period where, where we will design the actual
4 replacement boilers and design the buildings and
5 the structures that they will go in, design the
6 interconnections into the systems. And then the
7 construction will start immediately after that and
8 move forward and... [crosstalk]

9 COUNCIL MEMBER ROSENTHAL: And take
10 about how long.

11 CECIL HOUSE: The... depending on the,
12 the, it depends on the nature of the construction;
13 it can take a year to complete.

14 COUNCIL MEMBER ROSENTHAL: So we're
15 looking at possibly two years and the most complex.
16 So a year and 9 months...

17 RICHARD COUCH: Yeah. [crosstalk]

18 COUNCIL MEMBER ROSENTHAL: ...months.

19 CECIL HOUSE: Right, that's what we...

20 COUNCIL MEMBER ROSENTHAL: So at least
21 one more, two more winters.

22 CECIL HOUSE: ...two heating seasons is
23 what we've said so... we think it's, it's, it's...

24 COUNCIL MEMBER ROSENTHAL: So I'm sorry
25 I... I'm sorry how many out of the most complex... how

many complexes are we talking about then that would be the most complex, where it would be two winters more?

CECIL HOUSE: I think it's 16.

COUNCIL MEMBER ROSENTHAL: 16 complexes?

[crosstalk]

COUNCIL MEMBER ROSENTHAL: How many units is that?

CECIL HOUSE: I don't have the number of units attached to those buildings at this time but I can get that for you.

COUNCIL MEMBER ROSENTHAL: Okay, so that's the most complicated. What's next.

CECIL HOUSE: So the, the, the least complicated the work will start in some cases immediately. For example if we are, if we're putting in flood gates or merely doing repair work that will start immediately, fairly quickly. The contracts are already in place and that work will start sooner. So those in, in, in other cases...

COUNCIL MEMBER ROSENTHAL: So how many are we talking about that are the easiest and how long does immediately take to finish?

CECIL HOUSE: Well Councilwoman it, it depends on the nature of the work. So we, in some cases we are doing flood protection. We are doing boiler repairs. We are doing electric replacements and those will all take different times.

COUNCIL MEMBER ROSENTHAL: Right, so I'm just going with your categories. So you said some are very complex and there was 18 complexes that were in that category. You're going to get me the number of units. And then the next category you brought up was the easy ones where it can happen immediately. So I'm just asking for the ones that can happen immediately how long is, is it to end time. And I'm not a contractor. I don't know details of electrical work.

CECIL HOUSE: So another 21 developments is what we would categorize as easier.

COUNCIL MEMBER ROSENTHAL: Yep.

CECIL HOUSE: And I can't, I can't give you a, a end date.

COUNCIL MEMBER ROSENTHAL: What's the worst case scenario for the easy ones?

CECIL HOUSE: It could take a year.

COUNCIL MEMBER ROSENTHAL: A year.

CECIL HOUSE: Mm-hmm.

COUNCIL MEMBER ROSENTHAL: So up to a year. So that's one more heating season. And that covers then just doing the math 37 developments. Are there any other developments that fall somewhere in the middle?

CECIL HOUSE: No, that's it.

COUNCIL MEMBER ROSENTHAL: Donovan I'm sorry I know you're catching up but does that sound right to you guys; 37 developments that have affected, been affected by Sandy where it's easy to hard in terms of replacing the boilers? Okay, I mean it just sounds to me like if the complex stuff you have to go to FEMA for. So it sound, so for the stuff that's the 21 developments in the immediate position...

CECIL HOUSE: Mm-hmm.

COUNCIL MEMBER ROSENTHAL: ...can those start without the FEMA sign off?

CECIL HOUSE: No FEMA's funding, FEMA is the key funding for all of those.

SHOLA OLATOYE: So, so just as, as you know Councilwoman I mean the, the total damages to NYCHA for Sandy were about 1.8 billion dollars.

1
2 The, the boilers in question here in order, it is
3 as, as the general manager said the main gating
4 issue here is, is funding from FEMA in order to
5 begin both the design and then the actual
6 construction of these. So...

7 COUNCIL MEMBER ROSENTHAL: Well that's
8 for, I mean with all due respect that's for the 16
9 to begin design and... [crosstalk] full resiliencies...

10 SHOLA OLATOYE: ...for the other ones as
11 well right. So we have to design and then we, for,
12 for the complex ones and then we need to do the
13 necessary, you know even if it's easier design and
14 permitting and contracting for the, for the second
15 21...

16 COUNCIL MEMBER ROSENTHAL: So literally,
17 I mean if I were an alien just sort of landed on
18 this planet what's been done now so it's been
19 however long since Sandy what have you been doing
20 between Sandy and now, literally just band-aiding?

21 CECIL HOUSE: Yes.

22 SHOLA OLATOYE: Yes.

23 CECIL HOUSE: We put in the mobile
24 boilers to make sure that the buildings were
25 heated. We put in temporary electrical systems so

that the electrical systems worked in those buildings pending our ability to elevate them and get them out of harm's way in the future.

COUNCIL MEMBER ROSENTHAL: I know it's been an emergency and I get that and I get how hard that is but I'm wondering when I hear from my colleagues about boilers that aren't to be operated or cannot function properly in under 40 degree weather how, what's your plan for getting residents through two more winters?

CECIL HOUSE: Well firstly the boilers don't have a 40 degree weather limitation on them.

COUNCIL MEMBER ROSENTHAL: They don't because...

CECIL HOUSE: They do not.

COUNCIL MEMBER ROSENTHAL: ...some people have told me it's literally written right on the boiler.

CECIL HOUSE: It is, it, it was written on a compressor...

COUNCIL MEMBER ROSENTHAL: Uh-huh.

CECIL HOUSE: ...not on the boilers that actually operated a compressor. So that's not a fact. And the, the boilers that were there we are

1
2 also in the process of replacing those boilers
3 with, with more redundancy in that system and with
4 gas fire boilers where we can and with boilers that
5 we think will actually operate more consistently in
6 those developments. That process will be finished
7 this spring so that residents will not go through
8 another season with the boilers that were in place
9 this past season.

10 COUNCIL MEMBER ROSENTHAL: Okay so you
11 can Band-Aid it through...

12 CECIL HOUSE: Right.

13 COUCIL MEMBER ROSENTHAL: ...with the
14 stuff you have and the stuff you're giving. You
15 don't need FEMA sign off for that.

16 CECIL HOUSE: Well we do need FEMA sign
17 off for the ultimate payments. But that is a cost...
18 [crosstalk, interpose]

19 COUNCIL MEMBER ROSENTHAL: I'm just
20 talking about the Band-Aids.

21 CECIL HOUSE: Yeah, but that's...
22 [crosstalk]

23 COUNCIL MEMBER ROSENTHAL: I'm just
24 talking about getting residents through another
25 winter.

CECIL HOUSE: Right.

SHOLA OLATOYE: So, so to answer... yes, we, the sort of interim solution of both replacing those oil fired boilers, we are replacing them with natural gas. We can move forward with that with the larger efforts obviously we need the FEMA dollars.

COUNCIL MEMBER ROSENTHAL: Okay. I didn't plan on spending a lot of time talking about this. So if I beg the chair's indulgence for my second question. You mentioned there were 1600 vacant units. How many are mothballed units? When I was walking around in, in my district there are quite a few where the door is just cemented closed. About how many do you think exists like that?

CECIL HOUSE: Well we have, we have a calculation that we provide to HUD of units that are off, offline. And that, that number is 1892 units but you have to keep in mind in that calculation that includes about 464 units for properties like prospect plaza that's under construction.

COUNCIL MEMBER ROSENTHAL: Okay, good.

CECIL HOUSE: Randolph, the FHA homes that we actually are in the process of disposing

1 of. So that brings that number down closer to
2 something like 13 hundred units that are offline.
3 About 735 of those, actually about 996 of those are
4 under major modern, major modernization or major
5 repairs and so that leaves a, a number in the range
6 of three or four hundred that are being used for
7 NYCHA offices, police offices, resident offices in
8 the lite.
9

10 COUNCIL MEMBER ROSENTHAL: Okay, the
11 units that I saw weren't being used for offices,
12 they were mothballed, mean cemented shut. So I'm
13 hoping that's in your 996 number.

14 CECIL HOUSE: Yeah there, there are...
15 [crosstalk, interpose]

16 COUNCIL MEMBER ROSENTHAL: Do you have
17 breakout of that by, by development?

18 CECIL HOUSE: I do not have one here but
19 we can get you that.

20 COUNCIL MEMBER ROSENTHAL: Great, that
21 can be on the list of follow-up. I'm sorry Ritchie
22 can I keep going for a little bit longer? Thank
23 you. You mentioned when, when Chair Torres was
24 asking you about the 21 complexes that were
25 formerly city and state. The details felt a little

1
2 murky which is fine. Can you just provide the
3 committee with the details that they were asking
4 for? I just wanted to make sure I formally asked
5 that. Is that going to be hard information to get
6 or is that something where they can get it
7 tomorrow?

8 CECIL HOUSE: It, it's also available on
9 the website.

10 COUNCIL MEMBER ROSENTHAL: Awesome. So
11 it'll be easy to download and send over. The
12 recapitalization of some of the Section 8
13 apartments, that's just a new terminology for me.
14 What does that mean, how many are there, how long
15 would it take? Doesn't recapitalization generally
16 mean getting a new funding stream or...

17 CECIL HOUSE: Yeah it's a, it's a
18 refinancing. We're going to put a mortgage on the
19 buildings, effectively use the mortgage to renovate
20 the units and we will in, be, for, because of
21 requirements though we will actually have private
22 management in those units as well.

23 COUNCIL MEMBER ROSENTHAL: And those, so
24 that's different than the Bond B?

25 CECIL HOUSE: Yes.

COUNCIL MEMBER ROSENTHAL: Do you regularly do refinancings?

CECIL HOUSE: No, these units... typically that's a very unique financing tool and only these units have the ability to do that. These units have Section 8 or primarily funded Section 8 vouchers and the flow...

COUNCIL MEMBER ROSENTHAL: Mm-hmm.

CECIL HOUSE: The funds flow there allows us to do that.

SHOLA OLATOYE: And Councilwoman just to answer your question the, the recapitalization project, those were 874 units.

COUNCIL MEMBER ROSENTHAL: You knew just what I was going to ask you. Awesome. 900 units and how... so, okay. I'd be interested in seeing more details about that whole notion and why those fall into that plan. I mean would that then take them out of NYCHA as... No?

SHOLA OLATOYE: No.

CECIL HOUSE: It doesn't change the...
[crosstalk]

COUNCIL MEMBER ROSENTHAL: Okay, they'll still be NYCHA units.

CECIL HOUSE: ...at all.

COUNCIL MEMBER ROSENTHAL: So they'll still be primarily for, only for low income...

SHOLA OLATOYE: NYCHA, NYCHA units there will manage by private own, private management companies... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Because it's a private management company you can do a refinancing.

CECIL HOUSE: Right.

COUNCIL MEMBER ROSENTHAL: I'd love to talk to you more about that and understand it better.

SHOLA OLATOYE: Great.

COUNCIL MEMBER ROSENTHAL: The total number of employees... I promise to stop soon. It's only two more. Total number of employee... I'm wondering the total number of employees and the number that are NYCHA residents.

SHOLA OLATOYE: for... I'm sorry, I didn't hear the... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Total of number of employees for NYCHA, the whole kitten caboodle and how many are NYCHA residents?

SHOLA OLATOYE: So approximately 11,600 employees and about a third of them are NYCHA residents.

COUNCIL MEMBER ROSENTHAL: How many is that?

SHOLA OLATOYE: About 11, 12, 35 hundred, about 35 hundred sorry doing the...

COUNCIL MEMBER ROSENTHAL: 35 hundred because you're doing the math or because that's the number?

SHOLA OLATOYE: It's about a third.

CECIL HOUSE: ...we can get you the exact number... [crosstalk]

COUNCIL MEMBER ROSENTHAL: I'd like the exact number and do you have the number broken down by which developments they live in?

CECIL HOUSE: Yes [crosstalk] we'll provide... [crosstalk]

SHOLA OLATOYE: ...that number yes and bring it back... [crosstalk]

COUNCIL MEMBER ROSENTHAL: I would love that information because as I talk to my developments people don't know of any residents and so when I say to them no, no a third or... they're

1
2 like okay. And as I talk to the employees at the
3 developments in my district I'm hearing a lot in
4 New Jersey. So I'd be really curious to know how
5 it's distributed. Maybe they're just not from the
6 upper west side. And then lastly the murky, other
7 murky number... just went too fast for my ability to
8 write it down. The payments to the city, you said
9 the total number was roughly 289 million. So
10 whatever the number is I don't really care if you
11 could just do the breakout by agency for two
12 thousand... No, no, I don't want to hear it now. If
13 you could give it to... I still can't write it down
14 fast. If you could just give it to the chair, the
15 number for 2012 and 2013, I mean 14 is going to be
16 skewed.

17 RICHARD COUCH: Mm-hmm.

18 COUNCIL MEMBER ROSENTHAL: Or you can
19 include 14 but I know it's going to be skewed.

20 SHOLA OLATOYE: Great.

21 COUNCIL MEMBER ROSENTHAL: Thank you for
22 your indulgence.

23 CHAIRPERSON TORRES: Well I want to
24 thank you for holding the authority accountable for
25 following up with all the pertinent information so...

I want to recognize my colleague from Brooklyn, Carlos, Council Member Carlos Menchaca. And I want to recognize Council Member Cumbo, I'll give her a chance to ask a few questions...

COUNCIL MEMBER CUMBO: Thank you. I want to thank our Chair Ritchie Torres and all of my colleagues here today. Commissioner congratulations. I'm very, very happy for you in this position and it's good to see a housing advocate assuming this very important and challenging and opportunistic experience at this time.

SHOLA OLATOYE: Thank you...[crosstalk]

COUNCIL MEMBER CUMBO: I have a, a number of questions. I want to start off by in your testimony you spoke about the elimination of 426 positions. Can you tell me a, a bit about what these positions are and in what capacities these individuals were working in?

SHOLA OLATOYE: So we, we mentioned through attrition...

COUNCIL MEMBER CUMBO: Mm-hmm.

SHOLA OLATOYE: ...of largely central office staff over the five year plan that we've

presented to you today. And with a goal of moving resources towards the front line Council Woman where we can at the development level. So we're talking caretakers and, and development level staff to deal with some of the, the reality, the, the issues at, at our developments. Yeah, mm-hmm.

CECIL HOUSE: So there, there were no individuals impacted in those numbers. We simply, to the extent that we... we did an analysis as to whether that function was critical as, as people either retired, took on different positions, and made a determinations to whether, to fill the position or not. And that was how we were able to reduce the numbers. We determined that it was more critical for example perhaps to hire a, someone in the field providing direct services to the residents than to replace someone in the central office.

COUNCIL MEMBER CUMBO: So give me an example. When you say someone in the fields what would you be referring to?

CECIL HOUSE: A caretaker, a maintenance worker, a housing assistant, a plumber, a carpenter, a plasterer.

1
2 COUNCIL MEMBER CUMBO: So let me be
3 clear. So residents moving forward can look forward
4 to seeing more on the ground support staff versus
5 the centralization of staff.

6 CECIL HOUSE: That's correct.

7 COUNCIL MEMBER CUMBO: Now the
8 centralization of staff I, I just want to be clear
9 because there's going to be a notable difference
10 what will residents be missing out on in terms of
11 their experience for there being a decrease in
12 central staff?

13 CECIL HOUSE: Well what we hope to do is
14 to, by using, being more efficient, centrally using
15 technology more effectively, we hope that the
16 residents will experience enhanced customer
17 service, more rapid response times, improved
18 availability and access to supplies so that we can
19 actually do the work that needs to get done that
20 directly impacts residents.

21 COUNCIL MEMBER CUMBO: Has there been
22 any thought, and my questioning comes from this
23 original thought, that many of the TA leaders have
24 spoken quite extensively about management and
25 wanted to know is there, under your administration

1
2 going to be any kind of evaluation, oversight, or
3 understanding which managers are working, which
4 ones are not, which were providing exemplary
5 service, which are bottlenecking services to
6 residents, and has there been any thought about an
7 overhaul in that area?

8 SHOLA OLATOYE: Well I, the first thing
9 I would say is you know as, as, as I'm on days 18
10 of my tenor here I'm in a constant state of review
11 and assessment. And along with the general manager
12 we have gone, over the last 18 days have worked
13 consistently for, for my education to go through
14 each department and not only understand emerging
15 talent and where we need to support but also
16 identify areas where we need to make some changes.
17 And so that is a conversation that is ongoing
18 between us and will continue and we will, we'll, we
19 will make changes as, as we see fit.

20 COUNCIL MEMBER CUMBO: I'd like to make
21 a recommendation that a, a review process that we
22 are aware of because it seems to be one of the
23 major calls that we get in our offices in terms of
24 challenges that they're having with management. And
25 some kind of evaluation process or some kind of

1
2 ability to understand which managers are working
3 well and which ones are not and a very formal
4 process of how we can get effective managers in
5 because I believe that makes all the world of
6 difference in terms of service.

7 CECIL HOUSE: There are a couple of
8 things that are in the works in addition to what
9 the, the chair has mentioned. We are in the process
10 of, of establishing an inspection unit that will
11 actually be able to go in and, and we, we will be
12 fairly detailed about that. So we'll know which
13 developments were seeing problems and that will
14 give us an indication to how those managers are
15 performing.

16 COUNCIL MEMBER CUMBO: Okay.

17 CECIL HOUSE: And that will help in that
18 regard. We do look at overall performance with
19 managers; so where are the response times the
20 longest, where are the... [interpose]

21 COUNCIL MEMBER CUMBO: Correct.

22 CECIL HOUSE: ...repair times the longest,
23 the wait times the longest,... [interpose]

24 COUNCIL MEMBER CUMBO: That's right.
25

CECIL HOUSE: ...the complaints the most,...
[interpose]

COUNCIL MEMBER CUMBO: Mm-hmm.

CECIL HOUSE: ...the responsiveness the
least. So we're looking at that and we will be
assessing property managers, superintendents in
that regard, and we are establishing, and hopefully
we'll, it will roll out over the next couple of, of
weeks a customer satisfaction focus. So a survey in
which we contact residents... [interpose]

COUNCIL MEMBER CUMBO: Right.

CECIL HOUSE: ...hopefully over time
enough to get us a, a good enough sample to
determine what's happening at particular
developments and that our managers over time will
be given a target around... [interpose]

COUNCIL MEMBER CUMBO: Mm-hmm.

CECIL HOUSE: ...customer satisfaction and
that will, we expect, continue to improve sort of
responsiveness and satisfaction from among the
residents.

COUNCIL MEMBER CUMBO: And I would just
add that it would be, I'm just expressing it
because I can't express it enough and it's very

1
2 important to me and it's very important to see that
3 the residents understand that, that a change is
4 coming and that there is going to be a new
5 evaluation process and that they're given all
6 resources to do so. My next question goes in terms
7 of... This is also very critical to me as well.

8 Commissioner in your statement you said that I am
9 very confident that an agreement can be reached to
10 operate quality programs and keep these centers
11 functioning at full capacity. So as I currently
12 understand and I have two in my district I believe
13 Farragut Senior Center and Lafayette Gardens
14 Community Center I want to stress that particularly
15 for our seniors on one hand that they have
16 opportunities to gather in safe comfortable
17 environments but also for our young people. If
18 we're expecting to have any success with decreasing
19 violence in our communities, gun violence
20 specifically in our communities I believe that by
21 shutting down our community centers we eliminate
22 all opportunities to even begin that process. So
23 when I look at Lafayette Gardens and have on the
24 campaign trail in particular, but also now there
25 have been a number of shootings in that

1
2 development. And so I can't imagine that during
3 this particular time with high levels of violence
4 happening in the communities that these centers
5 would be closed. And a decision like that will be
6 made within the next two and a half months. And I
7 appreciate the word confident in your testimony but
8 want to know how do you define that word confident
9 because this is such a serious issue that we could
10 lose pivotal community centers and senior centers
11 within our districts at this particular time?

12 SHOLA OLATOYE: Well first I would say
13 this mayor and this council has indicated their,
14 their, their support already for the continuation
15 of these community centers and senior centers and,
16 and so I am confident in our partnership and
17 hopefully ongoing collaboration to continue that.
18 We have already begun conversations with our sister
19 agencies to, to, to address, to come up with a
20 resolution to this issue. And my testimony today I
21 think indicated our desire to want to talk to the
22 council about the needed funding to continue those
23 services.

24 COUNCIL MEMBER CUMBO: Okay, I also want
25 to add that it would be helpful if you could keep

1
2 us informed also in terms of where we are with
3 this. And I also want to add it would be important
4 if potentially once we have a new commissioner for
5 the Department of Cultural Affairs that these
6 centers, both seniors and community centers, are
7 not just kept open but they are activated with
8 dynamic, incredible, and innovative programming so
9 that there's actual activity that's happening there
10 that are, are attracting young people there and are
11 providing a stimulating program particularly for
12 our seniors. So wanted to add that as a, as a very
13 important suggestion to me to see moving forward. I
14 also wanted to add the, the issue of mold. So that
15 seems to be a huge issue and wanted to know has
16 there been any evaluation of understanding where
17 mold is and asbestos and other of those types of
18 issues that are impacting the, the residents. Has
19 there ever been an overall evaluation to understand
20 where mold currently is and what is going to be the
21 process because that seems to be an immediate issue
22 that needs to be addressed particularly with
23 Superstorm Sandy as well.

24 CECIL HOUSE: So we, we've undertaken a
25 tremendous effort to, to identify mold issues and

1 to address them. I mean when, when we think about
2 repairs and places to invest mold is above, unless
3 it's an absolute emergency way at the top. And so
4 over the last year and a half right after the,
5 after the storm we visited as many apartments in
6 the impacted area as we could to the extent that
7 people would allow us to enter, we remediated any
8 mold that we found. We blanketed the developments,
9 all of them, not just the ones in the impacted
10 areas, with flyers, with posters to the TAs and the
11 TA meetings saying if you have mold issues call us.
12 And in the early months of 2013 we had thousands of
13 mold complaints. And we sent maintenance workers,
14 we hired third parties to come in and clean and
15 address. And we set a high, high priority on
16 dealing with leak issues that come, that are
17 predominately the cause of mold. We set a high
18 priority on ensuring that all roof fans work so
19 that we could create that air circulation that
20 would allow it to dry, let, allow these spaces to
21 dry. And we tracked and, and followed up as much as
22 we could. We used the TAs, we used community based
23 organizations as sources of providing us with
24 information but also checking on our workers to
25

1 ensure that our workers to ensure that our workers
2 are following through effectively as much as we
3 could. And so where we are now is we have across
4 the authority 179 thousand apartments. We have 500
5 mold complaints that are outstanding at any one
6 time over the last couple of days. And our response
7 time in addressing those complaints is about four
8 days. And so when we hear the concern about
9 continuing mold we sort of struggle a little bit to
10 say how can we get residents to call us quicker or
11 sooner about this because when we look at the, our,
12 our data... [crosstalk]

14 COUNCIL MEMBER CUMBO: Well I, I, I
15 apologize to interrupt but I just want to get to
16 that point right there. I'm unfamiliar with this so
17 it's one of those things where mold can exist in
18 areas where people are not even aware...

19 CECIL HOUSE: True.

20 COUNCIL MEMBER CUMBO: ...that they have
21 this issue correct? So is it possible that, I guess
22 what I want to understand is has there been an
23 overall we're going to do an entire inventory of
24 the apartments to understand in a proactive way
25 this is what we've evaluated in these particular

1
2 developments? These are the ones that we have fixed
3 and addressed and this is how much further we have
4 to go in this because I understand what you're
5 saying but the challenge is, is that when we're
6 going door to door we're hearing totally different
7 stories in that way. And, and the mold is one of
8 them but I just want to add as well, I also want to
9 understand immediately in the, in, as quickly as
10 possible. One of the things that I'm sure we're all
11 seeing in many ways is when you're actually going
12 for the developments the intercoms are broken...

13 CECIL HOUSE: Mm-hmm.

14 COUNCIL MEMBER CUMBO: ...anyone can walk
15 in, the elevators sometimes work, don't work, the
16 stairwells are often without lights. There's a
17 number of, of challenges with it in terms of the
18 garbage shoots where, however it's functioning
19 there are no recycling bins there so people are
20 placing their garbage in the hallway areas. So it
21 seems to me that there, in addition to the mold
22 that there needs to be I would say common area
23 restructuring...

24 CECIL HOUSE: Mm-hmm.
25

1
2 COUNCIL MEMBER CUMBO: ...because as
3 you're walking through the developments and there
4 are lights out these create very serious hazards.
5 And I would recommend beyond that to take those, to
6 prioritize those issues and Barnegat Houses the, a
7 mattress was lit on fire in one of the lobbies and
8 scorched the entire lobby area.

9 CECIL HOUSE: Mm-hmm.

10 COUNCIL MEMBER CUMBO: And so it's one
11 of those things because garbage, the way garbage is
12 taken care of there, it's, it's not done in the
13 most professional or safe matters in that way. So I
14 wanted to know I guess at the end that the question
15 is, and, and even going beyond that because the
16 security cameras tie into all of that. I guess as
17 I'm asking my question I don't even know where to
18 begin in a lot of this because Commissioner Bratton
19 in the other room was talking about the broken
20 glass theory.

21 CECIL HOUSE: Right.

22 COUNCIL MEMBER CUMBO: And talking about
23 that element of it. But it seems like we're beyond
24 broken glasses. There are so many issues that have
25 to be addressed. What is your plan in terms of the

1
2 common areas that people share to address all of
3 the developments?

4 CECIL HOUSE: Well, well I think that
5 this is, is very, very much part of the, the
6 chair's testimony earlier of the, the, the lack of
7 resources and the starving of the, the housing
8 authority from the funding perspective. So as we
9 talked about earlier we are working very hard to
10 shift resources back to the developments to give
11 them more caretakers, more maintenance workers to
12 address the issues that you're, you're specifically
13 talking about. I mean if you talk with the
14 management teams at many of these developments.
15 They will identify the exact same issues that
16 you've talked about we're saving you more resources
17 so we're working very hard with the resources and
18 the funds that we have to give them as many
19 resources as possible to address as many of those
20 issues as possible. From, for, for intercoms and
21 doors they are priorities and, and we survey the
22 developments regularly on a schedule and we repair
23 them regularly. And we, and we come back the next
24 day or days later and we have to repair them again.
25 So it's going to take... to some extent we've

1
2 developed some better technologies and better doors
3 that we do need to start to install in some places.
4 They're fairly expensive but they work
5 significantly better than the ones that we have in
6 place. And as we think through our sustainability
7 strategy around how we're going to handle
8 recycling. And that is a big challenge. We have
9 these small sheets in these buildings that were
10 built 50 years ago.

11 COUNCIL MEMBER CUMBO: We're putting
12 forth legislation around it as well but I, I think
13 that's a huge issue, how we're utilizing recycling
14 because as far as I see we have these luxury
15 condominiums with these extravagant recycling bins
16 and programs and then right across the street at
17 the public housing there's no program. So it's kind
18 of giving a message of this side of the street is
19 saving the world and this side of the street is not
20 saving the world. And it, I mean, recycling is,
21 needs to be universal because...

22 CECIL HOUSE: And the developments, they
23 want to do it, so we need to figure out how to get
24 the infrastructure in place to allow the, with,
25

with the appropriate funding to allow the residents to actually, to do that, I totally agree.

COUNCIL MEMBER CUMBO: Will the 52 million dollars that's going to be, that was used for our police services, is there some thought, how is that money, it's not a lot of money but how will that money be prioritized? Is it going to be prioritized for certain developments or is going to be prioritized... Because we did, I'm representing Whitman and Ingersoll 52 million dollars didn't even begin to touch...

CECIL HOUSE: Right.

COUNCIL MEMBER CUMBO: ...the level of renovations...

CECIL HOUSE: Right.

COUNCIL MEMBER CUMBO: ...cost that they did there so will the 52 million dollars be utilized for more of these common goals that all of the developments could benefit from?

CECIL HOUSE: So one of the things that we're going to do is we're going to, that, that you talked about is we're going to establish an inspection unit and we're going to inspect close to, a little more than a, a third, almost half of

all the units in public housing to do just what you talked about.

COUNCIL MEMBER CUMBO: Mm-hmm.

CECIL HOUSE: To assess their conditions and put plans in place to address them as we go forward. As we roll through if those funds continue to be available for multiple years then we'll get through all of the units and be able to have a good clear picture of what's happening inside every unit. So we'll do that, that way. Then the other piece that we're doing is, we still have a residual problem with tiles, in many apartments that need floor tiles that need to be replaced, some with asbestos, some without. And we haven't had the funds for well over six or seven years to do painting in many of these developments. And you, I'm sure if you've gone inside you've seen some that are in dire need of painting.

COUNCIL MEMBER CUMBO: Mm-hmm.

CECIL HOUSE: And so as we talk the administration that was one of the focus areas that we're going to put some of those funds to as we move forward.

COUNCIL MEMBER CUMBO: Thank you.

SHOLA OLATOYE: Can I just add councilwoman you, you mentioned two things in terms of the, the presence of CCTTVs and as I stated earlier we're committed to spend those city council dollars that you, you have all provided to us by, by the end of 2014 one. And then two with the, the general managers in the team significant work to really push accountability down to the development level so that we can have more support and resources at the development where residents will actually see results. A big part of that is also support and training. And so there's been a real emphasis and reprioritization of providing that level of support to development staff. So you have staff who understand how to, to manage garbage removal and, and disposal and do it in a, a more sustainable way. So that's an ongoing... when, when the general manager talks about sort of driving efficiencies, training those staff we're now responsible for doing work that they may not have been trained to do. It's our responsibility to help support them so that they can be successful.

COUNCIL MEMBER CUMBO: Thank you. I also wanted to... Thank you for your patience chair. I

1
2 also wanted to talk about in this, this is
3 something that's also very important to me. The,
4 the TA presidents... how would either of you
5 determine, what would you determine to be the roll
6 of the TA presidents. What do you expect of them?

7 SHOLA OLATOYE: Well the TA presidents
8 they're, they're sort of regulatory
9 responsibilities that that person is responsible
10 for which is you know running, supporting open
11 elections, encouraging residents to participate in
12 the overall engagement conversations within the
13 development. I think the expectations for our TA
14 leaders is one of partnership. I had the pleasure
15 last night of sitting with our CCOT [sp?] members
16 and, and, and they are understandably skeptical
17 about what the mayor and I both called a reset in
18 tenant relations, in tenant relationships. And I
19 think the only way in which to change that is to
20 have one conversation at a time. And so I was very
21 happy to, my first day to spend time in Middletown
22 [sp?] Houses in the Bronx with the TA president and
23 several members there and to both hear them and
24 listen to some of their challenges, but also ask
25 them for their help both in, in communicating with

1 their, with their residents. So for example if
2 people have challenges in their apartments where,
3 were, that are not as visible to development staff
4 please call the, the customer care number. That's
5 one way in which we can have the data to drive
6 additional resources to the developments. Two, help
7 us, one of the key things is explaining the
8 challenges that NYCHA's facing and supporting us to
9 get that message out around how we can get more
10 resources to support NYCHA's overall long term
11 capital needs. So I think there needs to be a reset
12 in those, in those relationships. And I'm eager to,
13 and, and have been, to get out to the developments
14 and meet with not only their elected leadership but
15 the broader resident body and really engage them in
16 the conversation about how we create a more
17 sustainable NYCHA.

18
19 COUNCIL MEMBER CUMBO: Would you agree
20 I, and I guess 'cause of time just quickly would
21 you agree that our TA leaders play a pivotal role
22 in workforce development and making sure that when
23 job opportunities become available in that
24 particular community that the TA leaders are
25 instrumental in disseminating that information?

SHOLA OLATOYE: Yes.

COUNCIL MEMBER CUMBO: Would you agree to that?

SHOLA OLATOYE: I would agree.

COUNCIL MEMBER CUMBO: Would you say that they are also very critical in terms of disseminating information to NYCHA about challenges as far as mold, asbestos, heat, those sorts of the issues as well as security issues?

CECIL HOUSE: Can I talk about that for a moment because...

COUNCIL MEMBER CUMBO: Uh-huh.

CECIL HOUSE: ...you, you will recall in the past the TA leader and the property manager at Developments had a, a very semeiotic relationship and they partnered on the operation of that development. And the TA leader was able to impact how maintenance and repair things were done at that development. And... assisting directing for the resources to where they really needed to go and where the residents wanted them to go. And we, over the years got away from that. And so as we move forward we are going back to... and I think you'll start to see fairly quickly a closer partnership

1
2 with, between the TA leaders and the property
3 managers on how to move that development forward.

4 COUNCIL MEMBER CUMBO: Here, here's
5 where I'm, here's where I'm going with this. I'm
6 always going somewhere.

7 CECIL HOUSE: Alright.

8 COUNCIL MEMBER CUMBO: I believe that
9 our TA leaders provide enormous service to the city
10 of New York. I feel that they provide enormous
11 representation for the city of New York. What I
12 think of some of our TA leaders, some of them don't
13 have cell phones, some of them don't have a
14 computer, some of them don't have a lot of
15 services. I believe that for all of the work that
16 they are doing that in some ways they should be
17 equipped with the resources to perform as
18 effectively as possible. So I think that computer
19 should be a part of that, a cell phone. And to put
20 it out there I'm just going to start to be an
21 advocate for it. They should be given a stipend of
22 some sort for that position, a nominal stipend
23 because... [background noise, comments] I apologize,
24 a nominal stipend because I suspect some of them
25 are here today. Going back and forth to all these

1 meetings and hearings, going back and forth with
2 their borough president's office, going back and
3 forth with the larger body meetings, all of this
4 starts to add up. And this starts to become a cost
5 that the TA leader is assuming for doing service
6 for their entire building. So when I would go back
7 and forth I would see so many of the, the residents
8 come to the TA leader my heat's not on, my gas is
9 off, this is... So they have to kind of be this great
10 leader and I, and I also want to bring up to it,
11 and I'll, and I'll conclude with this question that
12 Congress Woman Nydia Velazquez has put forth a
13 excellent proposal for emergency evacuation
14 procedures in the case of a, an, an additional
15 disaster because we have to be real and
16 understanding that additional natural disasters
17 will be coming forward. Have there been, and I know
18 this has only been 18 days and let me tell you I'm
19 still saying it's been two and a half months. So
20 everybody slow down for a second, so I can only
21 imagine at this. Has there been any though in terms
22 of what resources we're going to put forward for
23 emergency evacuation plans. And are we putting
24 resources towards that. And it's critical that we
25

1 actually, you know she's talked everything about it
2 would mean that we would have two drills a year. It
3 would mean that everybody's given a certain packet
4 of information so they know who to contact, where
5 to go. Because situations like Sandy can't continue
6 to have us responding in a very reactive way. We
7 need to be more proactive so that if we need to get
8 emergency boilers we know where to go to get them.
9 If we need to get all of these different things...
10 the lights in the stairwells need to turn on
11 immediately and there need to be backup generators
12 so that people can exit in a safe way. These are
13 issues that our NYCHA developments critically need
14 at this time.

16 SHOLA OLATOYE: So first I would say we
17 are in complete agreement that the safety and, and
18 health of our residents is the primary and the most
19 important thing in any event and especially in the
20 event of a weather crisis. Following Sandy there,
21 there, there have been a number of trainings and
22 ongoing resident engagement meetings that the team,
23 and I will also say a number of community based
24 partners have assisted NYCHA to provide information
25 to our residents. I think there's more to do. And

1 to your earlier point. I think our TA presidents
2 are critical to helping ensure that that kind of
3 information gets out to residents. I think the,
4 with regard to congressman, congresswoman
5 Valazquez, her bill, I was really pleased to sit
6 with her last, sit with her team last week..
7 [crosstalk] to talk more about that. And I think
8 you know the goals and objectives are right on
9 track. I think what we need her help and certainly
10 this body's help is identifying the resources to
11 support that because they are currently not
12 articulated in our, in our, the, the adopted budget
13 or the budget that we talked about here today. But
14 I think the principals are certainly where we need
15 to go. And now we need to, to identify and align
16 the resources accordingly.

18 COUNCIL MEMBER CUMBO: Is it possible,
19 and this is an education for me, does FEMA provide
20 any level of pre, and I understand we're having
21 trouble getting on the backend what we're supposed
22 to get, but do they provide any types of presupport
23 to prepare for these types of situations so that
24 evacuation, there's got to be some funding pool
25 where this type of support can be found?

SHOLA OLATOYE: Mm-hmm, they do. The, the, the dollars that we are currently working on don't contemplate that. And so that, this is a conversation that we can, we should continue with them.

COUNCIL MEMBER CUMBO: Okay, thank you.

RICHARD COUCH: And just on, on the, the funding. We have actually proposed doing just this if we get our CDBG request fully funded.

COUNCIL MEMBER CUMBO: Thank you chair.

CHAIRPERSON TORRES: No, thank you Council Member Cumbo for your questioning. You actually, the issue of mold hits close to home. My mother is actually a resident of public housing and she had a continuing growth of mold in her apartment and NYCHA kept coming to the apartment, spraying over the problem, painting over the problem. Nothing was getting done until I intervened. I mean you know I shouldn't have to intervene to get mold properly remediated in public housing. So I know it's an issue that hits close to home. Before I allow one of my colleagues... I do want to address the inspection unit. Because obviously I think NYCHA wants to have great

1 collaboration with your sister agencies and city
2 government. You obviously rely on HDC to issue
3 bondsvew [sp?]. And I'm wondering, and I mentioned
4 this in private, you know New York City has one of
5 the finest systems of code enforcement in the
6 world. So why not, why not collaborate with HPD
7 with respect to the verification. Why not use the
8 co-capacity of HPD to verify these conditions. And
9 it would mean that the, the conditions would be
10 reported online. HPD has a database of, of notice
11 of violations so...

12
13 SHOLA OLATOYE: Mr. Chair it's, it's our
14 understanding that HPD may be at capacity at the
15 moment. But this, I know you mentioned this
16 yesterday.

17 CHAIRPERSON TORRES: Right.

18 SHOLA OLATOYE: I think this an issue
19 that we can go back to them and, and figure out,
20 have a conversation with them about their existing
21 capacity and their ability to support us on this
22 effort.

23 CHAIRPERSON TORRES: Okay. So that's a
24 conversation you're willing to have at HPD?

25 SHOLA OLATOYE: Need to have.

CHAIRPERSON TORRES: Okay, and then even if we, we can get a sense of the fiscal quest that would come with the...

SHOLA OLATOYE: Yes, we can report back to you on that.

CHAIRPERSON TORRES: Okay, I appreciate that. I want to recognize my colleague from Brooklyn, Council Member Menchaca.

COUNCIL MEMBER MENCHACA: Thank you Chair Torres. And again welcome to our new term chairperson and general manager. What I want to do right now is one just thank the list of questions that our, my Council Member from Brooklyn... I think she asked everything that I wanted to ask as well. And what I want to do is follow-up on some of those questions if that's okay. And I want drill down a little bit more on this inspection unit and understand a little bit more than just kind of broad strokes about what it's supposed to do. Do you have a sense of how many employees are going to be allocated to this inspection unit. Is this an in house contract? Can you tell us a little bit about that timeline as well. And just give us a little bit more of a picture of the impact we're going to

be able to see and expect at the local level in our developments.

CECIL HOUSE: So we, we have only a, a one year funding amount for this...

COUNCIL MEMBER MENCHACA: It's...
[crosstalk]

CECIL HOUSE: So...

COUNCIL MEMBER MENCHACA: ...million dollars is that right?

CECIL HOUSE: Right. That we're going to allocate to this. And so it, it, we're not in a position to hire full time employees to do this because we won't be able to have them for the long term. So if we were, if this was base lined in the budget then, then we would be able to do that. And so what we're contemplating right now, in order for us simply to get started quickly is to use some contracts for inspections hopefully leveraging contracts that other agencies have consistent with the NYCHA procurement procedures that will allow us to hit the ground running and get the, the inspections done as quickly as possible. We think that we, depending on how the cost per inspection go we can get about 70 thousand units inspected

1
2 with these funds. And what we would do to start
3 with is we would focus on areas that have been
4 persistent areas of concern. So, so to confirm that
5 mold issues and leak issues are effectively
6 addressed we would prioritize, we could go back and
7 look at our database where we've, where we've seen
8 those issues and prioritize having appropriate
9 samples of those kinds of issues addressed to make
10 sure that our workforce is following proper
11 procedures and addressing mold and remediating
12 leaks, ensuring that health issues that, that may
13 impact our residents are addressed primarily.

14 COUNCIL MEMBER MENCHACA: Mm-hmm.

15 CECIL HOUSE: And then as we go forward
16 we would be doing more random sampling to see, get
17 a whole host of issues, try to get a whole host of
18 issues addressed.

19 COUNCIL MEMBER MENCHACA: And, and so
20 how are doing that hiring? Is that an in house
21 contract... are you... How, how are you doing that
22 hiring process?

23 CECIL HOUSE: We're, we're looking to
24 leverage contracts of other agencies that are doing
25 similar inspections.

COUNCIL MEMBER MENCHACA: Mm-hmm. So you'd be pulling inspectors from other currently funded, hired, processed inspectors from other agencies?

CECIL HOUSE: We would be using the contractor that other agencies were using to do the work to start. And then if we, if we, if the funds become permanent then we could definitely hire and staff up an inspection unit permanently.

COUNCIL MEMBER MENCHACA: Can you give us an example of what, what the contractor would, what kind of contractor or, an example of a contractor that you would be looking to?

CECIL HOUSE: Sure, so in, in Section 8 they do housing quality inspections regularly. And so there are agencies that hire third parties to do at, HUD actually hires third parties to come and inspect us on an annual basis. So those are the types of contracts that we would be looking to leverage.

COUNCIL MEMBER MENCHACA: Okay, if you can provide a list of the contractors you're going to be looking for it'd be good for us to understand what, where you're, you'll be kind of pulling that,

1
2 that workforce from, clearly we have a huge I think
3 focus on understanding opportunities for, for our,
4 our members...

5 CECIL HOUSE: Absolutely.

6 COUNCIL MEMBER MENCHACA: ...and
7 specifically our NYCHA members. And any opportunity
8 that we can, we can really promote. And especially
9 since we're on the ground we really know folks that
10 we can maybe recommend as well. Local Law 11, so
11 we're still in the process of that as, as, as you
12 know. One of the biggest things as our Council
13 Members are kind of noting that we, we do the walk
14 through, we go door to door, and the scaffolding
15 continues to, to kind of plague these developments.
16 Any sense on timing for that, for us now and how
17 it's affecting your budget? ...Clearly what we're
18 getting is they're a waste of money and, and how,
19 how can we kind of come back with information about
20 that?

21 CECIL HOUSE: I mean Local Law 11 is a
22 significant impact on our budget. And it's not just
23 a budget impact to the... I mean our buildings tend
24 to be brick façades.

25 COUNCIL MEMBER MENCHACA: Mm-hmm.

CECIL HOUSE: And they all go through the, the inspection process. As we have had shortages in funds we have not been able to remediate the Local Law 11 issues as rapidly as we would like. We do, we are, we have put in place a new strategy that we believe will allow us to address Local Law 11 issues more quickly. And our objective is to remove any shedding that exists at our developments that is not being actively worked by the beginning, by early next year. And so what that will entail is us going in... So, so the way Local Law 11 works is a inspector comes through they find a violation...

COUNCIL MEMBER MENCHACA: Mm-hmm.

CECIL HOUSE: ...or they find a, a, a danger point, an issue, and the next day the, the scaffolding goes up, the sheds go up. And then what we have had to do in the past is go through the contracting process which at NYCHA is very long to, to actually get someone to come in and fix it, like find the funds and then actually issue that contract. So what we've tried to do now is to put some requirement contracts in place so that as the shedding goes up we're able to issue task orders

1
2 for existing contract, to existing contractors to
3 go in and remediate. And hopefully the shedding
4 comes down much more rapidly. I mean we've had
5 shedding up for way longer than it should be. And
6 our hope is that at the beginning of next year we
7 will only have actively, areas under construction
8 under shedding.

9 COUNCIL MEMBER MENCHACA: Okay, I mean
10 that's, there, there seems to be progress there
11 which, which is great. And anything that can speed
12 that up would be, would be wonderful. I want to go
13 to temporary boilers now. And I know we went
14 through extensive hearing recently. And what, what
15 I want to find out on the replacement boilers that
16 are coming with a dual boiler system is any sense
17 of prioritizing those boilers that have been
18 incredibly problematic for us in our, in our
19 developments. Not every boiler has been
20 problematic. But if, if there's a way to prioritize
21 that within the next, within the next phase. And
22 clearly there's some in Red hook that continually
23 break down and... so any sense on, on how that could
24 have possibly happened?

1
2 CECIL HOUSE: So council member our
3 speciation is that at the, by the end of April that
4 all those mobile boilers will be transitioned out.
5 So that process has started. And so it's a, you
6 know it's four weeks, five weeks or so, so we'd...

7 COUNCIL MEMBER MENCHACA: Okay.

8 CECIL HOUSE: ...expect that, I mean you
9 know there are different multiple contractors doing
10 the work. And so we expect to get that done this
11 spring.

12 COUNCIL MEMBER MENCHACA: Okay, that's
13 incredibly ambitious and, and I'm hoping you can
14 give us weekly updates and maybe for a council,
15 specifically council district and council member
16 related developments. For example I don't know if
17 they'd happened in Red hook and the last time I
18 checked there hadn't been any replacements in Red
19 hook. But it'd be great for us to, to get that
20 notice especially since there's going to be some
21 changes, people are going to be asking questions
22 about it. And we want to be able to be armed with
23 that information both from the TA's perspective,
24 from our council district's as well.

SHOLA OLATOYE: ...can provide you with that information and...

CECIL HOUSE: With a schedule.

SHOLA OLATOYE: ...with a schedule...

COUNCIL MEMBER MENCHACA: Yeah.

SHOLA OLATOYE: ...and then to your point and actual conversation... [crosstalk]

COUNCIL MEMBER MENCHACA: In real time would be incredibly important.

SHOLA OLATOYE: Okay.

COUNCIL MEMBER MENCHACA: Thank you.

SHOLA OLATOYE: We can do that.

COUNCIL MEMBER MENCHACA: And, and so next is the Sandy plan and really the responses as to response plan mentioned by Council Member Cumbo and introduced at the federal level from Congresswoman Valazquez. What I'm, I'm hoping is we've... in Red hook for example already started a community wide response, disaster response planning, a community driven process. And so much of what we're going to be focused on is NYCHA and I'm hoping we can work together. There's less of a, a sentiment that that's going to happen. And so I'm hoping that, that you can, and I don't know if this

1
2 is something that's reflected in the budget but
3 something that can, that can really connect the,
4 the broader community process. And that's not just
5 happening in, in Red hook. This is happening across
6 the city.

7 RICHARD COUCH: No we're doing just that
8 in the guanos neighborhood. For example we met with
9 a community group there and we're partnering with
10 them on their sort of community based plant. We
11 think it's a great idea. We're excited to be a
12 participant, the lower East Side has a group and
13 we're excited to participate with them and we'd be
14 very happy to participate with the group in Red
15 hook as well.

16 COUNCIL MEMBER MENCHACA: Okay, great,
17 thank you for that. And finally on the compactors,
18 the trash compactors continue to be a huge issue in
19 Red hook. They overflow quickly. And, and so I'm
20 wondering and see if, if the budget reflects a
21 direct eluviation of, of that problem specifically.
22 It causes residents to take other, other avenues
23 like starting fires in, in these compactors because
24 there's been an overflow of trash. And so I'm
25 hoping that you can kind of talk specifically about

1
2 that and increasing the pickups. But these
3 dumpsters, and I get photos on a weekly basis that
4 are overflowing. Can you, can you address that and
5 does the budget address that?

6 RICHARD COUCH: Well one of the things
7 that we're, we're contemplating as part of our
8 Sandy resiliency plan in Red hook was some fairly
9 extensive work on those developments which would
10 enable us to address that issue throughout that
11 development in a very extensive way. And we'd be
12 happy to sort of show you what we were thinking
13 about. And you know it, it will be a function of
14 whether we get full funding on that. I think the
15 other dynamic at, specifically at Red hook is, has
16 been staffing. We have been understaffed I think
17 on, in one development by four caretakers and
18 another development by two. I believe at this point
19 those positions have been filled. And we, we've had
20 a challenge with sustaining caretakers in, in the
21 developments. We lose 50 caretakers a month. And so
22 we've put in place recently a process to try to
23 hire in advance of our staffing lost. So we have a
24 lot of turnover in those ranks. And it's not
25 necessarily people leaving NYCHA. It, it, those are

1
2 entry level positions, it could be people moving up
3 or moving to different locations as well. So we are
4 working hard to sort of hire as much as we can in
5 advance and without blowing our budgets and
6 maintaining staffing levels. And that will help as
7 well in that location.

8 COUNCIL MEMBER MENCHACA: Okay, well
9 again thank you for, for that but I'm hoping we can
10 follow-up on each of the complex, each of the
11 development's plans that are happening in real
12 time, getting that, that, that share of
13 information. And, but there's a lot of hope still
14 on the ground, on, on new leadership at every level
15 both on the council level and in, in the
16 administration as well. So I'm hoping we can
17 deliver on the quality of life of, of so many of
18 our, of our residents. And I know that there's a
19 huge capital need that was already discussed. But
20 I'm hoping that at the very least we can make sure
21 that you'd immediately have a different sense of
22 quality of life for people on the ground that are
23 suffering from so much mold, trash, etcetera. Thank
24 you.

SHOLA OLATOYE: We look forward to working together...

COUNCIL MEMBER MENCHACA: Good, thank you.

CHAIRPERSON TORRES: I want to thank Council Member Menchaca for his questioning. I'm thinking he was, he... actually the first to introduce me to the problem of the mobile boilers when we toured Red Racousers [sic] And so from there I had the hearing in Council Member Treyger's district. I want to ask a quick question about Section 8. You acknowledge that there was a 13 million dollar shortfall?

SHOLA OLATOYE: Deficit this year... [crosstalk]

CHAIRPERSON TORRES: Oh, deficit I'm sorry. But you're confident that funding from HUD will cover the deficit?

SHOLA OLATOYE: That is our hope.

CHAIRPERSON TORRES: So what is the plan of action in the event that it doesn't cover the deficit.

SHOLA OLATOYE: Well we'll... go ahead.

1
2 RICHARD COUCH: Council Member HUD has
3 indicated that through their federal shortfall
4 funding that they will make shortfall funding
5 available to NYCHA for, for, for that GAP. If they
6 do, and, and they have, they did the same last
7 year, they've been fairly true to their word, they
8 haven't given it to us in writing and so we're,
9 we're hedging a little. But we're fairly confident
10 because they demonstrated their, their commitment
11 and they've been very consistent in that. If they
12 do not then I think that will be a conversation
13 that we would have to have. Our options are to
14 receive additional funding to close this gap or we
15 would have to reduce payments, the subsidy to, to
16 our voucher holders.

17 CHAIRPERSON TORRES: So that would be
18 the option to reduce payments in the event funding
19 from HUD falls through?

20 RICHARD COUCH: Right.

21 CHAIRPERSON TORRES: Okay. I noticed in
22 your testimony you mentioned that the, you're going
23 to spend allocation dollars toward the revamp of
24 the website, of NYCHA's website or..
25

SHOLA OLATOYE: ...this is all actually already underway...

CHAIRPERSON TORRES: Okay.

SHOLA OLATOYE: ...chair. So we've been working actually, we're a part of a citywide effort with DoITT and other agencies. So that, that's a process that's currently underway and already was in, was in last year's budget as well so it's a process of ruling out now. We're working with, we've sat with our resident leaders etcetera to sort of get both input on that process as it, as it unfolds.

CHAIRPERSON TORRES: And you said that the revamp would include, the website would provide real time information? I'm, I'm not clear on what you mean by that too.

SHOLA OLATOYE: So the, the, the actually, the redesign of the website will include a lot of different things. One of the things that I'm, been very committed to in working with, with the general manager is actually putting more data up on the website. So that's something that will come as part of my administration sort of evolves and I'm, I'm really interested in putting more

information on; not only our performance metrics but how projects are moving in terms of constructions, some of the questions that folks have asked me today. So that will be part of, not necessary the specific website design but as my tenor evolves and we get that information up and, and in a format that people can understand...

[crosstalk]

CHAIRPERSON TORRES: If, if I'm a private housing tenant and I have a condition in my apartment I can, can submit a complaint?

SHOLA OLATOYE: Yes.

CHAIRPERSON TORRES: So it's 311 and then I can track the progress of the complaint...

SHOLA OLATOYE: Mm-hmm.

CHAIRPERSON TORRES: ...either through 311 or through HPD's database. But if I'm a public housing resident I'll have to call CCC and there's no ability to track the progress of complaints online. So there's... the revamp of the website with real time information, does that include real time data about complaints, about tracking the progress of complaints?

CECIL HOUSE: Residents have the ability today to check on the status of their complaints.

CHAIRPERSON TORRES: Online?

CECIL HOUSE: Online they do.

CHAIRPERSON TORRES: They do?

CECIL HOUSE: They do.

CHAIRPERSON TORRES: Every resident in public housing?

CECIL HOUSE: Every resident who has signed up for NYCHA alerts can do that. So we have that ability, we have not and we are, it is, it is a soft rollout meaning we've rolled it out but we haven't fully publicized it because we want to test it and make sure that it works fully before we do that but the technology is there yes.

CHAIRPERSON TORRES: Okay. I actually want to acknowledge my colleague from Queens Majority Leader Council Member Jimmy Van Bramer.

MAJORITY LEADER VAN BRAMER: Thank you very much. Madam Chairwoman I am, have been up and down these stairs about 72 times trying to both do two press conferences with the speaker and be able to ask you a few questions. First of all I just want to thank you for taking on this very difficult

1 and important job. And just mention to you that as
2 you probably know I represent more public housing
3 residents in Queens than any other council member
4 including Queensbridge Houses, the largest public
5 housing development in the country, the Ravenswood
6 houses, and the Woodside houses. So it's, it's
7 great to have you and I look forward to having you
8 in the district and going to all the great places
9 in those great neighborhoods. In your testimony
10 earlier that I was present for you talked about
11 some additional funding which is exciting although
12 not enough. And then the ability to, to perform
13 more work, more repairs, some additional capital
14 work. But in, in talking to some of your
15 predecessors and I realize this is a new time and a
16 new administration there was, there was a capacity
17 issue at times when it came to repairs and work and
18 delays as well. So it's not simply about money,
19 it's about having the staff to make that work
20 happen and I certainly was told in the past that
21 there were times where money was present as in the
22 delays with city council capital funding when it
23 comes to cameras and other things where the funding
24 was there for those projects but whether it was
25

1 designers or engineers or, or folks who were
2 architects both in house and, and out there were
3 capacity issues with being able to get the work
4 done. So at some time, sometimes I was told we have
5 the money, there's money sitting there but we don't
6 have the capacity... So my question to you is with,
7 with the, the city council funding... and I know you
8 spoke about the movement that's been accomplished
9 and the goal to get 13 and 14 done this year I
10 believe you said yeah... but are you going to
11 increase capacity, are you going to increase
12 staffing levels in those areas or departments where
13 at least I was told last year and I know Mr. House
14 was, was at that meeting. So then you can actually
15 get that work done. Maybe it's already been done
16 but, but... a lot of funding and new funding is as
17 you know not just the issue, it's having the
18 capacity to get that work done in a timely way.

20 SHOLA OLATOYE: We are increasing
21 funding to, to ensure that we are able to spend
22 that 2013, 2012/2013 capital dollars on cameras by
23 the end of this year. So the answer is yes.

24

25

1 COMMITTEE ON PUBLIC HOUSING 116

2 MAJORITY LEADER VAN BRAMER: And does
3 that mean you're going to hire some additional
4 folks to help get that done both...

5 SHOLA OLATOYE: Yes... [crosstalk]

6 MAJORITY LEADER VAN BRAMER: ...because
7 you talked, because you also talked about some
8 staff reductions...

9 SHOLA OLATOYE: Attritions.

10 MAJORITY LEADER VAN BRAMER: Attrition.
11 That was mostly sort of... management... yeah.

12 SHOLA OLATOYE: ...office.

13 MAJORITY LEADER VAN BRAMER: ...not a, a
14 frontline staff but... [crosstalk]

15 CECIL HOUSE: Council member...
16 [crosstalk]

17 MAJORITY LEADER VAN BRAMER: I just want
18 to make sure that you have the, the tools
19 necessary...

20 SHOLA OLATOYE: Mm-hmm.

21 MAJORITY LEADER VAN BRAMER: ...to get the
22 work done and, and I don't know if Mr. House or
23 anyone wants to speak to the specific issue that...
24 because in all fairness you weren't there for that
25 meeting and I think...

CECIL HOUSE: We've, we, we've done two things. We've increased the, the headcount of the capital division who was responsible for this by 50. And so they will have the capacity to, to move work through more quickly. So we're, we're sort of trying to identifying, we're trying to do it strategically to identify the areas of bottleneck and work in those locations so, so that we can actually sort of increase the throughput for the organization holistically. And when it comes to CCTV we actually have increased our contractor pool as well. And I think that was a constraint in finding factors that we could work with who could actually do this work and were effective. And we did have some issues in the past. And so we've increased that level of capacity as well. So we've hit it on both, on both fronts.

MAJORITY LEADER VAN BRAMER: It's good to hear because obviously you have these enormous structural deficits that are incredibly problematic as a result of federal and state government defunding essentially in some ways gradual and some ways not so gradual but when you actually do get funding how do you spend it, how quickly you're

able to make those repairs and or instillations is, is, is incredibly important right 'cause there's just so much you can do about billions of dollars in structural shortfalls but then you've got the money it's got to be spent and it's got to move and, and we can't be, have a situation where we were last year or previous years where we were told we've got the money, we just can't do anything with it because we don't have the capacity. Which, we should never say that particularly when we're talking about public housing residents. So I just wanted to make that point. With respect to community centers which you also spoke about in your testimony obvious, needless to say I share your goal of making sure we fully fund all of them going forward but as you know last year we changed the way most of those community centers are administered moving many of them community and youth centers into DYCD or DFTA but several were not. One of those that was not is in my district the Woodside Houses Community Center and, and so there's, there's a timeline approaching with respect to some of them. And I felt in previous hearings and innocent conversations with again some

1 of your predecessors that there was a desire to
2 move away from community centers and youth centers.
3 And I just want to say that our community centers
4 and youth centers in our public housing are, are
5 lifelines as, as I'm sure you'll agree. And we have
6 to be committed to, to maintaining them. I'm
7 interested to know how you think it has worked with
8 DFTA and NYC taking over the vast majority that we
9 funded last year at budget adoption and what your
10 plans are with the ones were not put under the
11 jurisdiction of those two agencies like the
12 Woodside Houses Community Center which are run with
13 nonprofits that are essentially administering those
14 programs.

16 SHOLA OLATOYE: So, so thank you for the
17 question Councilman. First of all the, the goal for
18 every center that's in a NYCHA development is
19 quality, best in class services to our residents so
20 I share that objective whether it's NYCHA run or
21 with our community based partners. That should be
22 the, that should be the standard not the exception
23 so that's the first thing. I think the second thing
24 is in, I share, I, I'm confident to use, use the
25 word that, that we will come to a resolution for

1 the continued operation in support of those
2 services. I think going forward, I think again the
3 goal here is, is I'm going provision of services to
4 our residents. That is part of our mission. It
5 actually says the facilitation of social services
6 to our residents. And so how we do that is going to
7 be essential. Our partners at DYCD and DFTA have
8 very high standards of how they wish to run and
9 support services, support centers and we want to
10 see that continue. I think there's an opportunity
11 for us to always improve how we run our own
12 programs and I look forward to working with staff
13 in my review and introduction to ensure that that
14 is the case.

16 MAJORITY LEADER VAN BRAMER: It's great
17 to hear you say that. And I look forward to working
18 with you on all of the developments in my district.
19 I wanted to also mention you know our, our work in
20 public housing is, is about providing safe secure
21 neighborhoods with dignity. But it's also, has to
22 be also in part about ending cycles of poverty and,
23 and making sure that we're providing programs and
24 services that allow for financial empowerment and,
25 and career development and, and all of those very,

1 very necessary tools. We have a terrific
2 organization in my area called Urban Up Bound which
3 I'm sure you're familiar with that services several
4 of the developments in Queens not just in, in my
5 district but that, that is a model right of making
6 sure that there are services in and around our
7 public housing developments that will lift those
8 residents who are in poverty out of poverty, make
9 sure that there's job training, placement, all of
10 those kinds of skills. So I encourage you to come
11 out and, and see the work that you've done in
12 Queensbridge and around Queensbridge and, and ask
13 you about those models in ways of which NYCHA can
14 expand that work to make sure that we're, we're
15 giving... you know College Access is a program that I
16 fund in, in, in and around Queensbridge and
17 Ravenswood which is incredibly important where
18 we're making sure that young people have access to
19 materials and, and the assistance so that for many
20 of the first in their families to, to go to college
21 which is so incredibly important. And the
22 graduation each year for that event is, is
23 incredibly moving. So we want to make sure that,
24 that we're moving in that direction right?
25

1
2 SHOLA OLATOYE: I look forward to the
3 invitation. I'd love to, love to learn more about
4 that program. And I would say I've had the pleasure
5 of working with this city, a number of the city's
6 best in class social service providers. And I think
7 the goal here is to ensure that that is the
8 standard for our residents in our buildings and in
9 our communities and making sure that folks have
10 access to those services.

11 MAJORITY LEADER VAN BRAMER: So with
12 that I'll just say thank you so much again for
13 taking on this awesome responsibility. And I'm
14 immensely proud of the public housing that I
15 represent and am proud to represent those
16 communities. And that's why your jobs is so
17 incredibly important right. I mean public housing
18 is really, really important to our city. So I just
19 look forward to having you in the, in the district
20 and look forward to making great things happen and
21 making sure that our public residents get
22 everything they deserve.

23 SHOLA OLATOYE: Agreed.

24 MAJORITY LEADER VAN BRAMER: Thank you.
25

SHOLA OLATOYE: Thank you so much. Thank you.

CHAIRPERSON TORRES: Council Member Van Bramer I thank you for your questioning. I actually had a chance to tour Urban Up Bound right across the street from Queensbridge and I do consider it a model of social investment in public housing...

SHOLA OLATOYE: Great.

CHAIRPERSON TORRES: ...and I would love to use a future opportunity to spotlight the great work doing there. Bishop Taylor [sp?] is a remarkable leader. So it's a testament to the strength of that community. I want to recognize Council Member Mendez for questioning.

COUNCIL MEMBER MENDEZ: Thank you Mr. Chair. Welcome Chair, let me say it correctly, Olatoye.

SHOLA OLATOYE: Olatoye.

COUNCIL MEMBER MENDEZ: Olatoye. Welcome I'm, it's very exciting time to have you here. I, I have several questions. Just going to go through your testimony first. So on page four you talk about, at the bottom of page four, so NYCHA is

getting reimbursed 89 cents to the dollar? Is that what the proration is at this point?

[background comments]

RICHARD COUCH: That, that 89 percent is on public housing?

SHOLA OLATOYE: ...housing. This is Section 8... [crosstalk]

COUNCIL MEMBER MENDEZ: Yes.

RICHARD COUCH: We're talking about the 94 percent in the budget for section housing went up to 99.

COUNCIL MEMBER ROSENTHAL: I'm sorry I'm having trouble hearing, the whole hearing I have had...

RICHARD COUCH: Yeah... [crosstalk]

COUNCIL MEMBER ROSENTHAL: ...trouble hearing. [crosstalk]

RICHARD COUCH: ...the 89, yeah 89 percent is related to public housing, the operating subsidy from HUD on public housing, the Section 8 subsidy which was in the budget at 94 percent is now expected to be 99 percent.

COUNCIL MEMBER MENDEZ: So are all the public housing authorities being reimbursed at that same amount, at 89 percent?

RICHARD COUCH: Well the 89 percent that we are, we've been funded, this again is the operating subsidy funded through March 1st of this year is the, the funding level will be assuming until September 2014 when the final proration is issued by HUD. We're hoping that it's at least 89 percent.

COUNCIL MEMBER MENDEZ: Okay, that's very informative. I don't know if I got the answer to my question. So maybe you need to say that again in a way that I can understand it. Do other public housing authorities, are they reimbursed at the same rate or are they being reimbursed lower or higher, same rate is that correct?

SHOLA OLATOYE: The answer is really we don't know at this point. Right now this is an early proration figure that we've received. We will know more in the fall when those numbers, when those proration levels are set Council Member.

COUNCIL MEMBER MENDEZ: Okay.

SHOLA OLATOYE: That's the, that's the...

[crosstalk]

COUNCIL MEMBER MENDEZ: Okay.

SHOLA OLATOYE: They will be the same.

COUNCIL MEMBER MENDEZ: And in the past do you know of other public housing authorities. I've been told that there is another public housing authority that's being funded at 100 percent. And so granted you know nothing is the scale of New York City. But if another public housing authority is being funded at 100 percent I think that's something we need to strive for you know to commit upon all of us. And so, and it could be used as precedent. So are you aware of any other public housing...

SHOLA OLATOYE: I don't know that...

COUNCIL MEMBER MENDEZ: Okay.

SHOLA OLATOYE: ...Councilwoman. But it's something that we could certainly research and get back to you and I can't speak... [crosstalk]

COUNCIL MEMBER MENDEZ: Okay.

SHOLA OLATOYE: ...public... [crosstalk]

COUNCIL MEMBER MENDEZ: It was the second largest public housing authority which is about one-third our size...

SHOLA OLATOYE: Right... [crosstalk]

COUNCIL MEMBER MENDEZ: That should... yes... [crosstalk] Yes.

SHOLA OLATOYE: We can, we could find out more information about that.

COUNCIL MEMBER MENDEZ: Okay, I think that's something we should all look into.

SHOLA OLATOYE: Mm-hmm.

COUNCIL MEMBER MENDEZ: And thank you. Are there any full development modernizations still underway?

SHOLA OLATOYE: The modernization of Bonby [sp?] or you... Bunby [sp?]... is that what...

COUNCIL MEMBER MENDEZ: No the modernizations where they redo all the major systems. I think the last one was Farragut and Ingersoll or one of those or both of those. And I don't know of any, if that's you know the scaled back a little bit at some point because of the funding. And I don't know if any other major modernizations are in the way.

SHOLA OLATOYE: Well there are three that are still underway. My staff tells me that Whitman, Ingersoll, and the third is Johnson, Johnson Houses, those are still underway Council Member.

COUNCIL MEMBER MENDEZ: Whitman, Ingersoll, and Johnson [sp?]

SHOLA OLATOYE: Johnson, correct.

COUNCIL MEMBER MENDEZ: ...that are currently undergoing modernization.

SHOLA OLATOYE: That's correct.

COUNCIL MEMBER MENDEZ: And when do you anticipate that those three developments will finish the modernization?

SHOLA OLATOYE: Let's follow-up with you Council Member with the exact dates for the, the completion of each of those developments if we could do that.

COUNCIL MEMBER MENDEZ: And the funding for those are in place with HUD...

SHOLA OLATOYE: Correct.

COUNCIL MEMBER MENDEZ: ...to, to continue... [crosstalk]

SHOLA OLATOYE: Yeah, that, those are in the capital plan Council Member. We'll follow-up with you on the actual date.

COUNCIL MEMBER MENDEZ: Thank you. TPA funds, how much is the authority receiving toward the TPA and how much is the authority taking in administrative fee?

RICHARD COUCH: Well we receive approximately 14 dollars per resident, approximately two and a half million dollars annually. [pause] I'm sorry 25 dollars... [pause] and then there's a fee of 20 percent to, for NYCHA. They'll administer the program as well as help to administer the funding.

COUNCIL MEMBER MENDEZ: So you're taking 20 percent of the two and a half million, the approximate two and a half million.

[background comments]

RICHARD COUCH: So at the 25 dollar level it'll closer to four million.

[pause]

COUNCIL MEMBER MENDEZ: And you're getting the 25 dollar per person, or is it per unit or per person?

2 SHOLA OLATOYE: Per unit.

3 RICHARD COUCH: Per unit.

4 COUNCIL MEMBER MENDEZ: Per unit. And
5 you're getting those for all the federal and, the
6 former city and state Unistep and federalized minus
7 through Section 8 units, is that correct?

8 SHOLA OLATOYE: That is correct. So the,
9 for, for the new, for the 21 thousand units that
10 we're talking about yes. And...

11 COUNCIL MEMBER MENDEZ: So minus 84
12 hundred?

13 SHOLA OLATOYE: Once we get subsidy for
14 all, for all of those units we will receive those
15 TPA funds per unit. Right now we are receiving it
16 for the 11 thousand or so units. You are correct
17 for the 51 hundred that currently do not have city
18 federal funding. We are not receiving TPA dollars
19 for those units.

20 COUNCIL MEMBER MENDEZ: And the 31, 33
21 or 31 hundred... They don't receive that... okay. The
22 senior, the NYCHA run senior community center is
23 the total not you said was, was that 57 centers in
24 all?

25 [background comments]

SHOLA OLATOYE: There's a...

RICHARD COUCH: Yeah, the 57 is, is all the NYCHA centers including senior centers.

COUNCIL MEMBER MENDEZ: And how many of that 57 is senior centers and how many are community centers?

SHOLA OLATOYE: ...good question. We have to get back to you that, with that 57 Council Member to give you that breakdown, we can do that.

COUNCIL MEMBER MENDEZ: And those, if the funding is not put in place for July then they will be transitioned or closed or which, which one or both?

SHOLA OLATOYE: We do not have funding to continue the centers past June 30th of 2014 at this moment.

COUNCIL MEMBER MENDEZ: Okay, so none of the centers have been transitioned at this point to the cornerstone initiatives?

CECIL HOUSE: 35 were transitioned at the beginning of the year to DYCD and four were transferred to DFTA senior centers.

COUNCIL MEMBER MENDEZ: Which four were those?

CECIL HOUSE: We'll have to get you the list, it's the list that we review at the beginning of the year, we'll send you a list.

COUNCIL MEMBER MENDEZ: Or, and even those that were transferred to DYFDA [sp?] senior, NYCHA run senior centers in your senior only developments?

SHOLA OLATOYE: Council Member can we come back to you with an actual, of, of those 57 centers which are senior centers, which are community centers, where they are located and we can give you those, you can have those numbers right in front of you.

COUNCIL MEMBER MENDEZ: Great.

SHOLA OLATOYE: Okay.

COUNCIL MEMBER MENDEZ: Thank you.

SHOLA OLATOYE: You're welcome.

COUNCIL MEMBER MENDEZ: It was, I'm just raising it as an issue because the prior administration in late June we had a hearing where these senior centers were either going to be... senior and community centers are either going to be closed or transitioned. And the prior administration, Chair Reyef [sic] failed to tell

1
2 the commissioner of DFTA that some of these centers
3 were in senior only buildings. And I think that has
4 a real impact on the quality of lives of those
5 seniors. So I certainly want to track that. But the
6 closing of any senior center has an impact. So...

7 SHOLA OLATOYE: Councilwoman I can tell
8 you that we are in ongoing conversations with our
9 sister agencies and this is, we are very focused
10 and concerned that there'll be no decrease in
11 services to our vulnerable residents.

12 COUNCIL MEMBER MENDEZ: Thank you. On
13 page six of your testimony regarding the work or
14 the backlog you say that you've reduced the work
15 orders by 79 percent. You've successfully reduced.
16 So what does that mean? Does that mean that
17 everyone got a visit and a repair? Were any of
18 these tickets that were closed because someone was
19 not home? So, just trying to figure out what
20 exactly that means.

21 CECIL HOUSE: It does not necessarily
22 mean that everyone had a repair. As we went through
23 the process in some cases we learned that residents
24 that had requested work actually had already been
25 done. So we did go through a process of verifying

2 that work and then those work orders were closed.

3 I'd, I...

4 COUNCIL MEMBER MENDEZ: Work had been
5 done how?

6 CECIL HOUSE: By...

7 COUNCIL MEMBER MENDEZ: Was it tenant
8 initiated or... or was it NYCHA initiated that it was
9 done?

10 CECIL HOUSE: No it was predominately
11 NYCHA workers had done the work and had not
12 actually closed the work orders.

13 COUNCIL MEMBER MENDEZ: Okay.

14 CECIL HOUSE: Yeah.

15 COUNCIL MEMBER MENDEZ: And in any of
16 those cases was it that a ticket was closed because
17 someone was not home?

18 CECIL HOUSE: If a, a maintenance worker
19 returned to a unit on a third time and made, and
20 made phone calls to try to reach the resident the,
21 and it was not a health or safety issue that ticket
22 was closed.

23 COUNCIL MEMBER MENDEZ: Okay. On page
24 seven you make mention on your completed capital
25 projects that you expended 420 million dollars on

major modernizations in the development to, that all federal money?

SHOLA OLATOYE: Yes, yes.

COUNCIL MEMBER MENDEZ: So on that same page you talk about security enhancements. You talk about the installation of 3,879 new security cameras at 84 developments in that it met your goal to install all the pre-2012 city council funded CCTVs by the end of 2013. This committee had a hearing in December and in fact my recollection is that some of that pre-2012 money that went back to maybe even 2004/2005 were not yet utilized, may have been and to be completed by this March/April. So can...

SHOLA OLATOYE: Council, Councilwoman I think what the testimony says is that all of the CCTTVs cameras have been completed by the end of 2013. You are correct. There are a few layered access projects that we expect to be completing by the end of, in a month or two that, as is what our, my capital project staff tell me. But you are, what, what has been completed are the CCT cameras and that there are some additional layered access projects that are currently underway.

1
2 COUNCIL MEMBER MENDEZ: Okay, but my,
3 would... there were cameras that had not yet been
4 installed as of the end of December 31st 2013. So
5 your, as I'm reading your testimony it says
6 otherwise. So I'm just saying you need to come back
7 to the committee and we can get our information,
8 the attorney here has information. Because to me
9 that part of your testimony's incorrect.

10 SHOLA OLATOYE: Okay, we will confirm
11 that and come back to you Councilman.

12 COUNCIL MEMBER MENDEZ: Okay. So on
13 Section 8 I wanted to, I don't know who's still
14 here from 2009, refresh some recollection. Back in
15 2009 the... Yeah, you're smiling, you know where I'm
16 going... the authority cancelled 25 hundred vouchers
17 of Section 8 recipients. In many of those cases
18 individuals looked at the apartment, they were
19 getting ready to sign the lease, they had signed
20 the lease and were getting ready to turn it in, and
21 their vouchers were revoked. Of those 25 hundred
22 working with the administration and with advocates
23 HPD picked up 15 hundred and gave vouchers to 15
24 hundred. 1,000 never got vouchers. I continue to
25 come and ask what's happening. We were told those

1
2 1,000 families were, most of them were families and
3 in homeless shelters and they were going to be
4 given priority and to my recollection not one
5 person has been given priority. And this is
6 appalling. Something must be done. And now that
7 you're at the helm I want you to address this
8 problem. Unless there's an update that you can tell
9 me. I'm actually... [crosstalk]

10 SHOLA OLATOYE: Well Councilwoman as you
11 know we did not issue vouchers last year because
12 there was a shortfall. I can't speak to the
13 2008/2009 situation but I will come back to you,
14 will report back to you the status of those, those
15 1,000 households according to your, to your figures
16 and let, let you know what the current status is
17 according to our data.

18 COUNCIL MEMBER MENDEZ: Okay. We
19 actually have names of those individuals too.

20 SHOLA OLATOYE: Okay.

21 COUNCIL MEMBER MENDEZ: That were
22 provided to the committee at the hearings. Section
23 8 management. You have several buildings that are,
24 that have Section 8 funding and this past summer
25 some RFPs were put out to have them manage by an

1 outside private individual. And some people were
2 chosen through the RFP. Where are we at with that?
3 I know there was supposed to be background check...

4 SHOLA OLATOYE: Mm-hmm.

5 COUNCIL MEMBER MENDEZ: So are those
6 still being managed by NYCHA or is it now
7 transitioned to be managed by these other groups?

8 SHOLA OLATOYE: Those buildings are
9 still being managed by NYCHA. We at, at the, the
10 advent of the new administration a lot of our RFPs
11 and, and development decisions have been put on
12 pause to, to review and under review with the
13 deputy mayor to ensure that all of our projects
14 whether it's recap or new development or consistent
15 with this administration's policy. So we look
16 forward to, to sort of resolving those and being
17 able to move forward on, on this particular
18 project. But right now those units are still being
19 managed by NYCHA Councilwoman.

20 COUNCIL MEMBER MENDEZ: So what would be
21 the cost savings in handing the outside
22 organization manage these properties and what would
23 be the impact now on your budget since that has not
24 transitioned?
25

1
2 RICHARD COUCH: The, the, the driver of
3 the transaction is, is not the cost savings. The
4 driver is the ability to actually renovate those
5 developments and put them on a solid footing, put
6 the residents in those developments in much better
7 conditions. So that was the driver of the
8 transaction. In order to make the transaction work
9 and to get the approvals that we needed, that
10 private management was, was a requirement to make
11 the numbers work.

12 COUNCIL MEMBER MENDEZ: So maybe you can
13 talk everybody through it. NYCHA can renovate it
14 but the driver of this was to do the renovations
15 because... extra money comes into the project how... or
16 what?

17 RICHARD COUCH: The, the funds come in
18 through the recapitalization of the developments.
19 And so the idea is that we would actually put a
20 mortgage on those developments. And with the
21 funding that would come out of that we would do the
22 renovations to the development, to the
23 developments. To maximize the amount of, of money
24 you actually need to manage the cost of management
25 of those developments. And so that, that having

1
2 private management in place actually improves the,
3 the amount of funds available to do the renovation
4 work. And it's... was quite an extensive renovation
5 of all the units, bringing them up to date, new
6 lobbies, systems, roofs, etcetera. So these are,
7 this is a very extensive renovation.

8 COUNCIL MEMBER MENDEZ: And it would
9 infuse how much more dollars into the housing
10 authority?

11 RICHARD COUCH: It depends on the
12 selection process, the, the transaction that we
13 actually do. It could infuse up to 100 million
14 dollars into the housing authority. But there's no
15 guarantee that it will be that much.

16 COUNCIL MEMBER MENDEZ: And then it
17 would be placed as a mortgage on those properties.

18 RICHARD COUCH: That's correct. There
19 would be a, a loan taken out on the, those
20 developments.

21 COUNCIL MEMBER MENDEZ: Okay. So on page
22 nine you talk about the 10 million in the city
23 council funds for, through our initiative. And you
24 say you're counting on that and it's part of your
25 budget now and going forward through 2018, is that

1
2 fiscal year 2018 or is, is that your fiscal year or
3 our fiscal year.

4 SHOLA OLATOYE: Our fiscal year
5 Councilwoman.

6 COUNCIL MEMBER MENDEZ: Okay. And so
7 that even exceeds the numbers who are sitting here...
8 well some of us will be term limited and so it's an
9 assumption I'd like to think we could do that. But
10 I don't know if that's a very good assumption to
11 make particularly when the council's going to be
12 changing in 2017. So just, just pointing that out.
13 In there it says it enabled you to hire 175
14 temporary workers. What was the length of days,
15 weeks, months of the workers and were they Section
16 3 workers that could go through to Section 3
17 compliance?

18 RICHARD COUCH: Some of them were. I
19 don't have the exact number of how many residents
20 were hired in that process but these were full
21 time.

22 COUNCIL MEMBER MENDEZ: But you'll get
23 us that information?

24 [background crosstalk]
25

COUNCIL MEMBER MENDEZ: Thank you. The 175 million that the City Council has put forward... So that's all our discretionary capital funding that members have made...

SHOLA OLATOYE: Over the past decade Councilwoman.

COUNCIL MEMBER MENDEZ: Over the past decade.

SHOLA OLATOYE: Correct.

COUNCIL MEMBER MENDEZ: And that number breaks down into what in capital, capital for security and one in nine security. Do you, do you have those numbers.

SHOLA OLATOYE: Okay, we'll, we can get that number to you, a 10 year look back on breakdown in capital as, as opposed to the other items listed here.

COUNCIL MEMBER MENDEZ: Okay. Just from the December hearing on the nonsecurity [phonetic] that was going at like a super snail's pace you were doing variable insecurities so it be interesting to see how many of those are prior to 2012 that we can really get underway.

SHOLA OLATOYE: Okay.

1
2 COUNCIL MEMBER MENDEZ: And on this that
3 you've provided to us on page four you have a pie
4 chart here. And I was just wondering, this is the
5 fiscal year 2014, 2018 adapted capital plan
6 revenues expenses. So there's a little sliver here
7 that reimbursable staffing cost at two percent.
8 What does that mean?

9 SHOLA OLATOYE: Go ahead.

10 RICHARD COUCH: So that's the frontline
11 fee, sorry frontline expenses reimbursed by
12 capital.

13 COUNCIL MEMBER MENDEZ: Frontline
14 expenses reimburse...

15 RICHARD COUCH: I'm sorry frontline
16 staff reimbursed from the capital fund.

17 COUNCIL MEMBER MENDEZ: Frontline staff
18 so can you give me an example what's a frontline
19 staff? Do you want to identify yourself and just
20 answer the question.

21 TONYA DUNSEY: Tonya Dunsey Director of
22 Budget Financial Planning.

23 COUNCIL MEMBER MENDEZ: Mm-hmm.

24 TONYA DUNSEY: To answer your question
25 it's for the project manager who's working directly

1
2 on the capital project. He's providing the
3 oversight function for, of the construction
4 contracts. That person's time is charged to the
5 capital plan and the way that we receive those
6 funds is through a transfer.

7 COUNCIL MEMBER MENDEZ: Okay. Thank you
8 very much. Thank you Mr. Chair.

9 CHAIRPERSON TORRES: I thank you for
10 your question. I'm going to follow-up on your
11 description General Manager House of, of the
12 recapitalization as a mortgage. Can you elaborate
13 on that?

14 CECIL HOUSE: Well what we would, what
15 we'd end up doing is taking out a loan secured by
16 those secured by those developments.

17 CHAIRPERSON TORRES: So what happens in
18 the event of a default?

19 CECIL HOUSE: Well the, the funding
20 stream is fairly secure in that process. That's one
21 of the reasons why we get such good rates and, and...
22 So we could be at risk in a default that's
23 possible.

24 CHAIRPERSON TORRES: So what does that...
25

CECIL HOUSE: That's no different than any of our capital, the, the bond... [crosstalk]

CHAIRPERSON TORRES: So worst case scenario what, what are the consequences of a default? What does that result in?

CECIL HOUSE: Well we would have to find funds to cover the, the, the, the funding gap or we would be at risk of losing our, the, whatever collateral we put up.

CHAIRPERSON TORRES: Okay.

SHOLA OLATOYE: And I would just add chair this, this is a...

CHAIRPERSON TORRES: Right.

SHOLA OLATOYE: ...fairly, fairly sort of common practice as you know in affordable housing finance which is sort of assuming a level of, of ongoing support in the Section 8 that allows us to essentially mortgage the properties by, by assuming a level of ongoing, ongoing support there. So this is a, it's a fairly common practice. Obviously there's appropriation risk but because we do, we feel fairly confident in that this is, this is one way in which we are able to inject it, inject

resources, much needed resources into, into those buildings.

CHAIRPERSON TORRES: Yeah. Well I'm not, I'm not contesting the merits of, I suspect that benefits outweigh the harms but if I'm, if I own a house and I take out a mortgage and I default on the mortgage it, I lose the house... [crosstalk] I'm wondering is that true in the case of the recapitalization that you, are not, has no...

TONYA DUNSEY: So, so these properties right, they're, the funding that we get is in our capital plan. It is project base Section 8 vouchers.

CHAIRPERSON TORRES: Okay.

TONYA DUNSEY: So we're using the value of those vouchers over a, you know 20/30 year period to raise the money now. And I'm oversimplifying the deal but similar to the bond right. Instead of using a capital plan we're using the project based Section 8 voucher program which is actually separate from the public and Indian housing division of HUD. It comes out of the multi-family division of HUD.

CHAIRPERSON TORRES: Mm-hmm.

TONYA DUNSEY: So there, it, it's very, it's much more secure than the capital plan would be.

CHAIRPERSON TORRES: And I, I know we've discussed this in private but one city council initiative is the painter's apprenticeship program. So if you could take, just for the record, just explain the funding behind the program and...

TONYA DUNSEY: Mm-hmm. Do you want to talk about... No...

[background comments]

TONYA DUNSEY: Okay so, so the mechanism right for the... [crosstalk]

[background comments]

CHAIRPERSON TORRES: The mechanism by which we fund, yeah.

TONYA DUNSEY: ...talking about...

CHAIRPERSON TORRES: By the use of capital dollars to free up... yeah, if you could explain.

TONYA DUNSEY: Right so, so the city council gave us 10 million dollars in capital funds for the painter's apprentice program because we cannot use that money to hire staff. It's for major

1
2 modernization. What we do is we repurpose those
3 funds for a proper capital project. And then we
4 swap the funds through this capital reimbursement
5 mechanism into our operating program but as HUD
6 allows us to do. And then we use that money for
7 programmatic purposes such as the painter's
8 apprentice or the, the, the maintenance and repair
9 initiative in previous years.

10 CHAIRPERSON TORRES: So effectively
11 using capital dollars for what is traditionally
12 thought of as a operating purpose right or...

13 TONYA DUNSEY: Yeah, well...

14 CHAIRPERSON TORRES: Right.

15 TONYA DUNSEY: ...we're, we're using the
16 transfer...

17 CHAIRPERSON TORRES: Okay.

18 TONYA DUNSEY: ...right.

19 CHAIRPERSON TORRES: So that transfer
20 not only could apply to painting but what are other
21 areas of skill trades in which you have a shortage
22 of resources. Maybe bricklayers... and... and plaster.

23 TONYA DUNSEY: Plaster is painters...
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COMMITTEE ON PUBLIC HOUSING

149

CHAIRPERSON TORRES: So, so the city council could theoretically provide 10 million dollars for a plastering program?

CECIL HOUSE: Yeah.

CHAIRPERSON TORRES: And then 10 million dollars for...

CECIL HOUSE: There is a limit on our ability to, to...

TONYA DUNSEY: Transfer.

CECIL HOUSE: ...make this transition. So to the extent that we have the ability based upon a types of funds that we have and their purposes yes we could do that. That, there is a limit.

CHAIRPERSON TORRES: Mm-hmm.

TONYA DUNSEY: It's 20 percent of the award.

CHAIRPERSON TORRES: Okay. So we have painting. So if I, suppose we, we gave this NYCHA an opportunity to think of a program that we could fine with 10 million dollars in capital funding. Would it be plastering? Would it be weps [sic] area skill trades. Would...

CECIL HOUSE: Well we are, we are most behind in plasterers.

CHAIRPERSON TORRES: Okay.

[background comments]

CECIL HOUSE: We actually are now trying to hire more plasterers. It's been actually somewhat challenging. The economy is clearly coming back. But that would be the area, plasterers and carpenters are the two areas where we would make the biggest impact. And you know as we talk about our skill trades lead time more resources there would dramatically reduce the time it takes for us to get to resident requests.

CHAIRPERSON TORRES: And would you be willing to provide us, just on hypothetical if you were to receive 10 million dollars for a plastering program what impact would it have on employment levels among residents or what impact it would have in reducing the response times just as she...

CECIL HOUSE: Yeah so, so we have to keep in mind that for plasterers, carpenters are, if they're NYCHA employees they have to be in the union.

CHAIRPERSON TORRES: Different.

CECIL HOUSE: And so that may create, may, may not create some challenges. We actually

1
2 were trying to enter into an apprenticeship program
3 with the building trades for NYCHA residents which
4 would, this would be great if we could do. We had
5 negotiated a PLA to that affect but we haven't
6 gotten it signed yet so... That would be a way that
7 we could, we could get resident of the apprentice
8 programs and ultimately get him into a permanent
9 trade. But we could, we can get you the numbers. I
10 just don't know what the resident impact would be.
11 We it's not totally within our discretion.

12 CHAIRPERSON TORRES: Okay. But you
13 could, you could also, you could probably project
14 the impact on response time... [crosstalk]

15 CECIL HOUSE: Absolutely.

16 CHAIRPERSON TORRES: So I would love to,
17 if you could provide us with all of the
18 information. I saw the progress in those
19 negotiations as well and...

20 SHOLA OLATOYE: And we'd love to sit
21 with you and talk about that, that specific program
22 and, and how we could expand it.

23 CHAIRPERSON TORRES: No I think it was,
24 you testified earlier that NYCHA has an estimated
25 18 billion dollars in capital means, needs, which

1
2 is to say that it would take 18 billion dollars to
3 bring the public housing stock into a state of good
4 repair. So I'm wondering what is the phrase good
5 repair. Does it refer to compliance with building
6 or housing codes? Does it refer to the shell life
7 of the capital structures? Like what do you mean by
8 the... Does it refer to the safety of the housing
9 stock or... what is meant by good repair?

10 CECIL HOUSE: Good repair, we would
11 start with the building envelope that the roofs are
12 in good condition and that they are able to do
13 their job in keeping the, the water out, that the
14 building facades are in condition and they are able
15 to do their jobs in keeping moisture out of the
16 buildings... right. Two big sources of some of our
17 bigger challenges. And then the building systems
18 are all in a state of good repair. The elevators
19 are in good condition and they work. The gas lines
20 in the buildings are in a good condition. And they
21 work. The water, the pressurized water system in
22 the buildings are in good condition and it works
23 the, the, the drain water system in the buildings
24 are in good condition and they work. The units
25 themselves, the kitchens, the bathrooms, the walls

are in good condition. The boilers, the pumps, the roof tanks in those buildings are all in good condition and they work. Did I leave anything out... I think I did...

CHAIRPERSON TORRES: So you did an, you did an assessment of the, of the conditions of every single one of those capital structures and came up with the number 18 billion?

CECIL HOUSE: Mm-hmm, right.

CHAIRPERSON TORRES: Okay.

CECIL HOUSE: ...called a physical...

CHAIRPERSON TORRES: Okay.

CECIL HOUSE: ...needs assessment...

CHAIRPERSON TORRES: Okay.

CECIL HOUSE: ...that was done. And that assesses all of those needs of the buildings. And that's where that number comes from.

CHAIRPERSON TORRES: Okay, because when I hear, I mean the number shows staggering. It strikes me as really a level disinvestment that is, that, that is catastrophic. I guess the most important question I probably could ask if, if that trajectory of disinvestment continues will there

1
2 come a point at which the public housing stock
3 frankly is no longer safe, no longer livable.

4 SHOLA OLATOYE: I think that's possible.
5 We've, you've heard the numbers in terms of the
6 capital funding trend and that it's, has been
7 decreasing and continues to decrease. But we are
8 committed to ensuring that our residents are, are
9 in safe, are, are, their safety is a priority.
10 That's why we are here today to talk about ways in
11 which we can ensure that we have the resources that
12 we need to ensure a basic level of safety. And
13 we've, and to your point Chair I think the
14 conversations in Washington and with our state
15 legislative leaders can also help to ensure that
16 that is a fact going forward.

17 CHAIRPERSON TORRES: Okay. I have a
18 question about the backlog, about the reduction in
19 the size of the backlog. Can you give me the time
20 range and just the exact number of local issues you
21 were able to close. And I heard this, I think I
22 heard the number 79 percent reduction.

23 CECIL HOUSE: That's correct. We, we
24 started out with 422 thousand some odd work orders.
25 We can get you the exact number. Today it's, it's

88 234 today, 284 I'm sorry, 87 284 today. And so that was, that's the, do the math and that's the...

CHAIRPERSON TORRES: I'm sorry 422 to, to what number?

CECIL HOUSE: 87 284 today.

CHAIRPERSON TORRES: Over the course of...

CECIL HOUSE: We started the, this program in January of 2013.

CHAIRPERSON TORRES: 2013. So the, almost, in essentially a year you were able to achieve a quadruple reduction in the backlog?

CECIL HOUSE: That's correct.

CHAIRPERSON TORRES: So... because I, I was told you know that the backlog of repairs, what I would complain about... and you know and I've been a housing director and a city council office for about seven years. But that was due to a lack of funds.

CECIL HOUSE: Okay.

CHAIRPERSON TORRES: Alright. But it seems to me that it must have been based on a mismanagement of resources rather than a lack of resources because you were able, but the resources

1
2 that you have you were able to achieve a quadruple
3 reduction in the back log.

4 CECIL HOUSE: So chair we, we did
5 repurpose resources internally right. So as we
6 talked about we, we shifted staff from central
7 office positions to frontline positions. So we did
8 see a fairly significant increase in staff at the
9 frontline level I think in the, in the range of
10 seven to 800 additional staff over the year. And
11 we're trying to increase, continue to increase the
12 number of staff in the front line. I, I can't speak
13 for what happened prior to my, my tenor and I, at
14 NYCHA.

15 CHAIRPERSON TORRES: What was the dollar
16 amount of those staffing increases?

17 CECIL HOUSE: We have a number? The, the
18 other, the other dynamic is we, we very effectively
19 used overtime over the last year as well then we've
20 traditionally used overtime. We were I think more
21 targeted in our overtime use as well. But we can
22 get you the number that represents the staffing
23 increase over the last year in dollars. I, I don't
24 have that with me today.

CHAIRPERSON TORRES: But by further quadruple reduction shows that it's only but a lack of funds but how efficiently we use those funds and...

CECIL HOUSE: We had a, a series of efficiency programs that we put in place over the last year. It's efficiency, it's visibility, it's transparency, it's reporting, communication. It's a host of activities that, that you need to, to, to undertake and complete that type of, of an effort.

CHAIRPERSON TORRES: And if I, if I remain correct I believe there is that historic reduction was achieved in the wake public criticism of the daily news expose so I think it goes to show that public criticism can motivate the New York City Housing Authority to be more efficient in the use of the resources that it has, but that's not a question, that was just a point. But if you want to respond...

SHOLA OLATOYE: No, I was going to say look, I think that, I think that the, the general manager and the staff that's here today have, have made some very significant process improvements to tackle this problem. It's no question that it's not

1
2 enough and that we will continue to drive towards
3 efficiency so that we can reduce those response
4 times even further. But it, but it is clear that
5 you know we need to operate in, in a better way and
6 that, that is an ongoing and continuous
7 improvement.

8 CHAIRPERSON TORRES: I want to recognize
9 Council Member Rosenthal.

10 COUNCIL MEMBER ROSENTHAL: ...this long
11 and for answering this, these questions. It's
12 incredibly helpful to us. And I just want to
13 recognize the tenant leaders and the tenants who
14 are here. I see Madeline Incent [sp?] from Fredric
15 Douglas [sp?] Houses and it's great that they came
16 and there, it's very powerful for them to see you
17 here and answering these questions. So thank you
18 for that. And with that I have seven more. So I
19 really like Councilwoman Cumbo's idea about how,
20 trying to create a system where we financially
21 recognize the TA presidents who are doing so much
22 work and I just wanted to put that out there. I
23 thought that was great, the idea of a stipend, you
24 know it's interesting I don't live in NYCHA housing
25 and we do have a board and a president that's

1
2 elected and they do that pro bono, but the nature
3 of the work they do is very different. And the
4 stipulated tasks as you were going through them you
5 know is, is real work. And in some, sometimes it
6 becomes, it sounds like and certainly from the
7 residents that I work with and knowing modeling so
8 well in a way it's the work of a super except that
9 they can't get the work done. They hear about all
10 the needs and the demands and they try to help it
11 start going through the process. But they don't
12 have the skilled workers to get it done. And that's
13 what the supers are doing. But I really like that
14 idea. I'd love to like help continue to think about
15 that.

16 SHOLA OLATOYE: Councilwoman actually I
17 agree and I think just, just a point of fact the,
18 the TA presidents actually do receive
19 reimbursements and stipends via the TPA funds that
20 we talked about...

21 COUNCIL MEMBER ROSENTHAL: They do?

22 SHOLA OLATOYE: They do. And hopefully
23 computers, phones, gas mileage, etcetera...
24 [crosstalk] so one, so one of the things that, that
25 Cecil and his team, the general manager and his

1 team have, are working on actually is improving the
2 response time when people submit receipts for
3 their, these expenses. There have been, there has
4 been a long delay and that is another process
5 improvement that we need, that we are working on.
6 So folks should start to see the ability to get
7 reimbursed in a much faster way for, for some, for
8 the, for these ongoing expenses. But that is one of
9 the uses that the TPA funds are there for.
10

11 COUNCIL MEMBER ROSENTHAL: Right so
12 let's talk about the TPA funds. I mean okay... So
13 that, that's reimbursement for gas or a computer...

14 SHOLA OLATOYE: Phones.

15 COUNCIL MEMBER ROSENTHAL: ...phone...

16 SHOLA OLATOYE: Etcetera.

17 COUNCIL MEMBER ROSENTHAL: But it's not
18 a, it's not for the time.

19 SHOLA OLATOYE: No.

20 COUNCIL MEMBER ROSENTHAL: Okay, well
21 it's alright. I'm just trying to make sure I
22 understand. So on the TPA is there a limit, are
23 they given a budget, I think the answer is yes,
24 right?

25 SHOLA OLATOYE: ...given a budget yeah.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COMMITTEE ON PUBLIC HOUSING

COUNCIL MEMBER ROSENTHAL: So if X
amount of dollars and it's...

SHOLA OLATOYE: Per unit.

COUNCIL MEMBER ROSENTHAL: Per unit?

SHOLA OLATOYE: Exactly.

COUNCIL MEMBER ROSENTHAL: So on the,
and you're saying that sometimes the TA presidents
don't submit the paperwork on time?

SHOLA OLATOYE: No, I can't speak to
whether or not people are submitting paperwork on
time. But I think what I can, what we can say is on
the NYCHA side we needed to improve I think our
response... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Got it.

SHOLA OLATOYE: ...time and gain dollars
out.

COUNCIL MEMBER ROSENTHAL: Got it and
that's something you're working on?

SHOLA OLATOYE: Something that we're
working on and I hope to, I think people will start
to see a change and hopefully a decrease in the
amount of response time for...

COUNCIL MEMBER ROSENTHAL: Oh great.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COMMITTEE ON PUBLIC HOUSING

162

SHOLA OLATOYE: ...for submission of receipts and in reimbursements.

COUNCIL MEMBER ROSENTHAL: Oh, it's hopeful to hear. And so is that, so it's 25 dollars per unit per year...

[background comments]

COUNCIL MEMBER ROSENTHAL: That's alright, any definite information?

SHOLA OLATOYE: No I, I think it... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Okay.

SHOLA OLATOYE: ...be, to have the record be... the, the TPA funds they are given, it's a dollar, it's a set amount as we said. It's per unit, per development. And, and our TA residents can work within that, that amount. So they, they don't come up with their own budget and then come to us for approval. There's a certain, there's a set amount...

COUNCIL MEMBER ROSENTHAL: Sure.

SHOLA OLATOYE: And within that they can come up with their own... [crosstalk]

[background comments]

COUNCIL MEMBER ROSENTHAL: Sure, no that makes sense. [crosstalk]

SHOLA OLATOYE: ...clear about that.

COUNCIL MEMBER ROSENTHAL: Got it.

CECIL HOUSE: And there's a, and just, and there is some, it's the, by no means it's, fully compensates the TAs for what they do but there is some compensation to the extent that they attend meetings and the like depending on the type of meetings. They get, they could get paid for some of their time but by no means enough.

COUNCIL MEMBER ROSENTHAL: Yeah, it'd be helpful. Actually we could look at the regs or if you have them easily sort of what the payment is for, that'd be great.

SHOLA OLATOYE: Okay, we can follow-up with you.

COUNCIL MEMBER ROSENTHAL: And the 20 percent that is pulled out for administrative overhead basically, that's for doing the payments..

SHOLA OLATOYE: It's allowed to be up to 40 percent.

COUNCIL MEMBER ROSENTHAL: Sorry.

SHOLA OLATOYE: It's allowed to be up to 40 percent for the administration fees.

COUNCIL MEMBER ROSENTHAL: Allowed by HUD.

SHOLA OLATOYE: Allowed by HUD and according...

COUNCIL MEMBER ROSENTHAL: Okay.

SHOLA OLATOYE: ...to regs. And, and that does go to support the team efforts that work closely with our tenant P, with our tenant presidents.

COUNCIL MEMBER ROSENTHAL: Okay, it's allowed to go to 40 percent and NYCHA chooses 20 percent. I'm putting words in your mouth. Your, it varies...

SHOLA OLATOYE: We need to follow up with you specifically on that but...

COUNCIL MEMBER ROSENTHAL: Okay.

SHOLA OLATOYE: ...the regs do allow us to up to 40 percent and we have, we have, we will come back to you with our 2014 number.

COUNCIL MEMBER ROSENTHAL: That'd be great... would it be 2012, 2013, 2014? [crosstalk]
That'd be really interesting to see. And if that

changes and if it's different. I assume it's the same NYCHAwide and not different for different units... That's a fair assumption? [crosstalk]

CECIL HOUSE: Yeah, correct. [crosstalk]

SHOLA OLATOYE: ...across the board.

COUNCIL MEMBER ROSENTHAL: Okay, great.

Thank you. Would you, would you... What's so interesting it feels like a lot of the questions are just trying to dig into the numbers and understand them better. Would you consider some sort of entity that would do an independent annual, you know not overwhelming audit of NYCHA expenses and capital? I imagine that's stuff you do for HUD anyway but something you know where IBO came in.

SHOLA OLATOYE: Well, so the answer is yes we're already, we already do that.

COUNCIL MEMBER ROSENTHAL: Okay.

SHOLA OLATOYE: Not only by HUD NYCHA also has our own audit, auditor as well Ernst & Young which is publically available and that, that's something that we do every year as well. The independent budget office also does this as well for us. So I think this already something that is, is in existing practice. I know my staff sat with

1
2 members of council staff yesterday with some
3 members here to then go through today's
4 conversation as well. And I'd offer that as another
5 opportunity to do that at the pleasure of the
6 council.

7 COUNCIL MEMBER ROSENTHAL: That is
8 wonderful and they were great yesterday but I think
9 we, we've started to try to go a little deeper...

10 SHOLA OLATOYE: Mm-hmm.

11 COUNCIL MEMBER ROSENTHAL: ...and, and
12 that would be the goal.

13 SHOLA OLATOYE: Okay.

14 COUNCIL MEMBER ROSENTHAL: Is to try to
15 do that.

16 SHOLA OLATOYE: The offer stands for us
17 to do that with you.

18 COUNCIL MEMBER ROSENTHAL: I'm available
19 at two. But yeah, that would be great. We'll take
20 you up on that. So the painter, apprentice program,
21 you started talking about this with Chair Torres.
22 So you're exploring doing this with the other
23 trades. Is, is that what you were saying?
24
25

SHOLA OLATOYE: As of yesterday...
[crosstalk] something that we decided to talk
about.

COUNCIL MEMBER ROSENTHAL: Oh good.

SHOLA OLATOYE: Okay, so it's a great...
[crosstalk]

CECIL HOUSE: It's a priority for me...

COUNCIL MEMBER ROSENTHAL: Okay, and,
and so I'm a little, I, it's hard for me to
separate out the 10 million dollars for the
painter, apprentice program and how you're spending
the lump of money that's the one shot this year
from the, the leaf at the NYPD payment. Is the
component part of that 50 million, because you were
saying the piece that you hold out as being most
important was to deal with the tiling and the
painting? Is the painter apprentice program a part
of that 40 million roughly?

SHOLA OLATOYE: So, so those were
unrelated...

COUNCIL MEMBER ROSENTHAL: Unrelated?

SHOLA OLATOYE: Unrelated pots of money.
The 52.5 million dollars will go directly into the
capital work log program. I think what the general...

I'm sorry repair program. What the general manager was talking about is, is within the context of this new initiative, where we might prioritize such dollars.

COUNCIL MEMBER ROSENTHAL: Okay, that's helpful... Sorry, I have a few more. Okay.

CECIL HOUSE: Apologize to the housing authority... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Okay, I'm sorry I have a few more. Ten minutes, I'm sorry. How many tickets of the so many tickets that were closed last year with the repurposing of the money? Can you, would it be possible for you to pull out of your system how many were closed because it was the third time that a worker came and no one was home?

CECIL HOUSE: We can do our best to, to do that. I, I, where we would, let's, if, if we can get back to you on... [crosstalk] our ability... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Yeah, yeah.

CECIL HOUSE: ...So, we, we do have a notes section. The question is just rather it's

noted in a way that we could easily search or do we have to do a very difficult search.

COUNCIL MEMBER ROSENTHAL: Yeah, because that's sort of knowing the tenants I know they would be the ones that would not be there the third time. These are you know people who are away at their jobs...

CECIL HOUSE: Yeah.

COUNCIL MEMBER ROSENTHAL: ...all day long and the caretakers are there and leave at four. And I could definitely see there were no extenuating circumstances but they wouldn't be home.

CECIL HOUSE: Yeah.

COUNCIL MEMBER ROSENTHAL: Yeah.

CECIL HOUSE: We did try though for, for, for those people to have extended hours. So to start an hour earlier, so taking appointments at seven in some cases, or having people stay late, and/or allowing for Saturday appointments as well. So there was an effort made to accommodate. The question would be how successful are we with respect to your constituents.

COUNCIL MEMBER ROSENTHAL: Yeah, it'd be, I'd love to see those numbers, it'd be great.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

And even to the extent you can find it, if you find it's too big of a hurdle to figure it out you can tell us that or you can tell us that you were able to find 10 cases where that was the case.

CECIL HOUSE: Sure.

SHOLA OLATOYE: Okay.

COUNCIL MEMBER ROSENTHAL: I'd appreciate that. And how many caretakers have you, 11,000 plus staff how many are caretakers? [crosstalk] I'm only wondering because I wanted to get a sense of perspective when you said that 50 a month, rollover...

CECIL HOUSE: Yes the, it's the biggest population that we have. It's thousands right. I think it's a, well we're going to, we'll look it up and we'll get you a number... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Right.

CECIL HOUSE: ...but it's definitely above a thousand.

COUNCIL MEMBER ROSENTHAL: What?

CECIL HOUSE: ...definitely above a thousand, probably close to two. You have a, yeah we'll get, we'll have it in a second.

COUNCIL MEMBER ROSENTHAL: Okay, I'm curious because I'm wondering, that's a job that I think there are people at NYCHA would be really interested in...

CECIL HOUSE: Oh yeah, I think that's the primary pool from which we draw.

COUNCIL MEMBER ROSENTHAL: Yeah, that would be really interesting to see.

[background comments]

COUNCIL MEMBER ROSENTHAL: But you think it's roughly a thousand plus that are caretakers.

CECIL HOUSE: Yeah, the question is how close is it to 2,000 in my mind...

COUNCIL MEMBER ROSENTHAL: Okay, so one to two thousand.

CECIL HOUSE: Yeah...

COUNCIL MEMBER ROSENTHAL: Okay, and you'll get us the exact numbers?

CECIL HOUSE: Yeah.

COUNCIL MEMBER ROSENTHAL: Okay. You mentioned that the cost per NYCHA unit, this went by very quickly and I couldn't quite hear what you were saying. The cost per NYCHA unit, the expense

1
2 is roughly 12 thousand dollars a year. And then
3 you... [crosstalk]

4 CECIL HOUSE: ...that's an average.

5 COUNCIL MEMBER ROSENTHAL: Average, and
6 you said something comparable was 8,000 a year.
7 What was the comparable? Just curious.

8 SHOLA OLATOYE: So the, the comparable
9 is for, that I've quoted is the per unit operating
10 cost that in the low income housing tax credit
11 financed world that's the underwriting standard
12 that those projects are held to. And also as the
13 general manager said pretty consistent with our
14 private landlords per unit operating costs as well.

15 COUNCIL MEMBER ROSENTHAL: Oh, that's
16 interesting.

17 SHOLA OLATOYE: Private management I'm
18 sorry.

19 COUNCIL MEMBER ROSENTHAL: Private
20 managers right... And so the private managers are not
21 subject to the higher pension and Fringe benefit
22 costs. Is that what you're saying, that's the 4,000
23 dollars.

24 SHOLA OLATOYE: But they have, they have
25 their own cost centers but they don't have the

significant personal services cost that, that NYCHA, that NYCHA has.

COUNCIL MEMBER ROSENTHAL: So it's, I mean it's quite a statement. I mean it sort of throws it, you know it... I'd be curious to see the breakout of the 4,000 to see what piece of that is really due to the union rules because it just feels like you know we should be getting better services because these are union workers. And you know there's a, a union job is a good job, it's an important job. And you know it's, it's pretty important if you're saying the cost of that union job is 4,000 dollars per unit I'm really interested in hearing that.

SHOLA OLATOYE: Just for the record I, that wasn't what I said. I said that the, that the cost for us to operate those units average is about 12 thousand per unit. Some of the drivers of our major expense items are personnel costs, personal costs, extensive employee and retirement expenses as well. So we, there are a number of things we'd be happy to talk to you about, sort of our, our, our cost structure. But I, I am not attributing that delta to labor cost... [crosstalk]

COUNCIL MEMBER ROSENTHAL: I'd love to see that. That would be really interesting to sort of wrap my head around. If the delta isn't labor is it 80 percent is labor and 20 percent is...

SHOLA OLATOYE: Well...

COUNCIL MEMBER ROSENTHAL: Or is the labor piece 50 percent or 30 percent.

[background comments]

COUNCIL MEMBER ROSENTHAL: Right. And because, no that... And then also curious to know how that expense would change if you were fully funded... right... Because that's 12 thousand dollars per unit at the funding level you're at now but you know you're underfunded. So then what is the true cost per unit? So there's two pieces if you go, follow up on those.

SHOLA OLATOYE: Okay, we'd love to have a conversation... okay. That... [crosstalk]

COUNCIL MEMBER ROSENTHAL: That makes sense. Okay, and then just lastly the tenant patrol that was in the area where some of the residents in my district had been making enough money through tenant patrol to sort of hang on. And then was that something that, that payment was coat tailed?

SHOLA OLATOYE: It was, it real, it was, there was not funding to sustain that, that initiative.

COUNCIL MEMBER ROSENTHAL: Okay I have a tenant... just to sort of take a half a minute to describe this. I have a tenant who because of that, and because of the loss of that payment no longer was able to make the payments on the regular basis.

SHOLA OLATOYE: Her rental payment?

COUNCIL MEMBER ROSENTHAL: Her rental payments. And there became a major repair in the, she was moved from one apartment to another apartment and in that new apartment the plumbing was such, we don't really want to go through the details, it was horrible. And so she needed repairs to that but the general manager was saying that, and the property manager was saying that the repair couldn't be done until she you know was making her payments. But she couldn't be making her payments because she was no longer getting paid and the niche of this particular problem is a structural problem in the building. And unfortunately it involves pipes and mold and falling toilets through the floor... And I'm just wondering this must, I'm,

1
2 I, it sounds like an outlier problem but I'm sure
3 it's not way rocky. I'm sure there are issues sort
4 of within the realm that are like that and I'm
5 wondering what you're doing, what you do to sort of
6 accommodate tenants who are you know caught.

7 SHOLA OLATOYE: So... I'm not familiar
8 with that particular case but, but I, but i... What
9 the general manager and staff have really worked on
10 is to ensure that there is a response to emergency
11 repairs within 24 hours in that we are dealing with
12 basic maintenance repairs within that seven,
13 average of seven to 15 days with the astric
14 [phonetic] that sort of skill trades do take us a
15 bit longer. Again not familiar with this particular
16 instance something that is a major capital effort,
17 those do take longer, I'm not, you know is, this is
18 part of, is that building part of our Bond B
19 initiative? Those are the questions that you...
20 [crosstalk]

21 COUNCIL MEMBER ROSENTHAL: Sure.

22 SHOLA OLATOYE: ...need to know. So, so
23 the first thing, and that has nothing to do with a
24 tenant's ability to pay, if there was a repair,
25 that is an emergency threat... threatening to life

that is a key focus and of, and attention for our capital... [crosstalk]

COUNCIL MEMBER ROSENTHAL: Well I mean emergency like CO2 removal no. But you know no place to go to the bathroom so it's not the worst of emergencies but she's been told because she hasn't paid her, she's in arrears that the work's not going to be done. And I'm... [crosstalk] wondering how that policy works.

CECIL HOUSE: That is not a policy. That, the only thing that we can say is that's totally inappropriate and if you will give us the address we will address that very quickly. That is not, you are not required to pay before you get maintenance and repair requests done. That's totally inappropriate. So we'll, we'll look forward to getting that address from you afterwards and we'll follow-up.

COUNCIL MEMBER ROSENTHAL: Sure. I appreciate your time. Again 18 great days on the job, three months on the job, we'll all get through this. Thank you.

CHAIRPERSON TORRES: Thank you Council Member. And I just, I just want to say you know to

1
2 hear the chairwoman speak I wouldn't, I wouldn't, I
3 would have never thought that you've been only here
4 for three weeks. I, I find you to be impressively
5 even tempered and quickly acclimated yourself to
6 your new role. And even, I think that's departure
7 from what the committee has seen in years past. But
8 I want to commend you for, for the manner in which
9 you've been addressing our questions. It's much
10 appreciated. As well as everyone else so... Council
11 Member Cumbo...

12 COUNCIL MEMBER CUMBO: Thank you I just
13 have a few follow-up questions to what was
14 discussed. The first one is I know this is a, a far
15 more detailed issue but it is... summertime is coming
16 up and an issue that's come up several times at
17 many of the TA leaders' meetings are the air
18 conditioning blackouts. There seems to be some kind
19 of issue that's been explained to me that air
20 conditioners a hazard in the developments and that
21 they are required to provide brackets. But I'm not
22 really quite sure. I'm not very knowledgeable about
23 this issue but there has been a lot of
24 communication to say that the NYCHA developments
25 should be the ones responsible for installing the

brackets where the air conditioners will be placed and to provide a level of safety. Are you aware of this issue or has there been some communication around that?

CECIL HOUSE: I'm not totally familiar with, with the specifics that you're speaking about so I, I'd like to learn more about it. But I can tell you what the rules and the requirements are in NYCHA. So it, it is a, a resident may install an air conditioner. It's not something that NYCHA provides. And if the resident that installs one they need to go to the management office. They, there's a permission request. I think there is a small charge...

COUNCIL MEMBER CUMBO: Mm-hmm.

CECIL HOUSE: Plus it increases the, the, the energy charge as well. And they must, there's, there is a legal requirement they must install the air conditioner properly. There are two ways to install it. You can use an interior bracket or an exterior bracket. And it is, if they are improperly installed, as you know it is a safety hazard because if they fall out and they hit someone below... it's a, it can...

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COMMITTEE ON PUBLIC HOUSING

180

COUNCIL MEMBER CUMBO: Right.

CECIL HOUSE: ...create significant damage. One of the things that it, it, it also creates is when we have a Local Law 11 violation...

COUNCIL MEMBER CUMBO: Mm-hmm.

CECIL HOUSE: ...in the building and we put up shedding... If we have air conditioners improperly installed in building that has... shedding we can't take the shedding down because the building department will not allow us to remove the shedding...

COUNCIL MEMBER CUMBO: Mm-hmm.

CECIL HOUSE: ...until every air conditioner is properly installed in the building. So that, and we have a very big focus working with the TAs and the residents and ensuring that air conditioners are properly installed so that we can fulfil our commitment to the residents who remove sheds across the developments. So they, they may be hearing that they need to install their air conditioners properly as the summer arises so that when, when it's time for us to remove the shedding we can get rid of the sheds.

COUNCIL MEMBER CUMBO: So I'm 90 years old and I'm a grandmother and I want an air conditioner in my home this summer, what do I do as a 90 year old grandmother who needs air conditioning.

CECIL HOUSE: Well there, there are services that will come in and install them for, for her in that case.

COUNCIL MEMBER CUMBO: I guess my question is more of recommendation in that... well... that it would seem that in order to make sure that everyone's in compliance that NYCHA take on the responsibility of making sure that whatever those installation procedures are that they are done uniformly so that everyone's in compliance and everyone understands. Because I just understand that there've been a number of issues surrounding that. The next one that I'll, I want to ask is an important one for me as chair of the women's issues committee. So wanted to know, because I'm going somewhere with this, wanted to know if, do you know the percentage of women who across the board are participating in NYCHA senior centers?

SHOLA OLATOYE: That's a really good question and we can get back to you with that, with that answer.

COUNCIL MEMBER CUMBO: That would be very important to me. I'm also asking that question in terms of usage of your community centers. Do you know that percentage?

SHOLA OLATOYE: Yeah we... [crosstalk]

COUNCIL MEMBER CUMBO: Okay.

SHOLA OLATOYE: ...we can get back to you.

COUNCIL MEMBER CUMBO: That's also very important to me. And I would definitely need to know the answer to that. As well as our TA leaders. Do you have an understanding of what percentage of the TA leaders are women?

SHOLA OLATOYE: Are women? I don't have that number off the top of my head but I'm going to go out on a limb and say more than half are... Also given the, the demographics of our population within NYCHA where we have almost two-thirds are, are, are led by female head of households. So I'm going to extrapolate that a bit but we will follow-up with you, right, we, we will follow-up with you with those exact numbers. We have a very strong

demographics and analytics group. We can get you those numbers Councilwoman.

COUNCIL MEMBER CUMBO: But you would say that two-thirds of the NYCHA households are head, headed by women?

SHOLA OLATOYE: Oh, a female head of household, correct.

COUNCIL MEMBER CUMBO: Female heads of households. And would you also venture to say that a majority are taking [phonetic] part in the senior centers?

SHOLA OLATOYE: Well I wouldn't say that. Within our population more than 40 percent of our population's over the age of 62. Within that population, within that 40 percent there's another 20 percent that are over the age of 82. So we have a significant, significantly older population. What percentage of the, those residents are in our senior centers. We can follow-up with you without a specific number.

COUNCIL MEMBER CUMBO: So on a whole, so on a whole just because I need some of this information right now, on a whole would you say that if you looked up your senior center, centers

1
2 would you say that there's a possibility that men
3 could be the overwhelming majority of those that
4 are taking part in your senior center activities?

5 SHOLA OLATOYE: I can't say that for
6 sure today.

7 COUNCIL MEMBER CUMBO: Okay. Alright,
8 thank you.

9 SHOLA OLATOYE: Can't say that for sure.

10 COUNCIL MEMBER CUMBO: My other question
11 goes to the TPA issue as well. So one of the
12 challenges that was expressed to me is that through
13 TPA that many of the TA leaders have no real firm
14 understanding of what can be utilized for TPA
15 funding and what cannot be. And the issue with the
16 phones and the computers is that those are more
17 issues that are for office work. So that if a TA
18 leader wanted to have a computer in their own home
19 such as a laptop because we've now evolved into a
20 technology age if they needed a cell phone so that
21 they could communicate with their residents from
22 their homes, on the go, and all sorts of things
23 that those types of amenities, or not even
24 amenities but abilities to do their work would mean
25

that there's computer and, and phone usage but only in a centralized office space.

SHOLA OLATOYE: Mm-hmm.

COUNCIL MEMBER CUMBO: And that's what it would be approved for whereas now we've evolved technologically it would seem that it would be beneficial for the TA leaders who are utilizing a lot of their own personal computers and their own cell phones for the usage of managing sometimes often 20, 30, 40 buildings that that would be helpful to them in that way.

SHOLA OLATOYE: So the first thing I, I think... the TA presidents have a role here in helping us disseminate information about the rules. These are some of our most engaged and informed resident leaders throughout, throughout NYCHA...

COUNCIL MEMBER CUMBO: Mm-hmm.

SHOLA OLATOYE: And so we need to do a better job and they also can help us disseminate what is allowed, what isn't allowed so that residents have that information. So that, I think that's issue number one. I think issue number two councilwoman and it, and, and I understand your point, I also think it's a complicated thing to

1
2 administer here. And I think we, what we want to do
3 is ensure that the resources that are required by
4 HUD get to those resident leaders and that we have
5 a, an official accounting of those dollars. And
6 the, the way that the program is currently set up
7 it does require a centralized source, centralized
8 place for computers, and phones, etcetera. That has
9 been a more streamlined way...

10 COUNCIL MEMBER CUMBO: Mm-hmm.

11 SHOLA OLATOYE: ...for us to document the
12 use of those dollars. I think going outside of
13 that, I'm not opposed to that but I think it would
14 be, it'd be a conversation to have. And it would
15 also require a level of administration that we are
16 currently not funded to support.

17 COUNCIL MEMBER CUMBO: Certainly. I just
18 wanted to add without the, the reason why I'm so
19 adamant about this is because I feel like in issues
20 when it comes to emergency response I feel that I
21 want to be able to communicate immediately and
22 directly...

23 SHOLA OLATOYE: Mm-hmm.

24 COUNCIL MEMBER CUMBO: ...whether it's at
25 1:00 in the morning with my TA leader, if it has to

do with a shooting that's happened in the community, that I can speak on the phone directly with my TA leader exactly where they are and not have to, what the city's suggesting that that TA leader might have to go downstairs to the centralized office in order to have this level of communication with myself or others. So just want to put that forward in terms of this is very important to me in that way. And also want to add to, in addition with the community centers and senior centers while I have said it, I just have to continue to say it. This is my last point. I just want to reiterate the importance that when a new commissioner is selected for the Department of Cultural Affairs I really want to see a very strong partnership move forward because we have such dynamic cultural landscape here in New York my goal is to see those cultural institutions highly engaged with public housing developments. And in my previous capacity this was a program that I started called public exchange. As I was a director of Mocada Museum in Brooklyn where we would do monthly programming in what Whitman Ingersoll and Farragut every month and we've been doing that for the last

two months. But I would say what was instrumental about it is that the three developments prior to that were not working as collaboratively together and we're not utilizing the Ingersoll Community Center in such a central way. But because this type of artistic programming is happening they are certainly starting to utilize more of that as well. And they're starting to see each other as partners so that it's no, I'm not, I'm not going to say that's no longer but we're working towards Ingersoll can go to Farragut and Farragut can go to Whitman and we don't have to worry about at the same level many of the, the limitations in that way. So I'd certainly want to see more of that. And just want to add another one that I would love to see in New York City the most dynamic public art program happen in New York City happen in NYCHA's public housing. I think that that would be an incredible way to bring forward the diversity and to celebrate and extract a lot of the talent that exists within our NYCHA residents to be empowered with their community. And I just would add too that in Ingersoll we have the largest concentration of registered gardeners. And so we have one of the

largest gardening, out, outdoor gardening programs of all the NYCHA developments in the city of New York. I would also like to see green initiatives to enhance the developments into bringing individuals closer together.

SHOLA OLATOYE: Those all sound like wonderful initiatives. And we look forward to working with you to hear more.

COUNCIL MEMBER ROSENTHAL: Thank you.

SHOLA OLATOYE: Great, thank you.

CHAIRPERSON TORRES: We're almost done. I do have a few more questions.

SHOLA OLATOYE: Okay.

CHAIRPERSON TORRES: So obviously I'd, I'd hopped on the theme of disinvestment and in my estimation the, the state is the worst offender. So I'm curious to know the assembly and the state senators passed a budget resolution. In any of those resolutions was any funding set aside for New York City Housing Authority or...

SHOLA OLATOYE: So I was pleased to make my inaugural visit to Albany on Tuesday where I had the pleasure of, of sitting with the Chair on the Assembly side, Assemblyman Write and also make an

1
2 informal set of comments to his committee, and yes
3 there is a 25 million dollar appropriation in there
4 for NYCHA. And the other thing that, and again this
5 is a, sort of new for me. But I was really
6 encouraged by the response that we received from,
7 from Senator Young as well. Republican from the
8 upstate who both under, upstate who understands and
9 is committed to the issues of public housing and
10 wants to partner with us. So I, we are approaching
11 this as a new day and I expect to be working with
12 my, our statewide officials to hopefully realize
13 that 25 million dollars for NYCHA.

14 CHAIRPERSON TORRES: Because I agree. I
15 think one of your roles as chair is just to lobby
16 aggressively for support at the state level. A year
17 ago I remember state senator Jeff Cline telling me
18 that he, you know had never met the chair of the
19 New York City Housing Authority. And I feel that
20 it's important for the New York City Housing
21 Authority to be in communication with the
22 leadership of the assembly and the senate and
23 whatever the council can do to bolster your
24 lobbying efforts...

25 SHOLA OLATOYE: Mm-hmm.

CHAIRPERSON TORRES: ...please let us know. I want to end with this final question. You have a background, not in public housing but in housing finance.

SHOLA OLATOYE: Right.

CHAIRPERSON TORRES: And I'm curious to know I guess how are you going to bring your background to bear on your stewardship of the New York City Housing Authority? What, what distinctive value are you going to bring in your leadership? And, and that will be my final question.

SHOLA OLATOYE: [static] Well thank you again, and thank you to all the members to, for allowing us to be here today. Well the first thing I would say you know the mayor, when the mayor called me and asked me to take this assignment. The first thing I said is why me, I'm not a public housing person. And he said well expressly because of that, because you have experience in the private sector, in affordable housing finance, in bringing different people together to the table. And I think that is going to be a critical skill and an approach to solve as we've talked about today some major, major challenges. I think the other thing

1 that, and, and this is, these, these are things
2 that the team have been, have been working on. And
3 we look forward to coming back to you with more
4 detail is, is really taking full advantage of all
5 of the tools that are, that are at our disposal to
6 both leverage our, our, our resources for residents
7 today and in the future. And we'll be working with
8 our federal colleagues, our statewide colleagues
9 and certainly this body to do, to do more of that.
10 So being able to bring diversion forces around the
11 table and, and, and get solutions to complicated
12 challenges, connections to the private sector and
13 then particular the affordable housing finance
14 industry. But if I could say I'll also want NYCHA
15 to succeed and see the value that public housing
16 has to our city and want to be a player and
17 support, in support of that. So being able to bring
18 those people to the table to tackle some of these
19 big challenges working with you is, is, are just
20 some of the way, ways in which I hoped to add value
21 to what is truly a, a life's work. So thank you.

22 CHAIRPERSON TORRES: Thank you I know we
23 can, the council can be quite critical of the
24 authority but I know I speak on behalf of every
25

member of this committee that will want you to succeed and want to help you succeed and please let us know how. So thank you for your testimony.

SHOLA OLATOYE: Thank you so much. Thank you to each member of the... Thank you.

[pause]

[gavel]

CHAIRPERSON TORRES: We're going to resume testimony. Kolan am I... Okay. We have Nova Straccon [sp?] from Mothers on the Move. Okay. No, I'm sorry about that.

[pause]

CHAIRPERSON TORRES: Victor Back [sp?] from the Community Service Society.

[pause]

CHAIRPERSON TORRES: David McRagel [sp?]

[pause]

CHAIRPERSON TORRES: David you'll be invited to testify. Crystal Gloven [sp?], Crystal is not here, okay anyone... That's it. Those are the, those are the only ones here?

[pause]

CHAIRPERSON TORRES: Okay, Neville [phonetic] I'm ready when you are.

NOVA STRACCON: Good afternoon. Thank you for giving us the opportunity to testify this afternoon. My name is Nova and I'm the lead organizer, I'm the lead housing organizer of Mothers on the Move that is a community led organization in the South Bronx. I am also a lifelong public housing resident. So I thank you again for this opportunity. Mothers on the Move is, I'm sorry, Mothers on the Move is a community led organization which was founded in 1992 as a vehicle for low income, people of color that took strategic leadership and campaigns to transform ourselves in our community. Mothers on the Move, MOM, envisions a society where resources and benefits are equally shared and that people play a role in the community's decision making in proportion to the degree they are affected. We are fighting for South Bronx where future generations have clean air, well-resourced and community controlled schools, safe streets, green spaces, good jobs, and more control over the wealth that their label creates. I'm also presenting this testimony on behalf of the community development project at the urban justice center which formed in September 2001 to strengthen

1 the impact of grassroots organizations in the New
2 York City low income and other excluded communities
3 by winning legal cases, publishing community driven
4 research reports, assisting with the formation of
5 new organizations and providing typical,
6 transitional assistance and support of their work
7 towards social justice. CDP's work is informed by
8 the belief that real and lasting change in low
9 income urban neighborhoods is often rooted in the
10 empowerment of grassroots community institutions.
11 I'm here today to speak about two issues of great
12 importance to NYCHA residents. An, an accurate, an
13 accreted repairs, excuse me I'm a little nervous..
14 and infill or land lease programs first proposed by
15 the Bloomberg Administration. We are on the ground
16 meeting with NYCHA residents every day across the
17 boroughs and are thus uniquely situated to
18 comprehensively survey issues across developments.
19 And these two issues have been repeatedly brought
20 up by NYCHA tenants. Regarding the inadequate
21 [phonetic], inadequate repairs it comes as no
22 surprise that the failure of NYCHA to adjust
23 systematic building conditions is a common threat
24 across almost all public housing developments. We
25

1 have repeatedly seen NYCHA waste countless
2 resources, time, and labor doing an ineffective
3 quick fix to reoccurring conditions instead of
4 addressing them at the root cascading leaks from
5 top to, from top floor down to the bottom, mold,
6 sewage backups, rat infestations, elevator
7 malfunctions are all conditions that are never
8 addressed such that the problem does not come back.
9 Instead NYCHA residents are confronted with
10 circulatory system of wasteful spending of
11 taxpayers' money. This is a typical situation. A
12 tenant with black mold in her bathroom calls the CC
13 number an office that uses considerable taxpayer's
14 resources to do a job that local housing assistants
15 can do and gets a ticket for 18 months out. When
16 NYCHA finally arrives after the tenant has spent 18
17 months living with black mold they spend five
18 minutes expecting the conditions and then they
19 leave. It then takes weeks if not months for
20 someone to return to cover up the problem by wiping
21 off the mold and then a few weeks later someone
22 else will come and plaster over the ceiling. A few
23 weeks after that mold reappears because NYCHA did
24 not, did nothing to investigate the cause of the
25

1 mold and try to stop it at its source. I have seen
2 many of these cases where tenants is trapped in a
3 vicious cycle for years until litigations is
4 commenced and finally a judge compels NYCHA to
5 make, to address the problem as, at it, at its
6 roots. The defense of such litigations is also a
7 strain on NYCHA's resources. Surely in 2012 when
8 the city council committed 10 million to NYCHA to
9 hire workers to address the backlog of repairs this
10 is not a result council expected. Similarly in
11 smith houses here in lower Manhattan NYCHA knows
12 there is a problem with the gas system. They have
13 allocated funds to fix the gas but instead of
14 repairing the entire system they're turning off one
15 line to patch it up every month and then the next
16 month another line breaks. We strongly, we strongly
17 recommend that NYCHA create a retroactive repair
18 and replacement program that address the system
19 wide problems at their root. If tenants in the
20 building complain about mold NYCHA should not focus
21 on just painting over the problem but looking for a
22 systematic problem and propose, and propose a
23 resolution. NYCHA says that they have 18 billion
24 in, 18 billion a year in capital needs and only
25

1
2 three billion a year in income, in income. However
3 NYCHA spends billions of dollars focusing on short
4 term fixes, dealing with the underlying condition
5 that causes these repair problems will save
6 agencies money in the short and long term. My time,
7 is my time, are we being timed?

8 UNKNOWN FEMALE: You keep going sister.

9 NOVA STRACCON: Oh, okay. That's all I...
10 taking up too much time. Regarding the infill or
11 land lease program in the prior administration
12 NYCHA compels leasing what they describe as
13 underutilized land such as playgrounds, parks,
14 community gardens, and athlete grounds. To
15 developers of build luxury housing on NYCHA
16 campuses using the revenue to adjust the black, the
17 backlog and close the budget gaps. They called this
18 the land use program and went as far as soliciting
19 bids from developers before the new administration
20 took over. While we commend this common
21 administration for abandoning this flawed land
22 lease project. We understand that the ideal may be
23 renew, may be renewed by the coming administration.
24 We, we strongly oppose the renewed consideration of
25 this land lease program. As these community,

community and outdoor spaces are essential for the health and wellbeing of the inner-city public housing residents. And these residents should have a say in deciding whether or not they should be deprived of their open space. Furthermore any housing built on NYCHA's land should be affordable housing, not market rate or luxury housing. And the city should conduct proper environmental assessments before surrounding public land, surrendering public land to private developers. We understand that this position may not be fully addressed it... I'm sorry full and address the budget crisis but abandoning or changing the land lease program brings substantial benefits to the city including one preservation of much needed open room space, two more affordable housing which is one of the key priorities of the, the de Blasio administration, and three a process where NYCHA residents are... have the opportunity to give feedback and are able to share their ideas to close the budget gap rather than being told they must give up the gardens and the basketball courts. Adjusting these two issues the inadequacy of repairs and the adverse impact of the infill

1
2 program on NYCHA residents quality of life. Will
3 significantly improve the health and wellbeing of
4 NYCHA residents. And we urge the public housing
5 committee to make these things priority. Once again
6 I thank you again for this opportunity.

7 UNKNOWN FEMALE: Thank you so very much
8 for your testimony today. I will turn it back to
9 the chair who has returned and he will proceed with
10 the remainder of the testimonies.

11 NOVA STRACCON: Thank you.

12 CHAIRPERSON TORRES: Well I, I thank you
13 for your, your testimony. Obviously you can, you
14 know this committee's going to be aggressive in, in
15 holding the New York City Housing Authority
16 accountable and ensuring the best possible use. But
17 I, do you feel that there's... I mean I mentioned
18 earlier that the state contributes nothing...

19 NOVA STRACCON: Mm-hmm.

20 CHAIRPERSON TORRES: ...toward public
21 housing. You know housing, the housing authority
22 houses five percent of the city. So I feel like
23 even though we show directing or half the New York
24 City Housing authority when warranted we should
25

1
2 direct just as much if not more anger at our state
3 legislators.

4 NOVA STRACCON: Yes.

5 CHAIRPERSON TORRES: I mean how do you
6 feel about that? Do you agree?

7 NOVA STRACCON: I, I agree with you. I
8 definitely agree.

9 CHAIRPERSON TORRES: Okay.

10 NOVA STRACCON: Because we don't want to
11 look at NYCHA as this big monster because NYCHA is
12 the last affordable housing left in the city
13 anywhere you know. And we, and, and we feel it's
14 detrimental that we preserve and maintain and
15 protect it now while we have the opportunity. So we
16 definitely should go to whoever we need to go to to
17 make sure that they begin to fund and feel the
18 importance of making sure that public housing is,
19 is preserved for years to come and generations to
20 come.

21 CHAIRPERSON TORRES: Oh. Council Member
22 Cumbo.

23 COUNCIL MEMBER CUMBO: Thank you. And
24 it's Miss...

25 NOVA STRACCON: Straccon.

COUNCIL MEMBER CUMBO: Straccon?

NOVA STRACCON: Yes.

COUNCIL MEMBER CUMBO: I want to thank you so much for your testimony. I want to thank you for the passion in which you delivered the information. It was definitely an eye opening testimony for me.

NOVA STRACCON: Thank you.

COUNCIL MEMBER CUMBO: What I want to ask you is, because you were present for the majority of the commissioner's testimony, is that correct in line of questioning?

NOVA STRACCON: Yes I've, I've heard. I came in and I've heard some of the things I was going against.

COUNCIL MEMBER CUMBO: What would you say from that in terms of while you were listening to the questions and the feedback, what was going on in your mind where you were saying like... Oh, I know they didn't just say that, that never happened, or we're not...

NOVA STRACCON: Yeah.

COUNCIL MEMBER CUMBO: ...getting that kind of information... [crosstalk] or I never seen

1
2 them do this kind of thing... Like what was happening
3 that was, during the line of questioning that was
4 making you feel... Because for us it's very important
5 to know because there's one thing what, what the
6 agencies are saying...

7 NOVA STRACCON: Mm-hmm.

8 COUNCIL MEMBER CUMBO: ...and it's a whole
9 'nother thing in terms of what the tenants are
10 experiencing and then for us as well, for having on
11 the ground understanding of our own developments...

12 NOVA STRACCON: Mm-hmm.

13 COUNCIL MEMBER CUMBO: I'm seeing
14 something very different also.

15 NOVA STRACCON: Yes. Definitely one of
16 the things that you spoke about where we have
17 access to computers and being able to see some of
18 the, the breaking down of where either way this
19 money is allocated or being able to, to have access
20 to the information if we don't get it from the TA
21 presidents or if we're not getting it from flyers.
22 And they're saying that we have access to
23 computers, a lot, a lot of folks don't have access
24 to computers. If, and you know and always going, I
25 mean going to public library is not always an

option. And you, still, it's still a process right.

So you know obviously they put the newspapers in our doors, they send us things in the mail. But then for a lot of folks you have to understand that we, a lot of people are computer illiterate and we need, like we need the community centers to stay open so that we can have the access to these programs. That's basic, that'd be a, a great opportunity of something to use that for. Don't close them down. That right there in itself is a reason why they keep them open because then residents could have access to come downstairs, use those computers, be well informed on what's going on through NYCHA. If you know going to that website, that should be the website that's there first and then you navigate somewhere else. But you know if they gonna [phonetic] throw that out there and say that yeah, we put that information up there, residents are you know open to it, they need to have concrete fact that we have access to these, to the computers or whatever devices we need to get that information. And then when I seen that they said the deficit was down from a hundred and... I don't know the pacifics [phonetic] but I did see,

1
2 it said, it was from this 80 million, that's a
3 drastic, that's like the, the, the, the least that
4 I have seen it come down in such a long time, the
5 deficit being that low, that was like the lowest
6 that I've ever seen the NYCHA deficit be. And I
7 give them some, they, they must be doing something
8 you know. I, I've heard that they've redirected the
9 monies that they're spending on NYPD services which
10 taxpayer money is paying for, for them to patrol
11 out developments, then it would be in double... You
12 know so I heard that they, they redirected that
13 money which is great. So that was just some of the
14 things that kind of triggered me when he was
15 talking about the access to things because we don't
16 always have the access that they think we have.

17 COUNCIL MEMBER CUMBO: Mm-hmm. I know
18 you spoke in your testimony about mold removal.

19 NOVA STRACCON: Oh yeah.

20 COUNCIL MEMBER CUMBO: What were you
21 feeling in terms of what you heard today, if you
22 were present for that part and what the reality of
23 your experience has been?

24 NOVA STRACCON: Well my experience is,
25 is that it's patch patch work, like we'll go in... I,

1
2 because I do, I do a lot of door knocking. So we're
3 going to some developments... problem is and the
4 ceilings will be covered in black, I mean black,
5 you know from the mold. And they, you know they
6 either just waiting for them to come in but the
7 most that they would do is probably wipe it down
8 with some bleach or do some patch, patch work. It's
9 nothing really going to the root of the cause, like
10 opening up the ceiling and seeing where's this
11 moistness coming... it's obviously a leak coming from
12 the ceiling, from the roof, or in someone's toilet
13 or whatever. It's, it's the pipings. So these are
14 obvious things that you know.

15 COUNCIL MEMBER CUMBO: Mm-hmm.

16 NOVA STRACCON: It's, it's cutting,
17 almost cutting corners but if they don't have the
18 money and back to what Council Torres say we have
19 to go to those entities to get that money so that
20 they can make these needed repairs. We can't keep
21 on pointing at this pointer finger point here let's
22 finally make a solution you know, find a solution
23 to it.

24 COUNCIL MEMBER CUMBO: Thank you.

25 NOVA STRACCON: Welcome.

CHAIRPERSON TORRES: You're from Mothers
on the Move?

NOVA STRACCON: Yes.

CHAIRPERSON TORRES: And you rep, now
you live where?

NOVA STRACCON: I live in Claremont
Consolidated Houses.

CHAIRPERSON TORRES: Okay Mothers on the
Move represents how many public housing residents
in...

NOVA STRACCON: Many. We have, we have,
Step it units [sic], we have Mount Haven Houses
that we've worked on, we have Forest Houses that we
worked... and it's, it's, it's hundreds of residents
that we've worked with. And, and, and, and along
with the Urban, along with the Urban Justice Center
have brought cases against NYCHA in also private
housing, private landlords to, to make these needed
repairs in folks homes. So that's the work that I
do particularly.

CHAIRPERSON TORRES: And would you be
willing to tell your members to call your state
legislatures and...[crosstalk]

NOVA STRACCON: Yes we, we'll go together... We go together... [crosstalk]

CHAIRPERSON TORRES: ...why public housing residents are invisible to the, to Albany.

NOVA STRACCON: We've, we've taken [phonetic] trips up there...

CHAIRPERSON TORRES: I don't mean to start trouble but...

NOVA STRACCON: No, no it's fine. These are the, these are the questions that... [laughter]
We do, our, our council folks that we really work with is Arroyo, Maria del Carmen Arroyo, she does a lot of work with us around those issues. And also greening, New York City public housing creating green jobs through our recycle initiative where one of the residents actually who came up with an idea to create a green job by just picking up recyclables from door to door, the residents doing this, this is, this is something created by residents for residents. Now where does it go, oh it's liability, it's, it's an issue. You know we, we work with the residents and we try to, we empower them to create these ideas. But then if we, if there's hurdles in the way of us making reality...

1
2 you know. I don't know if that answered your
3 question but... [laughter]

4 CHAIRPERSON TORRES: The general manager
5 testified earlier that there was a, I forget the
6 phrase he used, a soft rollout of an online
7 tracking system so... you know you have a complaint,
8 you go through 311, you track it...

9 NOVA STRACCON: Yeah.

10 CHAIRPERSON TORRES: NYCHA has no
11 similar system but I think he seems to suggest that
12 there is such a system... [crosstalk] I, I've never
13 seen it, have you seen it?

14 NOVA STRACCON: No.

15 CHAIRPERSON TORRES: Do your members
16 know about it?

17 NOVA STRACCON: No.

18 CHAIRPERSON TORRES: So the system that
19 apparently exists...

20 NOVA STRACCON: Doesn't really exist at
21 all.

22 CHAIRPERSON TORRES: It is unknown to
23 most public... okay. So I just want to...

24 NOVA STRACCON: Yes.
25

CHAIRPERSON TORRES: And then as far as the, you know NYCHA claims that there's been a quadruple reduction in the backlog of repairs.

NOVA STRACCON: Mm-hmm.

CHAIRPERSON TORRES: So that's what the numbers are showing. Do you feel the effects of the reduction, are your members feeling the effects of the reduction or...

NOVA STRACCON: Well I'd, I'd have to say that recently a lot, when we do go into the developments there's a lot of work going on...

CHAIRPERSON TORRES: Okay.

NOVA STRACCON: ...they're in the apartments painting, they're in their apartments doing like patching up the holes and different things like that. So we see, because a lot of time when you put, when you bring media, because the last thing NYCHA like is media, dragging them through the media... [crosstalk]

CHAIRPERSON TORRES: ...don't like city council hearings either so...

NOVA STRACCON: In my development we had to bring a whole bunch of channels out there. We have rats in our walls, they was fighting in the

1 walls, and this is my development. So... just love to
2 go home from work and go to work and come home but
3 then I had to bring my work home because we were
4 being affected in my community. Because I, I live
5 away from Mothers on the Move but we were still
6 being infected. Then I had noticed that when state,
7 once management... or whatever, whoever gets a ear
8 that there are people organizing in these building,
9 and the residents are starting to stand, like
10 complain and stand up then you start seeing them.
11 Oh, you have holes, oh you need this or you need
12 that. So we, whatever fire we have to put under
13 somebody's behind we're willing to do it to make,
14 to get things done. Because that's a lot of times
15 what you have to do.

17 CHAIRPERSON TORRES: So you've seen
18 improvements on the ground?

19 NOVA STRACCON: I've seen some but
20 that's because...

21 CHAIRPERSON TORRES: So like the
22 plastering and the painting are being done at a
23 much... [crosstalk] time?

24

25

NOVA STRACCON: ...in the, in this... I mean this could have been a ticket that's was put in a year ago. So who we'll never know...

CHAIRPERSON TORRES: Okay.

NOVA STRACCON: But you know I do see sporadic... were going on at different developments yes.

CHAIRPERSON TORRES: Well I thank you for your testimony so...

NOVA STRACCON: Absolutely, your welcome.

CHAIRPERSON TORRES: I want to hand the, I'm going to give Victor Back a chance to offer testimony. I should note that he broadly regarded as the primitive expert on public housing in the city so I'm...

VICTOR BACK: Thank you very much. I'm not sure I deserve the title. I'm, I'm Vick Back with the Community Service Society. And by the way please count us in on the trip to Albany. Over the past decade we've all witnessed the decline of NYCHA from the nation's largest high performing housing authority into critical condition marked by chronic operating deficits and accelerating

deterioration of the kind Ms. Straccon has been pointing out so well. At present we'll... preparing a report trying to identify and assess factors that marked and contributed to NYCHA's decline over that last decade. In order to understand how it happened, how it might be turned around, how it might be prevented in the future. One of the consistent themes that comes through is whether the financial information available to city council and other decision leaders was sufficient to comprehend the growing crisis in time to respond effectively. For instance between 2001 and 2005 the NYCHA public housing fund had an average operating deficit of 83 million dollars annually and was gradually depleting its operating reserve according to a retrospective 2006 report by the Independent Budget Office. The deficit and the sapping of the authority's operating reserves was in a sense soft pedaled until 2006 when NYCHA went public announcing an operating deficit of 168 million and a plan to address it. Had the fact been fully known the data made available earlier it would have put into perspective Mayor Bloomberg's decision in 2003 to terminate the city's longstanding operating

1 subsidies to six city finance NYCHA developments
2 which are not eligible for federal operating
3 subsidies. The mayor's decision added in another 26
4 million dollars annually to NYCHA's operating
5 shortfall. Better information might also have
6 affected the standing of the arrangement under
7 which NYCHA was required to pay the city about 100
8 million dollars annually including the 75 million
9 dollar NYPD payment which drained NYCHA's limited
10 and inadequate federal operating subsidies. Thanks
11 to Mayor de Blasio's recent initiative in his
12 preliminary budget NYCHA will be relieved of this
13 year's NYPD burden which should lessen the
14 operating deficit reported today. In general we
15 think that based on the experience more transparent
16 data on NYCHA's financial and physical condition
17 open to public scrutiny by residents and others are
18 needed if city council and other leaders are to
19 consider the actions necessary to address them.
20 Certainly the council deserves more than a briefing
21 the afternoon before the budget hearing of charts
22 that many of us have not seen in advance. NYCHA no
23 doubt does its best and I'm sure that Chair Olatoye
24 will do her best to present and package its budget
25

from year to year. But the experience of the past decade suggests that an independent assessment is needed to point to critical crans [phonetic] and needs free of political or institutional constraints like the 100 million payments, NYCHA payments to the city at least while the authority faces a chronic structural deficit. For that reason we urge chair Ritchie Torres and the Council Committee on Public Housing to call for an annual, independent ordered analysis of NYCHA finances prior to each year's council budget hearings to the extent possible current data on management and physical conditions should be included. Such an order would include for example an analysis of the prior year NYCHA budget, projections versus actuals as a check on performance over the past year. It would include updates on key crans such as changing operating costs and the factors driving the changes, depletion of the operating reserve, sources of major shortfalls, and the like. Work force head count, crans are important and shifts in allocation of personnel are critical. And it's critical that we have an advanced understanding of their implications from NYCHA's capacity to provide

decent housing as it has for so long in the past to low income New Yorkers. Thank you.

CHAIRPERSON TORRES: Mr. Back I, I thank you for your testimony. You, you rightly noted that in, in 2003 the city made a decision to no longer fund the maintenance of the city developments. And I imagine if, if a private landlord one day decided you know I'm no longer going to pay for the maintenance of my building there would likely be outrage. That landlord could be subject to civil and even criminal penalties depending on...

VICTOR BACK: Right.

CHAIRPERSON BACK: ...the consequences...

VICTOR BACK: ...when the major inspection found...[crosstalk]

CHAIRPERSON TORRES: But, but when the government does it there's no outrage. There's no, that, that the government casually decides one day to stop funding tens of thousands of units as if people are not living there. Why is that? I mean I, I could never wrap my head around that.

VICTOR BACK: Well I think the general rational at least in Mayor Bloomberg's decision was that the city was going through a fiscal crisis and

1
2 had to cut where it could Governor Pataki during a
3 period of unrivaled state surpluses in 1998 decided
4 to do the same thing. That is withdrawal state
5 operating subsidies to the twice as large state
6 developments in the city. And NYCHA did take the
7 state to court on that decision and lost, and it
8 lost again on appeal. So it seems that the city and
9 the state have a kind of budget authority that is
10 very difficult to challenge when in fact they do
11 withdrawal from their rightful obligations to
12 support what they've put in place.

13 CHAIRPERSON TORRES: Now those
14 developments, those 21 developments well, are
15 creatures of the city and state government so I'm
16 wondering how, how is, how is, how were they able
17 to win the court case, how were they able to
18 disclaim any financial responsibility for those
19 developments?

20 VICTOR BACK: Well it boggles my mind. I
21 really don't know the answer to that except that
22 the courts in the state case said state could do
23 it. And there were no consequences...

24 CHAIRPERSON TORRES: Was there any
25 reasoning, any legal reasoning or...

VICTOR BACK: I'm not sure what the basis for the decision is but we could look into that. But apparently budget authority overrides actual responsibility or need.

CHAIRPERSON TORRES: You know one assumes you know the, NYCHA as an authority is a creature of the state and one would think that if you create an institution you have some degree of responsibility for funding it you know. In human terms we call those deadbeat parents. You know if you create a child and then assume no financial responsibility for that child you're neglecting that child, you're abusing child in some sense.

VICTOR BACK: Exactly. And the, by the way the combined shortfall for the city and state unit was 86 million dollars a year, a huge chunk of NYCHA's deficit. So I think those, you know those, those facts have to be brought into baring and in these budget hearings when we're considering what's happening at the state level and at the city level in the surrounding budget.

CHAIRPERSON TORRES: I wonder if, that you're calling for an independent audit analysis. And I know, I believe Council Member Rosenthal was

1
2 actually asking whether there, I believe she had
3 asked whether there was analysis done of NYCHA's
4 finances and if I remember the exchange correctly I
5 believe the chair said yes, she said that IBO, OMB
6 does review NYCHA finances. And this is news to me.
7 Is that consistent with your understanding or...

8 VICTOR BACK: Well I'm unclear. I
9 believe NYCHA does get audited.

10 CHAIRPERSON TORRES: Okay.

11 VICTOR BACK: I'm not sure how
12 frequently they... it's probably federal ordered, HUD
13 ordered of NYCHA funds but I'm not quite sure what
14 they take into account and the state since the
15 authority is a creature of the state there are
16 periodic state audits. Right now Controller
17 Stringer is planning to do a thorough audit of
18 NYCHA and that will take quite a lot of time. But
19 that's a, a sort of one shot deal. It's not done
20 annually in time to really be part of your
21 deliberations on the NYCHA budget.

22 CHAIRPERSON TORRES: So as far as you
23 know there is no independent annual audit or review
24 of the New York City Housing Authority?
25

VICTOR BACK: ...no independent audit of, of NYCHA that is publically accessible.

CHAIRPERSON TORRES: And so it's fair to say that the housing authority is uniquely unaccountable to city government and there, there's probably a greater err of secrecy or mystery around the finances and operations of the New York City Housing Authority than there is about other city governments by the... agencies.

VICTOR BACK: Yeah I, I don't know if it's just secrecy. There are a number of things that happen. One, NYCHA does prepare the budget briefing for your deliberation at these hearings. And so it is able to decide what the narrative should look like, what the packaging should look like. And it's only natural, I'm, I'm by the way a fan of NYCHA so I'm not attacking it but it's only natural for them to put forward a briefing that shows them in the best possible light. Over time what I've seen is a kind of complicity. That is not an intended, an intention to keep things secret but a complicity about exposing for instance the NYCHA police payments. Every time I've spoken individually to NYCHA, a NYCHA chair or NYCHA

1
2 leaders they've told me they'd be delighted if they
3 could be relieved of the payments to the city. On
4 the other hand I have not seen a NYCHA chair so far
5 that has come forward and challenged the city for
6 taking 100 million dollars a year out of operating
7 funds that are so badly needed.

8 CHAIRPERSON TORRES: Well you noticed my
9 exchange with the Chairperson...

10 VICTOR BACK: I did. I...

11 CHAIRPERSON TORRES: ...that... Well is the
12 New York City Housing Authority prepared to call
13 for permanent relief from all payments... And maybe
14 I'm mischaracterizing but I do feel the chair did
15 dodge my questions.

16 VICTOR BACK: Right, and when I say
17 complicity again I don't mean anything sinister
18 it's just that the chair and the rest of the NYCHA
19 board is appointed by the mayor. The Chair serves
20 at the pleasure of the mayor. And I think that,
21 that, that relationship is a barrier to open
22 scrutiny of what NYCHA and the, how NYCHA and the
23 city are dealing with arrangements that might have
24 disastrous consequences for its housing and its
25 residents.

1
2 CHAIRPERSON TORRES: So in some sense
3 you're arguing that I'm not in a position as a
4 chair of the public housing committee I'm not in a
5 position to effectively hold the housing authority
6 accountable because I'm not basing my questions on
7 an independent audit I'm basing it on the cherry
8 picked information that the housing authority is
9 presenting to me, that it's something of an honor
10 system. I'm taking on trust that all the pieces of
11 the information the housing authority has given me
12 is truthful and accurate and that's, that's
13 something wrong with that system.

14 VICTOR BACK: Correct. And you're
15 getting it very shortly before you're holding your
16 hearing.

17 CHAIRPERSON TORRES: Alright, just one
18 final question.

19 VICTOR BACK: I, I just want to add to
20 that that an independent audit would pick up
21 indicators that are critical that NYCHA might not
22 include in their presentation. Such as the amounts
23 in the operating reserve. How close are they to the
24 HUD required minimum. NYCHA has to cover these
25 deficits from year to year one way or another. And

1
2 that means moving funds around and taking funds
3 possibly out of their needed reserve. So an
4 independent audit would pick up indicators that
5 perhaps NYCHA and the rest of us haven't thought
6 about before.

7 CHAIRPERSON TORRES: And what is the
8 appropriate mechanism or agency for, for conducting
9 the independent audit. Is this IBO or...

10 VICTOR BACK: I'm not sure but I,
11 certainly from what I've been reading the IBO
12 reports which are unfortunately done too
13 infrequently. The one I quoted here is a
14 retrospective report on the first five years after
15 2001. But from what I've seen IBM has done an, IBO
16 has done an excellent job of analyzing NYCHA's
17 financial situation from year to year. So I would
18 certainly think they would be, they should be
19 considered a primary candidate for doing the
20 independent audit.

21 CHAIRPERSON TORRES: So the, so the
22 essence of your testimony is that it's not enough
23 to do a onetime audit, it's not enough for DOI or,
24 or, or, or the controller to every so often the
25 housing authority, there has to be an ongoing

1
2 annual review by either OMB or IBO or both. Is
3 that...

4 VICTOR BACK: Yes.

5 CHAIRPERSON TORRES: ...is that what
6 you're going...

7 VICTOR BACK: ...should be prepared
8 annually in advance of your budget hearings.

9 CHAIRPERSON TORRES: Right.

10 VICTOR BACK: So that you have an
11 opportunity to look at that analytic framework and
12 use it in your discussions with NYCHA. I want, just
13 one final question, your thoughts on the tradeoff
14 around infill development, the balance, or the
15 concept between NYCHA's interest in generating as
16 much revenue for the authority as possible and they
17 say in the mayor's interest in generating as much
18 affordable housing as, as possible, at the lowest
19 possible cost. That, that can come into tension and
20 I'm wondering what are your thoughts on the
21 tradeoff there?

22 VICTOR BACK: And we were very active in
23 addressing the issues we saw in infill. And I
24 thought a lot about it. But I think the tradeoff
25 has to be a balance that's weighed by the

community. There are communities that can stand to benefit from development, affordable housing development, retail services are a major need in many NYCHA developments which are zoned against retail services. That, what NYCHA needs to do is come to an agreement with each community in which it wants to do infill about the future plan for that community and what, and... I think in that process, in that engagement they can weigh where the tradeoffs are made and what, and, and how that works. I also think very firmly that NYCHA should agree to comply with ULURP. The infill plans were pretty much put together without any community input at all from the start. In deed the eight developments that were targeted for infill didn't know about it until the news were leak, leaked, leaked their names. So that, there was a lot going on, the community had not been engaged. The community boards were not aware of it. I visited each of the community boards. And I think, I think NYCHA should agree to use New York Standard for community engagement and at the least agree to comply with ULURP.

CHAIRPERSON TORRES: Right, because as you well know the local council members and local community groups have been able to use the ULURP process as, as leverage to force a developer to enter into an agreement with the community...

VICTOR BACK: Exactly.

CHAIRPERSON TORRES: And so you envision a similar process playing out with respect to infill?

VICTOR BACK: Yes.

CHAIRPERSON TORRES: That the ULURP process can be leveraged for the New York City Housing Authority to, to enter into some kind of community benefits agreement of some kind of understanding with the residents of the development.

VICTOR BACK: Right, a thorough review of whatever's being planned. Yes.

CHAIRPERSON TORRES: Okay, okay. I, I thank you for your testimony.

VICTOR BACK: Thank you very much. I'm not going to stay to hear this gentleman, I've got another meeting I got to get to.

CHAIRPERSON TORRES: Fair enough. I didn't realize people had lives outside public housing committee hearing that's... So thank you for your forbearance so...

DAVID MCRAHEL: Thank you. I actually didn't come prepared to speak, more to introduce myself because I plan to be here many more meetings. I'm David McRagel. I'm the president of Local 211 Allied Building Inspectors which includes Department of Buildings, Housing Preservation and Development and NYCHA. So again I'm here to see what's happening. And it's the first time I come to the meetings. I've only been president for a little over a year now. And sitting here and listening to all the members speak I got to tell you they, they mention a lot of things that pertain to our union, to our inspectors. There's a full spectrum of things that just, we do everything. I mean... talking about structural work, talking about the inspections, training, apprenticeship. These are all things that we're concerned with and working towards getting more working with people that have to do this because we're in the process of actually right now doing some training ourselves or

1
2 converting our office to a training facility for
3 inspectors. I approached, and we're going to be
4 approaching the agencies for apprentice programs.
5 I, myself as an apprentice, I'm the last apprentice
6 in the Department of Buildings in 30 years. And
7 again I just came to introduce myself and I hope to
8 come to many more meetings. I'm going to be here
9 Monday. I have to go to training in Washington DC
10 so I'll probably leave around 1:00 but I want to be
11 a regular here.

12 CHAIRPERSON TORRES: No, I appreciate
13 that. Did you mention that your union represents
14 HPD code inspectors? Is that... [crosstalk]

15 DAVID MCRAGEL: That's correct.

16 CHAIRPERSON TORRES: Okay, because I
17 was, I was asking... the mayor granted the New York
18 City Housing Authority about 52 million dollars in
19 a onetime relief and NYCHA said that it would use
20 the majority of the funds for repairs but then
21 would use a fraction of those funds for an
22 inspection unit. And in, what I said is you know we
23 have an inspection unit. It's called Code
24 Enforcement in HPD and why not use the Code
25 Enforcement Capacity of HPD to hold NYCHA

1
2 accountable for making, verifying repairs. I mean
3 what, what are your thoughts though because you
4 know, because I feel like why then create a whole
5 new unit, why not tap into the decades of
6 experience and institutional memory that we have at
7 HPD, with HPD inspectors... I mean what are your
8 thoughts on that proposal.

9 DAVID MCRAGEL: Well the problem is we
10 can't keep the inspectors. You don't pay them
11 enough, they leave, they're not getting enough
12 training. Buildings does get a lot of training. We
13 should actually have interagency training. You know
14 we've, I, myself went down to Katrina, Department
15 of Buildings sent me down there along with HPD.
16 Okay, two agencies working together but that being
17 said I just had a conversation with one of our
18 supervisors from HPD and I offered to give an OSHA
19 class because I'm an instructor and he said he
20 would love it because they don't have any OSHA
21 instructions. Buildings gives plenty of training. I
22 mean they have training that you can't believe. But
23 you know what, HPD doesn't. I would love to look
24 for a way to train both of them. They're not
25 getting enough money. Buildings again has a lot of

1 money. They have uniforms, they have lots of
2 uniforms. HPD doesn't. they're wearing a
3 substandard uniform, they run out of uniforms, they
4 have to wait for uniforms. They actually laugh when
5 I tell them about Buildings. I mean buildings just
6 gives too much. But the money is not in, evenly
7 distributed. They don't allow the funding for the
8 inspectors that they should. It's a problem and
9 it's a very important agency, all three of them
10 are. So there needs to be a little bit more
11 combining of training and paying them enough to
12 keep them. Buildings is a revolving door. You can't
13 keep the inspectors. They just, you know they train
14 them and they, they leave. They, they give you a
15 certain amount of money but that's it. There is no
16 latter there is no step plan. You never get to top
17 the grade. I'm there 30 years and I'm, I'll never
18 reach top the grade, nobody does. So the inspectors
19 after a while they leave, they get discouraged,
20 they get, get disgusted, their moral is down... It's,
21 it's a problem. So that's why I'm here and I'm
22 going to be here a lot.

23
24 CHAIRPERSON TORRES: But you said you
25 represent inspectors from HPD, DOB, and you said

1
2 NYCHA as well. Are those the Section 8 inspectors
3 or...

4 DAVID MCRAGEL: Literally, literally I
5 only have a handful of NYCHA. Five inspectors I
6 think.

7 CHAIRPERSON TORRES: From which, from
8 which, from which unit of NYCHA.

9 DAVID MCRAGEL: You know I, I don't know
10 the exact unit...

11 CHAIRPERSON TORRES: Okay.

12 DAVID MCRAGEL: I, I...

13 CHAIRPERSON TORRES: I suspect it's
14 Section 8 inspections but I could...

15 DAVID MCRAGEL: Could very well be. I
16 didn't come planning to speak...

17 CHAIRPERSON TORRES: Yeah.

18 DAVID MCRAGEL: So I don't have any
19 figures for you.

20 CHAIRPERSON TORRES: Okay.

21 DAVID MCRAGEL: I do know I have five
22 inspectors. And you know what I just got reelected
23 by five votes so maybe I owe them a lot you know,
24 so I'm here. [crosstalk] ...represent them and I'm
25 here to fight for them. And I want all three

1 agencies to work together and I got to tell you I,
2 I approached buildings, I told them we had their
3 civil service test coming up, plumbing, April 22nd
4 I believe. And again we're converting our office to
5 be a training facility. I had 18 inspectors come up
6 two Saturdays ago on their own time. They're trying
7 to get some training. Buildings told me that they
8 couldn't provide our trainer because most of the
9 people they would ax actually did the test
10 preparation themselves for DCAS but I told them
11 like everyone and they agreed and they're looking
12 to give me a, a chief of somebody to come down to
13 our office and train the inspectors for the test.
14 So we are working together and I think we need to
15 combine other agencies with that because... You know
16 what they sent us down to Katrina, they sent us
17 upstate, and buildings is preparing I think for a
18 national event, maybe a mini global event. They
19 teach FEMA, they have OSHA, we have go bags, we're
20 ready to go anywhere they send us. And you might
21 need a lot of inspectors one day and they might
22 combine a lot of different agencies. So I think
23 they need the training. At the very least there
24 should be a core. Everyone should be getting a
25

1
2 basic OSHA training course or two at the very
3 least.

4 CHAIRPERSON TORRES: With a concept of
5 interagency partnership and training is something
6 that would interest me. So I will certainly speak
7 to my, the chair of the Housing and Buildings
8 Committee and, about exploring the concept in, in
9 greater depth. I, I appreciate your testimony and
10 look forward to hearing from you in the future so...

11 DAVID MCRAGEL: I plan to and I, I just
12 so had a meeting not to long ago with Mr. Jumaane
13 Williams where I can get coalition and I think he's
14 going to be very interested and the coalition
15 itself is very interested in hearing that. Again
16 I'm the last apprentice in 30 years. If you go down
17 and apply for an inspectors job at HPD or buildings
18 it says you know five years construction or went to
19 schooling or apprentice program. [laughter] There's
20 no apprentice program. I'm the last guy in 30 years
21 so... and the safety net HPD there hasn't been one in
22 very, very many years. So there's a lot to be done.

23 CHAIRPERSON TORRES: Well thank you so
24 much. I appreciate it. Take care. Yeah, so we
25 received testimony... [coughs] I'm sorry, we received

1
2 testimony for the record from Gregory Brendor [sp?]
3 our policy analyst, United Neighborhood Houses, as
4 well as testimony from Ellen Markin [sp?] from the
5 Community Development Project at the Urban Justice
6 Center of Research and Policy Coordinator. I would
7 like to submit that for the record. I would like to
8 submit for the record testimony by the Legal Aid
9 Society. Judith Goldner [sp?] and Robert Deere
10 [sp?] of the Legal Aid Society. With all those
11 submissions I would like to adjourn this hearing.

12 [gavel]

13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date April 22, 2014