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COMMITTEE ON PUBLIC HOUSING jointly with
SUBCOMMITTEE ON CAPITAL BUDGET

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON PUBLIC HOUSING jointly
with SUBCOMMITTEE ON CAPITAL BUDGET

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November 15, 2018
Start: 10:20 a.m.
End: 1:00 p.m.

HELD AT: Council Chambers - City Hall

B E F O R E: Alicka Ampry-Samuel
Chairperson

COUNCIL MEMBERS:

- Diana Ayala
- Laurie A. Cumbo
- Ruben Diaz, Sr.
- Mark Gjonaj
- Carlos Menchaca
- Donovan J. Richards
- Rafael Salamanca, Jr.
- Ritchie J. Torres
- Mark Treyger
- James G. Van Bramer

A P P E A R A N C E S

Margareth Massac
Community Voices Heard

Katelyn Hose

Deborah Goddard
NYCHA

James Scanlon
Vice President for Capital Repairs NYCHA

Leah James
North West Bronx Community Coalition

J.T. Falcone
United Neighborhood Houses

Lisa Caswell
Day Care Council of New York

Karen Blondel
Fifth Avenue Committee Turning the Tide
Environmental Justice Group

Sean Campion
Citizens Budget Commission

Michael Higgins
Community Organizer for FUREE

COMMITTEE ON PUBLIC HOUSING jointly with
SUBCOMMITTEE ON CAPITAL BUDGET

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5 CHAIRPERSON AMPRY-SAMUEL: [GAVEL] The hearing
6 is coming to order. Good morning and thank you for
7 coming to today's hearing on NYCHA's Physical Needs
8 Assessment and capital repairs. I am Council Member
9 Alicka Ampry-Samuel and I Chair the Committee on
10 Public Housing and I am joined this morning by the
11 Co-Chair of today's hearing Council Member Venessa
12 Gibson, who Chairs the Capital Budget Committee and
13 we are also joined by Minority Leader Council Member
14 Matteo, Council Member Grodenchick, and Council
15 Member Menchaca.

16 Due to chronic divestment coupled with
17 mismanagement and organizational failures, NYCHA is
18 in a desperate financial situation. This is neither
19 new nor surprising but the Physical Needs Assessment
20 which lists the cost to replace major property
21 components at NYCHA is a surprise.

22 In my district alone, Van Dyke 1 is in need of
23 \$341 million for capital repairs and that is just one
24 development. According to the most recent Physical
25 Needs Assessment or PNA NYCHA needs some \$32 billion
dollars over the next five years. This is double the

1 amount that NYCHA said it needed after its last PNA
2 in 2011 and nearly five time as much as was needed in
3 2006. The jump from \$7 billion to \$32 billion is
4 staggering and we need to have a real conversation
5 about how NYCHA plans to address its deficit and make
6 the necessary capital repairs especially in the
7 climate of mistrust and lingering law suits. One
8 strategy to generate funds for much needed repairs is
9 development and the Public Housing Committees hearing
10 Development last month, NYCHA alluded to a plan in
11 progress known as NextGen 2.0 and indicated that we
12 would receive a copy of the plan soon.
13

14 We have not received a copy but its our
15 understanding that the press has it. It's a bit
16 disconcerting that NYCHA would deny the Committee the
17 opportunity to have an in-depth review of the
18 development plan along with the administration. But
19 it is my sincere hope that the plan contains or will
20 contain input and feedback from stakeholders who can
21 actually provide solutions and I look forward to
22 giving it the intensive review that it deserves.

23 I further expect NYCHA to tell us today how its
24 new development plans will finance capital repairs at
25 NYCHA and how the buildings are being prioritized.

1
2 I recognize that funding is hard to come by and
3 just yesterday, the federal district court rejected
4 the consent decree with NYCHA. That decree would
5 have provided millions of dollars of critically
6 needed resources which are now on hold.

7 I would like to hear from NYCHA about what
8 happens to the capital funding and whats next, but
9 first as always, I just want to recognize and say
10 thank you to our Council staff who has put in a lot
11 of time and effort and energy. I want to thank
12 Madiba Dennie, the Legislative Counsel, as well as
13 Jose Conde, our Legislative Senior Policy Analyst,
14 along with all of the other Counsel staff.

15 And next, we'll hear from the CO-Chair of
16 today's hearing.

17 CO-CHAIR VENESSA GIBSON: Thank you so much
18 Chair and good morning to each and every one of you.
19 Welcome to the City Council to our Chambers. Really
20 an honor and privilege to be here with my colleague,
21 our Chair of the Committee on Public Housing, Council
22 Member Alicka Ampry-Samuel and we are delighted to
23 provide today's joint hearing today on NYCHA's 2017
24 Physical Needs Assessment.

3 As everyone knows NYCHA serves nearly 400,000
4 low- and moderate-income New Yorkers and is truly an
5 essential part of our city's commitment to providing
6 affordable housing for all New Yorkers.

7 However, we all recognize that the Housing
8 Authority has been under extreme financial constraint
9 and really has not provided every resident with
10 access to decent, safe, and affordable housing as it
11 is required.

12 Many of the apartments in our buildings and
13 infrastructure are falling apart. In March of this
14 year, the State Department of Health found that 83
15 percent of all of the inspected units contained some
16 condition that could potentially pose a health hazard
17 to tenants and residents.

18 NYCHA residents are truly, truly, in need. The
19 NYCHA needs a staggering as we know, the 2017
20 Physical Needs Assessment projects \$32 billion in
21 unmet need, or more than \$180,000 per apartment.
22 This is really a result of years of underinvestment
23 and a true, poor allocation of resources.

24 We've recognized the federal government, the
25 state and the city truly must all step up and
demonstrate real leadership to effectuate change.

1
2 The investments will not be effective unless they are
3 coupled with serious reforms to NYCHA's capital
4 process.

5 Even if NYCHA did not have a gap in funding for
6 the capital need identified, in the PNA it is unclear
7 that it would have the capacity to execute capital
8 projects needed to bring the portfolio into good
9 repair.

10 NYCHA has been slow to commit the limited
11 capital that it is allocated. The NYCHA's capital
12 commitment rate which is 22 percent in 2017 is really
13 significantly below the city-wide average of 56
14 percent. NYCHA residents must be confident that all
15 repairs will be done effectively, efficiently, and in
16 a timely manner and they cannot afford to wait,
17 particularly when the health and safety of all of our
18 families are truly at risk. It is clear that we must
19 all do a better job completing projects as
20 expeditiously as possible.

21 In order to assist NYCHA in an effectively
22 deploying its resources to improve the conditions for
23 all residents and families, this City Council remains
24 ready, willing, to help NYCHA advocate at the state
25 level for full designed build authority which would

1
2 decrease the cost of construction projects and
3 expedite the timeline for completing the projects.

4 As a former member of the New York State
5 Assembly, I recognize that the state must do more,
6 and I do want to acknowledge that in this year we did
7 achieve design build authority but certainly not to
8 the magnitude that is needed here in our city.

9 With limited resources, NYCHA has long been
10 forced to prioritize among its capital projects. The
11 2017 Physical Needs Assessment reveals that NYCHA
12 apartment interiors are the single largest category
13 of capital need. Almost 40 percent of the total
14 projected need. However, NYCHA's 2018 through 2022
15 capital plan prioritizes structural and exterior
16 improvements which is slated to receive two-thirds of
17 all planned expenditures and more than five times the
18 amount slated for apartment interiors.

19 While maintenance of building envelopes is
20 laudable, I truly encourage NYCHA to be mindful that
21 tenants are suffering today in many unsafe interior
22 conditions do not necessarily experience the direct
23 benefit from all of the exterior spending. Exterior
24 and interior are truly, truly, important.

1
2 No New Yorker should suffer the indignity of
3 living in sub-standard, unsafe conditions in this
4 city. We truly owe it to every resident of Housing
5 in our city to work together and find solutions.

6 So, I look forward to this mornings conversation
7 and really want to thank everyone for being here,
8 particularly the tenants and the community groups and
9 advocacy groups. There is nothing more powerful than
10 the voice of a tenant. The tenant's live in these
11 conditions every single day and whether we are doing
12 press releases, or whether we are walking through our
13 developments, we must recognize that the tenants live
14 in these conditions each and every day. Within my
15 Council District alone, I represent Washington
16 Avenue, Butler, Claremont Parkway, Claremont Rehab,
17 College Avenue, Forest, Franklin Avenue, Highbridge
18 Gardens, Highbridge Rehab, McKinley, Morris I, Morris
19 II, Morris Senior, Morris Senior Air Rights,
20 Sedgwick, Teller Avenue and Webster Houses. I
21 represent over 24,000 residents that live in housing
22 and according to my projected amount in the PNA of
23 that \$32 billion dollars. I need \$1.6 billion so I
24 can invest in my own district alone.

1 So, we're talking about a lot of money, a lot
2 time, a lot of investments and we really want to make
3 sure that at the end of the day, we are doing
4 everything possible. This is much more than hash
5 tag, a press release, a press advisory. This is
6 everyday living for residents in public housing and
7 so, I want especially the tenants to recognize your
8 presence here is important. Its not easy to come to
9 City Hall and we want to thank you because you
10 represent thousands of your neighbors and your family
11 that live in housing and we truly want them to
12 understand that your voices are not lost in this
13 process. We have to do better, and this City Council
14 has been an equal partner with this administration.
15 Individual Council Members, we invest our own capital
16 dollars to whats NYCHA to upgrade Façade, elevators,
17 lighting, intercom, playground, basketball court,
18 everything you can think of and we will continue to
19 do that. We don't sit here and just criticize but we
20 are a part of this process.

21 We don't just talk about it, but we make sure
22 that we are making investments in our own districts
23 as well and so, I want to thank everyone for being
24 here and want to acknowledge the staff who have done
25

1
2 an incredible amount of work with today's hearing,
3 our Deputy Director Nathan Toth, our Unit Head Chima
4 Obichere, our principle financial analyst, Sarah
5 Gastelum, our Senior Counsel, Rebecca Chasan, and
6 Assistant Counsel, Noah Brick. I also want to
7 acknowledge the presence of Council Member Carlos
8 Menchaca of Brooklyn and with that we look forward to
9 today's hearing. We are thankful for everyone's
10 presence here today and now I turn our hearing back
11 over to my Co-chair and colleague, Council Member
12 Alicka Ampry-Samuel. Thank you.

13 CHAIRPERSON AMPRY-SAMUEL: Before we hear for
14 the first panel of residents, I just want to make
15 note that we do have to be out of the Chamber by one
16 o'clock today because there are two other hearings
17 that are being held in the Chamber as well as the
18 Committee room and so we'll need to make sure that
19 we're conscious of our time and so everyone today
20 will be on a time limit of two minutes.

21 So, with that we'll hear for our first panel of
22 residents so, Ms. Margareth, Ms. Blondel, Karen
23 Blondel, and Mr. Michael Hickins and Ms. Leah James.

24 Okay, we'll actually get started and he can just
25 join in when he returns. And we've been joined by

1
2 Council Member Helen Rosenthal and we are also being
3 joined by Council Member Diana Ayala. You can get
4 started and we have a two-minute clock.

5 Okay, good morning. I'm Margareth Massac from
6 Oceanside and also, I'm a resident - I'm sorry, I'm a
7 New York City NYCHA resident and a member of
8 Community Voices Heard.

9 I'm here because I would like to say, we need to
10 save public housing because over 400,000 people live
11 in public housing of mixed income. Most of the
12 people in public housing are working people, we are
13 tax payers, and because we're one out of 14 that live
14 in public housing in New York City, we are a great
15 number in the fabric of society in New York.

16 As public housing is affordable housing and we
17 need affordable housing in New York. Affordable
18 housing is shrinking as regentrification is growing
19 and right now, as we spoke about the safety of the
20 people in public housing, these people are just human
21 beings and I would like to say I want the government
22 to stop fighting against the people, but for the
23 people.

24 The agency needs funds to run. We would like \$1
25 billion a year for NYCHA for repair. We would like

1
2 for you to fight for us and we need to sue the
3 federal government because its their fault that the
4 housing is in the condition that it's in and the help
5 and safety of people are in jeopardy and because it
6 is their fault, they need to bail us out.

7 If they bailed out the banks for \$700 billion,
8 they need to bail us out also because we're well
9 worth it. Thank you.

10 MICHAEL HIGGINS: Thank you Madam Chair. Good
11 to see you again, although not in these
12 circumstances. I'll be relatively brief. Good
13 morning everyone, my name is Michael Higgins. I'm a
14 Community Organizer for a group called FUREE,
15 Families United for Racial and Economical Equality,
16 we're down in Brooklyn.

17 I'm here just to briefly talk real quick about
18 our work in Gowanus around the recent Consent Decree
19 that was denied by Judge Pauly just yesterday and how
20 this is the opportunity for the city to potentially
21 do better. So, the original Consent Decree was to
22 give the DOJ within the stipulations \$2 million over
23 ten years. \$2 million isn't small but its not enough
24 especially if you have \$32 billion needs in the next
25 five years.

1 So, I would say its in the interest of the
2 Council to do the residents of the city, especially
3 in public housing the service of actually giving the
4 \$2 billion anyway because I think you know, the city
5 has that funding if it wants to move around its
6 priorities.
7

8 I also want to really briefly talk about, how do
9 we engage residents within really assessing the needs
10 at a very local by development level. In terms of
11 what does each development need in making sure that
12 money gets spent you know, at the beginning the right
13 way and continues to be spent the right way.

14 As a part of CCOP, Citywide Council of
15 Presidents each different branch of that body has
16 whats supposed to be a modernization company which is
17 actually supposed to overlook and kind of see you
18 know, going forward the needs of each development
19 within their different branch and I think that's
20 something that needs to be taken even further and
21 taken down to the local. I think this is the
22 opportunity to let me talk to the presidents for the
23 first time in a long time about what do the
24 developments actually need and give them the tools to
25 actually advocate for themselves. Thank you.

1
2 KAREN BLONDEL: Good morning everyone. My name
3 is Karen Blondel and I am an organizer for the Fifth
4 Avenue Committee Turning the Tide Environmental
5 Justice Group. I am also a resident of the Red Hook
6 houses and I also taught myself building systems.
7 I'm a graduate from New Non-traditional employment
8 for women and I know a lot about systems because I
9 live in public housing.

10 With that being said, I also learned the
11 policies across city, state, and local and so, I'm
12 very happy that the decision was denied to accept the
13 settlement from New York City. I do believe that
14 that \$2 billion should still be used in good faith
15 towards public housing needs.

16 If the City can put together \$1.5 billion for
17 Amazon, we should in good faith take 10 percent from
18 each developer who's getting a tax break to go into
19 public housing. We need to start using value capture
20 to bring money back into these developments. Its
21 unfair to talk about affordable housing when public
22 housing is a separate program that actually deals
23 with people of lesser fortune in regards to income.

24 As Michael said, a modernization and repair
25 committees are the way that HUD set it up to work in

1
2 public housing but without having standardized by
3 laws and residents Councils, that's never going to
4 happen, because it has to start with the tenants at
5 that level. I am asking and requesting that we not
6 only look at the Physical Needs Assessment from an
7 engineering standpoint, but from a resident, I live
8 in its standpoint and we need to bring those two
9 groups together after first educating the residents
10 on building systems. We need to bring them together
11 and let the resident and the engineers hash out the
12 priorities for each development.

13 We cannot look at this as \$32 billion. We have
14 to compartmentalize it based on needs. I know that
15 you, the Council Member next to Alicka, you have a
16 very big portfolio of public housing residents and
17 quite honestly, your buildings are in more
18 deterioration than ours are. That doesn't mean that
19 we want to wait until we get to that point in Red
20 Hook and Gowanus, we want to capture it before it
21 gets to that point.

22 We also have Sandy money in those locations.
23 All of this needs to be factored into these Physical
24 Needs Assessments, brought out to the tenants, the
25 tenants should speak about this to the engineers and

1 then we should move forward with that. I do agree
2 with the receivership, which is what Judge Pauley is
3 contemplating because that puts HUD back in the
4 position because they are also copiable in this. If
5 your inspectors could go out for years and be duped
6 not to open a door or touch a wall, to find out that
7 that wall is actually masking tape, there's a problem
8 in HUD to.

10 So, I'm not looking at just NYCHA, I'm looking
11 at all three forms of government plus the governments
12 inside of public housing in regards to the resident
13 engagement 964. Also, 1437 of the HUD rules says
14 that if they are in apartments that are toxic, you
15 have to move them out into a similar reasonably
16 accommodating location without those toxins.

17 We have all of this affordable housing that's
18 vacant right here in New York City, maybe we need to
19 move the tenants or give them priority in affordable
20 housing until the public housing building are fixed.

21 Red Hook was built like it is built during the
22 war and the structure is strong. We have Sandy money
23 for the campus, but we need money for the plumbing
24 and we need to know, the residents need to know the
25 maintenance schedule on the waste traps, on the sewer

1 lines, on the electrical things. If we know those
2 things, we can work together as long as our resident
3 associations allow, we can work together with all of
4 you to make public housing a great place again.

5 Thank you. Oh, and we have testimony. I just didn't
6 read it verbatim, but it is full packed with
7 recommendations. Thank you.

8
9 LEAH JAMES: Good morning. Good morning Chair,
10 Co-Chair, Council, and NYCHA. My name is Leah James.
11 I'm born and raised in public housing. My mother
12 still lives in public housing and I'm the Lead
13 Organizer at Equitable Economic Development at
14 Northwest Bronx Community and Clergy Coalition.

15 Currently, well now, for like a year and half
16 Northwest Bronx has been offering resources to a
17 NYCHA Development Bailey houses on 193rd Street and
18 by the Kingsbridge in **[inaudible 24:45]** area. What I
19 mean by resources is that our efforts have been to
20 reduce health and asthma in the Bronx as a whole and
21 that's our goal.

22 And so, we created a program called Healthy
23 Buildings and we work with HPD as well and so, Bailey
24 Houses is in our catchment area and like I said, our
25 goal is to reduce asthma and health disparities in

1
2 the Bronx. So, we did our needs assessment in
3 Bailey. We put them in the Healthy Buildings
4 program. It's 233 units, we went to every single
5 tenant along with the resident council who is very
6 active and strong, and we knocked on every door to
7 see who has asthma or their child. 75 percent of
8 residents in Bailey Houses have asthma but we need to
9 find out what triggered it and this Healthy Buildings
10 program is partnered also with Councilman Ritchie
11 Torres, Montefiore Hospital, Saint Barnabas, and the
12 Department of Health and along with that we had a
13 workforce opportunity. We actually trained some
14 residents to be community health workers. So, they
15 have certificates to do door knocking on their own,
16 but we notice in the apartments we knew that it was a
17 lot of mold, leakage, infestation of roaches and we
18 couldn't figure out why.

19 So, we conducted a tour with our elected
20 officials Senator Gustavo Rivera, Assembly Member
21 Victor Pichardo, Councilwoman Alicka-Samuels and we
22 did a tour from top to bottom and doing assessment.
23 What we found out was that the roof had very - it was
24 leaking, and we did the tour in the summer time, the
25 20th floor is the top floor, from 20 to 13 it was

1 leaking. Now, the leaks went down to the sixth
2 floor.

3
4 So, we also looked at what other resource we can
5 do, and we said we want to do weatherization in this
6 building and we have the capacity to do
7 weatherization in this building and we could also do
8 integrated pass management. We could clean out the
9 pass ourselves, do green cleaning in apartments to
10 reduce the asthma level, but we can't do
11 weatherization unless the roof gets fixed.

12 So, working with elected officials, assembly man
13 Victor Pichardo said you allocated the cost of \$3
14 million, the [inaudible 27:08] letter and we want to
15 know whats the process of moving forward so that we
16 can get this roof done and we can offer
17 weatherization and we also partner with Hostos to do
18 trainings. Show residents to do integrated holistic
19 integrated pass management.

20 Some residents already got certified by the
21 state to do that so, they're working on our private
22 buildings that we do housing organizations. So, we
23 looked at the PNA in 2017, Baileys roof is not on
24 their PNA. I looked at 2011 PNA, Baileys roof is not
25 on there as well. Maybe its education on our part,

1
2 but we don't know. You know, why is it not there and
3 the asthma and the health disparities are getting
4 worse in the building. So, also in the PNA on that
5 and maybe I could educate us on this but in the PNA
6 for Bailey it says, \$82,529 for playgrounds and
7 \$14,756 for sidewalks. From working with the
8 residents and we have priorities. We listed it, we
9 do this at every meeting. What is a priority, so it
10 could be an escalation of the repairs? And
11 playgrounds and sidewalks are not a priority.

12 I want to know if its possible and maybe I'll
13 learn that today, how can that money be allocated to
14 individual apartment repairs. If you all pass this
15 thing for the roof, we do weatherization, the
16 apartments get done and then we have a beautiful day.
17 And also, we would like to partner with NYCHA. NYCHA
18 system - I mean the administration is so complex, I
19 don't know who to talk to, but we've been reaching
20 out for a month to see how we could become a
21 community partner because its also a workforce
22 opportunity that we can do to get residents jobs.

23 And then when the roof does get passed, we have
24 a list of general contractors, Bronx based MWBE,
25 General Contractors is willing to hire locally of the

1 residents, train them, so that we could do a roof
2 because we don't want the scaffold up for five years.
3 Right, so we are providing from point A to point B.
4 So, I want to know how it can be partnered to move
5 this forward and be an example of NYCHA partnering
6 with community-based organizations that have
7 resources to do capital improvements. Thank you.

9 CHAIRPERSON AMPRY-SAMUEL: Before the resident
10 panel leaves, are there any quick follow up or
11 clarification questions at all? Okay, thank you so
12 much.

13 And we've been joined by Council Member Keith
14 Powers and Council Member Donovan Richards. Okay, so
15 next up is our panel from NYCHA, Ms. Deborah Goddard,
16 the Executive Vice President of Capital Projects
17 along with Mr. James Scanlon, Vice President for
18 Capital Projects. Okay, can you please raise your
19 right hand?

20 Do you affirm to tell the truth, the whole truth
21 and nothing but the truth in your testimony before
22 this committee and respond honestly to Council Member
23 questions?

24 DEBORAH GODDARD: I do.

25 JAMES SCANLON: I do.

CHAIRPERSON AMPRY-SAMUEL: Okay, you can proceed.

DEBORAH GODDARD: Good morning. Chairs Alicka Ampry-Samuel and Vanessa Gibson, members of the Committee on Public Housing and Subcommittee on Capital Budget, and other members of the City Council: good morning, I am Deborah Goddard, Executive Vice President for Capital Projects. I am pleased to be joined by James Scanlon, our Vice President for Capital Planning and Design, and other members of NYCHA's team.

Thank you for this opportunity to discuss NYCHA's 2017 Physical Needs Assessment the PNA, a thorough accounting of the Authority's short and long-term capital needs, including apartment, architectural, electrical, mechanical, and site needs for each development. These estimates help inform capital planning for infrastructure improvements, modernization, and other systemic upgrades.

Available on our website, the PNA is updated every five years. NYCHA's previous PNA was developed in 2011-2012. In 2016, NYCHA procured the team of STV/AECOM, well-respected engineering and construction management firms, to perform a PNA of

1 all of our developments. Beginning in May of 2016,
2 about 140 inspectors spent 10 months assessing our
3 properties. The 2017 PNA, which was issued this
4 year, as you know, identified \$321.8 billion in
5 capital needs across the Authority.
6

7 The 2017 PNA reflects improvements in assessment
8 methods over the 2011 PNA. For example, inspectors
9 conducted the first energy audit of NYCHA's
10 portfolio, and aerial infrared scans of our buildings
11 indicated where there are leaks in roofs. As a
12 result, the 2017 PNA provides more accurate data on
13 building components and additional detail on existing
14 conditions. It also provides greater detail on the
15 cost of the work needed at our properties.

16 The 2017 PNA shows that the greatest needs are
17 for apartments, about \$13 billion; architectural
18 about \$11 billion, which includes windows, stairs,
19 roofs, and entry doors; and mechanical at about \$3
20 billion, which includes heating and water systems.

21 The previous PNA as you've mentioned, indicated
22 capital needs of \$16.6 billion across the Authority.
23 For instance, kitchens, bathrooms, roofs, heating
24 systems, and elevators accounted for about \$6.6
25

1 billion of the total need. Today, in contrast, these
2 needs stand at about \$11.6 billion.
3

4 There are several reasons the PNA increased from
5 \$16.6 to \$31.8 billion: Much of the unmet capital
6 needs in the 2011 PNA were carried forward to the
7 2017 PNA. This was inevitable given that NYCHA
8 received only \$1.5 billion from HUD over the past
9 five years, and the \$16.6 billion need represents
10 only the most immediate five-year need; and of
11 course, there was continued deterioration of NYCHA's
12 aging properties which accounts for about \$5.2
13 billion of the increase.

14 Its important to note that almost \$10 billion,
15 two-thirds of the increased costs, is tied to factors
16 other than the conditions of the buildings.
17 Inflation increased costs by about \$4.4 billion and
18 as we are all aware, New York continues to experience
19 a huge construction boom, taxing resources and
20 leading to a market escalation costing about \$5.4
21 billion to NYCHA.

22 NYCHA is confronting significant and fundamental
23 challenges that have contributed to the rise in the
24 Authority's capital needs. Since 2001, the federal
25 government has reduced NYCHA's funding by a total of

1
2 approximately \$3 billion, half of which is capital
3 funding, and this does not account for the impact of
4 inflation. To put that in perspective, during this
5 same period, when NYCHA suffered from a substantial
6 loss of resources to repair and improve our
7 buildings, the City's budget has more than doubled,
8 which is likely true for any municipal budget.

9 At the same time, NYCHA's building, the majority
10 of which are more than a half century old, continue
11 to age and deteriorate, increasing the costs to
12 maintain and improve them.

13 We developed NextGen NYCHA, a long-term
14 strategic plan, to address these enormous challenges,
15 by stabilizing the Authority's finances and securing
16 additional resources to help ensure its longevity.

17 We are reducing our properties' capital needs
18 through several key NextGen initiatives. HUD's
19 Rental Assistance Demonstration RAD program is
20 enabling us to convert certain developments to a
21 Section 8 funding stream. In 20154, we announced
22 that 15,000 units would be converted to Section 8
23 through RAD. However, as Chair Brezenoff said at
24 last month's Council hearing, we are seeking to
25 increase implementation of the RAD program

1 substantially. Through PACT the Unfunded Units
2 program, we are transferring apartments that do not
3 receive dedicated federal funding to the Section 8
4 program. This will generate funds for repairs and
5 renovations at those sites.
6

7 We're fortunate that Mayor de Blasio has devoted
8 unprecedented resources for public housing. With
9 \$1.2 billion committed by the Mayor over 10 year, we
10 are replacing more than 950 roofs, benefiting over
11 175,000 residents.

12 And about \$875 million of the historic grant we
13 received from FEMA for Sandy recovery at our impacted
14 developments will go toward capital improvements
15 captured in the PNA. Through HUD's Energy
16 Performance Contracting program, we are investing
17 about \$230 million in new boilers and heating systems
18 as well as new lighting and water conservation
19 measures, improvements funded by the cost savings
20 from reduced energy consumption.

21 We are also investing the federal government's
22 five-year projected allocation of \$1.3 billion in
23 capital funding in critical areas such as building
24 envelopes, core systems, and bathroom renovations.
25 As you know, the state has allocated \$450 million in

1 capital funding to NYCHA, although it has yet to be
2 received. These funds would be repairing heating
3 systems at approximately 24 developments and
4 elevators at approximately 11 developments.
5

6 All told, these investments and strategies,
7 along with other government commitments, will reduce
8 NYCHA's capital needs by billions of dollars. While
9 NYCHA certainly appreciates every dollar we're
10 receiving, the increase in capital projects has
11 stressed our capacity; therefore, we are increasing
12 our infrastructure by bringing on program managers to
13 augment our current staff. Given the uncertainty in
14 federal funding from year to year, we do not believe
15 it is prudent to hire significantly more permanent
16 staff to manage our capital budget.

17 Unfortunately, there is no magic wand that will
18 summon the funds to address all of NYCHA's outstanding
19 capital needs. However, we are doing everything we
20 can to preserve and improve our buildings, including
21 using our limited funding wisely, pursuing RAD and
22 other development programs, and advocating for
23 additional funding from all levels of government,
24 especially the federal government. We must take an
25 aggressive approach, using every tool at our disposal

1
2 to bring more resources to the Authority and our
3 residents.

4 Thank you, Council Members, for your support.
5 We value the discretionary funding that you provide
6 for us and our residents. We look forward to our
7 continued partnership to improve the quality of life
8 of our residents and we are happy to answer your
9 question.

10 CO-CHAIR VENESSA GIBSON: Thank you very much
11 for your presence and your testimony and certainly
12 all of the work that has really been done to get us
13 to this point. I think you know, we must acknowledge
14 the unprecedented amount of capital funds that this
15 administration has invested in NYCHA. I guess my
16 growing concern and it continues to grow day by day
17 is the timeframe. We're talking about money that is
18 invested over the next five and ten years but every
19 day and residents and NYCHA are suffering and so, as
20 Chair of the subcommittee on capital, my focus has
21 been from the prelim to executive, to the adoption,
22 to really look at some of the internal mechanisms
23 that NYCHA has as it relates to drawing down on this
24 money.

1 The 22 percent commitment rate that NYCHA has is
2 really concerning to me because with all of the money
3 that NYCHA is receiving both from the Feds and the
4 State, and the City, we're still having challenges
5 drawing down on that money and so, in your testimony
6 you talked about the staffing and I want to dig a
7 little bit deeper because I want to understand what
8 the internal staff looks like. The Project Managers,
9 the Architects, the Designers, the vacancy rate, the
10 retention rate, how are we retaining staff and how
11 we're really able to spend more of this money.

12 Please help me understand what the staff looks
13 like today in terms of what it will look like moving
14 forward and how can this Council be supportive of
15 making sure that NYCHA has sufficient staff to spend
16 this money and get these projects up and running.

17 DEBORAH GODDARD: Thank you very much for that
18 question and for the concern and understanding that
19 we do need a sufficient infrastructure. I do want to
20 step back first, that 22 percent figure I think comes
21 from the US Justice Departments figure that they put
22 forward in June and it's a little misleading and I
23 want to speak to that first, if I may.

24 CO-CHAIR VENESSA GIBSON: Okay.
25

1
2 DEBORAH GODDARD: So, as you know, when we get
3 City funds, we're sort of generally at what I call a
4 cold start. We start design in the year that they
5 become available. As you know, we did advance some
6 funds for heating in our federal budget to advance
7 the boiler projects, understanding that we have this
8 cold start every July 1, as new funds get in. We
9 have to get a design, we have to register the
10 comptroller's office, so on and so forth.

11 But more importantly, I want to point out that
12 actually since June, we have committed another almost
13 \$30 million in our roof replacement program. The
14 Mayors over \$1 billion commitment to roofs. In fact,
15 we are accelerating that program over the next
16 several years.

17 There's also over \$23 million in contingency
18 OMB, wisely requires that all projects are budgeted
19 with a 10 percent contingency, that's not considered
20 committed unless its needed. So, it stands in
21 reserve. I can also point to \$19 million in
22 underruns in roofing projects that have been
23 completed and came in under budget. We are retaining
24 those funds. We're addressing potential change
25

1 orders in the roofing program going down the line and
2 also if there's cost escalation in bids that come in.
3

4 We have another \$15 million in savings across
5 other projects and this money rolls forward. So, the
6 stack can be a little bit misleading. So, I want to
7 pause there for a moment.

8 I also want to mention and remind folks that the
9 Mayoral funding is one piece of the money we're
10 moving. We're also moving our \$3 billion in FEMA
11 funding. We are moving our capital funding from HUD
12 and we are on this year, on pace to commit the
13 requiring that is 90 percent within 24 months. To
14 give you also a ballpark of what a norm might be 24
15 months to commit 90 percent of the funding, but we
16 aim for 16 to 18 months and we are on track this year
17 again to meet that deadline. We're at 75 percent
18 right now and we expect by the end of the calendar
19 year 16 months will be 90 percent committed.

20 So, now, back to the staffing. The capital
21 division is budgeted for 359 staff persons. We have
22 44 job openings right now. We have 18 positions that
23 which are staff - we call staff augmentation. We
24 have purchased them from AE firms or CM firms to work
25 in our office and augment what we're doing. We put a

1 lot of our design work out to bid and we will
2 continue to do that to the extent necessary to move
3 projects on a timely basis. We have no problem doing
4 that.
5

6 I will say, as you can well imagine, I'm sure
7 you face it yourselves. We do have challenges in
8 recruiting and we do the best we can. We outreach to
9 trade groups, I send letters to trade groups and
10 affinity groups for engineers, architects, project
11 managers. So, we're doing everything we can but as I
12 mentioned, we are also bringing on program managers.

13 As you know, we receive significant one-time
14 funding through the east home zoning and through the
15 Mayoral town halls and we are going to bring our
16 project management team as much as we did with Sandy
17 to administer and oversee these funds that are one-
18 time funding.

19 CO-CHAIR VENESSA GIBSON: Okay, a couple of
20 questions on what you talked about. The \$19 million
21 in underruns that you described.

22 DEBORAH GODDARD: Yes.

23 CO-CHAIR VENESSA GIBSON: Those are savings?

24 DEBORAH GODDARD: Yes.
25

1
2 CO-CHAIR VENESSA GIBSON: Okay, where is that
3 money being devoted to? Is that going to expedite
4 the roof work phase II?

5 DEBORAH GODDARD: We are saving it in reserve.
6 We are expediting period – OMB has actually agreed –
7 we expedite, they will front the money earlier.

8 CO-CHAIR VENESSA GIBSON: Okay.

9 DEBORAH GODDARD: So, we have that agreement
10 with them. The \$19 million we are holding in case we
11 need exchange orders or as we're seeing and as you've
12 seen in the PNA, we are seeing market escalation, so
13 we have some flexibility if bids come in reasonably
14 over our estimates.

15 CO-CHAIR VENESSA GIBSON: And what about the \$15
16 million in savings?

17 DEBORAH GODDARD: Again, similar for other jobs,
18 but not necessarily dedicated to roofs but they could
19 be used for the boilers or any other of our change
20 over or cost over runs in the city portfolio.

21 CO-CHAIR VENESSA GIBSON: Okay, and the 44
22 positions that remain open, what positions are those?
23 Can you give us a better sense?

24 DEBORAH GODDARD: I could provide you a list. I
25 don't have it off the top of my head. I will say it

1
2 ranges from director of our design department, which
3 I hope we're filling very, very soon. Some
4 engineering positions, project management positions,
5 project executive positions and then there is some
6 administrative as well.

7 CO-CHAIR VENESSA GIBSON: Okay, so these all
8 sound like trade specific and anything at the
9 executive level?

10 DEBORAH GODDARD: Right now, we are full at the
11 Executive level.

12 CO-CHAIR VENESSA GIBSON: Okay, and does that
13 also include any of the lower level staff, the day to
14 day folks that are on the ground at the various
15 developments? Is that a part of it?

16 DEBORAH GODDARD: No, that would come under
17 operations.

18 CO-CHAIR VENESSA GIBSON: Okay, so that's
19 operations. Okay, and you specify that because of
20 the uncertainty of the federal government, you don't
21 see a need to hire additional permanent staff?

22 DEBORAH GODDARD: I want to fill the positions
23 we have. I just don't want to grow substantially
24 with an uncertain flow of funds.

1
2 CO-CHAIR VENESSA GIBSON: Okay, the 2017 PNA
3 that was conducted, do you believe that that's an
4 accurate reflection of NYCHA's fiscal needs? And you
5 talked about the difference from 2011 to 2017 and the
6 fact that this particular assessment there was more
7 of a detailed analysis that was done in the
8 infrastructure of NYCHA. So, things that we did not
9 necessarily look at in 2011 that we're now looking at
10 in 2017. So, do you think that this is an accurate
11 reflection of the essential needs of housing?

12 DEBORAH GODDARD: Yes, I think this was a more
13 thorough team, an expert team, they brought on for
14 instance, to look at our elevators. They had a
15 mechanical engineer that knows elevator systems, not
16 just a generalist. They went into - I'm going to
17 forget the amount, hang on, I have some stats. They
18 went into over 20,000 apartments. They went up into
19 all the upper floors, 2,200 upper floors to pay
20 special attention to that. They inspected the
21 boilers rooms, they did the flyovers of the
22 **[INAUDIBLE 47:49]**. They accounted for things such as
23 when we do our underground steam work. We actually
24 have to dig, this is boring, but we have to dig 8
25 feet instead of a norm at 3 feet and that's a huge

1 additional expense. IT wasn't accounted for in the
2 prior PNA, so I feel very, very confident that this
3 very well-respected team did a good job and
4 importantly, they stand behind it.

5
6 CO-CHAIR VENESSA GIBSON: Okay, so almost 40
7 percent of the PNAs assessment is attributed to
8 apartment interior upgrades.

9 DEBORAH GODDARD: Yes.

10 CO-CHAIR VENESSA GIBSON: Does that mean that
11 NYCHA is going to respond as it provides all of the
12 necessary work that needs to be done? Are we going
13 to prioritize apartments over the other capital needs
14 of NYCHA?

15 DEBORAH GODDARD: No, so let me step back again.
16 We have, and I certainly have great appreciation for
17 why the work in bathrooms and kitchens is extremely
18 compelling, but we do maintain a discipline of doing
19 outside of the buildings first. The roofs and the
20 brick work. To have water infiltrate our apartments
21 after having done kitchens and baths just would not
22 be a wise investment strategy.

23 With that said, in this five year plan we are
24 able to turn some attention, about 40 percent of our
25 funding over the next five years to kitchens and

1 baths and we're able to start making that turn
2
3 because for instance, of the investments we've made
4 in roofs, Bond B and the Mayors program because we
5 are getting our brick work done again, with some
6 support from the city. So, we are making that turn
7 but we really want to maintain a discipline that
8 makes sure that we invest wisely and that we don't
9 put good money in after bad.

10 CO-CHAIR VENESSA GIBSON: Okay, I understand
11 that but I also think that it's a recognition where
12 the greatest needs are and I do understand you know,
13 exterior has to be addressed facade, roof, boiler,
14 etc., but I also understand that the every day living
15 of NYCHA residents and families is really compelled
16 by how they live inside their apartments. So, how
17 much decision making, input from tenants, and CCOP
18 and other tenant leaders on the ground? Are we
19 talking to them to at least find out what their
20 thoughts on this are? Are all of the decisions being
21 made at the executive level and to what degree can we
22 do some of this work simultaneous?

23 We can walk and chew gum at the same time and we
24 can recognize that a lot of this work we can do
25 together. We don't have to do it necessarily in

1
2 stages and phases and wait for all of the exterior
3 work to be done and then we deal with the interior.
4 To what extent can we do simultaneous work and start
5 to address some of the individual apartment issues
6 that need to be done now?

7 DEBORAH GODDARD: Well as I mentioned, we are
8 spending 40 percent of our federal dollars over the
9 next five years on kitchens and baths.

10 CO-CHAIR VENESSA GIBSON: Have we started
11 though?

12 DEBORAH GODDARD: We have some - actually
13 projects are in design and close to construction on
14 that and I will say that's a critical place where we
15 do charette's with the residents on kitchens and
16 baths. Colors, cabinet choice, hardware choice,
17 flooring choice within a range of what we can offer.
18 In fact, they were at the table when we created our
19 design guidelines for kitchens and baths, but the
20 rigor and the discipline as I said, of doing outside
21 going in and heating systems and elevators after the
22 skin continues to be a compelling logical sequence
23 and its all choices right? We could stay with a
24 building after we done its roof and after we've done
25 its heating system and go into kitchens and baths.

1
2 That's a decision that we won't do a roof or a
3 heating system in another development. So, these are
4 the tensions. We do meet with the RAB several times
5 a year to talk about how we're moving forward.

6 Every dollar we invest one place, we don't
7 invest in another place and these are the tensions
8 that we face.

9 CO-CHAIR VENESSA GIBSON: Okay, so you said that
10 some of the apartment work is already in design,
11 what's the time frame on design before we begin our
12 procurement and construction?

13 DEBORAH GODDARD: I'm going to have to get back
14 to you on both, its Breukelen and Sotomayor.

15 CO-CHAIR VENESSA GIBSON: Okay. So, we've
16 already identified in terms of priority which
17 developments and which apartments are in design and
18 then once that happens, the next phase, so NYCHA
19 already has a list - I'm sure the list is not
20 complete. It's probably a work in progress over the
21 next five years, but you can at some point let us
22 know which developments, which apartments have
23 already started with design.

24

25

1
2 DEBORAH GODDARD: Yes, and in fact if you look
3 that the PNA on our website, you can see where were
4 planning to invest for kitchens and baths by site.

5 CO-CHAIR VENESSA GIBSON: Okay, over the next
6 five years.

7 DEBORAH GODDARD: Hmm, hmm.

8 CO-CHAIR VENESSA GIBSON: Okay, okay, and since
9 I'm on apartments so much, thoughts on the fact that
10 from 2011 to 2017's PNA, the cost per apartment has
11 gone from about 93,000 to 181,000, so what are some
12 of the factors that are attributed to this increase
13 and is that a need that obviously NYCHA can meet with
14 a higher cost?

15 DEBORAH GODDARD: So, as I mentioned, some of it
16 is the deterioration of the buildings but two-thirds
17 of it is inflation and market escalation. We're
18 seeing it routinely in our bids. We are hoping it's
19 leveling off, whether you're in the public or private
20 sector, this kind of escalation is not sustainable.

21 We are being very careful with our bids and we
22 have rejected some bids. We want to make sure the
23 industry doesn't think that we will take any and all
24 that come to the door. We need to be responsible.

1
2 So, we have rejected some bids. On the other
3 hand, there's plenty of bids where we know, and we
4 test it with our peer agencies and the engineering
5 counsel and that we're suffering the market
6 escalation and we have to address it. It all puts
7 pressure on our funds.

8 CO-CHAIR VENESSA GIBSON: Okay, and I guess
9 moving forward, we also want to make sure that it
10 doesn't continue to grow in terms of that 181 and I
11 know there are some market factors that are simply
12 out of our control. That's the world we live in but
13 to the degree that we can put a control and some sort
14 of a handle on this. What about some of our
15 procurement method? So, you said that you've
16 rejected some of the bids that are coming in, but you
17 know, we have to do as much as we can within our
18 controls to make sure that this number does not
19 continue to grow.

20 DEBORAH GODDARD: Absolutely, and the bid
21 rejection again, we do it - we take a lot of time
22 before we decide to reject, but we've had bids that
23 have come in at 50 percent over our estimate with no
24 reasonable basis for it and we cannot send the signal
25 to the industry that we will take any bid that comes

1 in and it is not an appropriate use of the funding.
2
3 Its not a good fiduciary decision if we can find no
4 basis for that escalation.

5 On the other hand, we are looking at – you
6 mentioned procurement, we are heavily regulated as
7 you know, by both the state and the federal
8 government and some of those regulations are
9 absolutely appropriate for public oversight of use of
10 public funds. We have looked at how we can
11 streamline working with OMB and the Comptroller
12 office for post bid, getting our design and
13 construction contracts approved more quickly. I have
14 met only a couple weeks ago with our own procurement
15 department over how we might move our vendor
16 clearance forward more easily. I've met with
17 industry groups to get their feedback on how we could
18 improve the process.

19 We have revised a number of our contract
20 documents and continue to do so, so that there more
21 straight forward and reflect the industry to the
22 extend we can. But we are open to continued dialog
23 about that obviously.

24 CO-CHAIR VENESSA GIBSON: Okay, so over the next
25 five years on the exterior work, we're looking at

1 about \$3.6 billion and interior apartment work over
2 the next five years is about \$635 million. If those
3 numbers are accurate, is it possible moving forward
4 that we could see more investments made towards
5 interiors? Can we get to a billion?

7 DEBORAH GODDARD: You know, as I said, - I got
8 \$400 million here. Well, under federal funding, I
9 just want to make sure we're all looking - I'm
10 looking at about \$270 million for brick work in Local
11 Law Eleven. I'm looking at \$240 million for
12 bathrooms and kitchens and then you look down and
13 you'll see \$407 million proposed for comprehensive
14 modernization. That would include kitchens, baths,
15 stairwells, so again, we've been making that turn
16 towards those kinds of investments and its always a
17 choice. We can choose to do more bathrooms or
18 kitchens. We will do fewer roofs and we will do
19 fewer boilers, that's the tension we come down to.

20 CO-CHAIR VENESSA GIBSON: Okay, well no, I just
21 want to make sure that there's a recognition that
22 again, based on the PNA that was done, there is a
23 priority that must be given to interior and while I
24 recognize exterior is important, we care about the
25 roof and the boiler because that will have a

1
2 detrimental impact on individual apartments
3 particularly those in the high-rise buildings. But I
4 don't want there to appear to be a shift of focusing
5 more on exterior and not interior because the PNA, 40
6 percent has indicated interior is a priority.

7 So, that's why I'm asking if we can invest more
8 over the next five years and what this Council can do
9 to be supportive, because I think if you talk to
10 residents on the ground and your speaking to all
11 their resident leaders, they will acknowledge that
12 you know, residents have not had upgrades in their
13 apartments since they lived in their apartments from
14 the beginning of time and there has not been serious
15 investments. Not taking away priority from roofs and
16 boilers, because that is important, I just want to
17 raise the level of priority for interior, that's all.

18 DEBORAH GODDARD: Thank you.

19 CO-CHAIR VENESSA GIBSON: My last question
20 before I turn it over to our Chair is, I wanted to
21 understand with the interior apartment work, is that
22 eligible through city funds as well?

23 DEBORAH GODDARD: That would be capitally
24 eligible, yes.

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CO-CHAIR VENESSA GIBSON: Capittally eligible.

OMB approved?

DEBORAH GODDARD: Yes.

CO-CHAIR VENESSA GIBSON: Okay good, okay.

Because I know as a Council, some of us are being asked by our tenant leaders to provide funding for apartment upgrades so we certainly wanted to make sure that it is city eligible. Okay, I have more questions, I'll get off apartment interiors and go to other topic, but I did want to turn this over to my Co-Chair Council Member Ampry-Samuel.

CHAIRPERSON AMPRY-SAMUEL: So, for just a point of clarification, just to understand it. Can you explain how RAB is part of the dialog in conversation? Just explain how RAB is structured.

DEBORAH GODDARD: Sure, RAD can leverage funding because its on a Section 8 stream -

CHAIRPERSON AMPRY-SAMUEL: RAB.

DEBORAH GODDARD: Oh, I'm sorry, I'm sorry. The Resident Advisory Board. We present annually our draft capital plan to them for a comment and we come back a second and or third time to hear their comments on it.

1
2 CHAIRPERSON AMPRY-SAMUEL: So, when you
3 mentioned residents participating and even the design
4 guide, this is the RAB? Or is it a different
5 resident structure?

6 DEBORAH GODDARD: It was residents from
7 Breukelen and I'm not sure where else we pulled them,
8 and James, I don't know if you know.

9 JAMES SCANLON: It would be specific to projects
10 that are planned. So, during the design process it's
11 the resident leadership at the development.

12 CHAIRPERSON AMPRY-SAMUEL: Okay, alright, so the
13 resident panel that were here prior to this testimony
14 mentioned their own ideas and I wrote down where the
15 residents spoke to really speaking their record to
16 the residents about the actual needs within the
17 developments in their apartments because their the
18 ones that actually know. What level of involvement
19 did the resident leaders have when they were going
20 out doing the inspections and actually pulling
21 together the PNA? Individual buildings as well as the
22 RAB or CCOP?

23 DEBORAH GODDARD: So, I do know CCOP and RAB do
24 not have involvement in the PNA inspections. James,
25 I don't know if residents of the sites did.

1
2 JAMES SCANLON: No, the management and the
3 superintendent at the development were involved in
4 the PNA evaluations.

5 CHAIRPERSON AMPRY-SAMUEL: Just the
6 superintendent's?

7 JAMES SCANLON: And the development staff.

8 CHAIRPERSON AMPRY-SAMUEL: And development
9 staff. So, there wasn't like a resident leader or
10 someone, like a designated person that lives at each
11 development that walked around with them at all?

12 JAMES SCANLON: No, they were not.

13 CHAIRPERSON AMPRY-SAMUEL: Okay, because we
14 received, and I can - just for example, we received a
15 very detailed document from Creflo Houses and it was
16 very similar to PNA but from a resident perspective.
17 When they listed, they went through each apartment.
18 They did sophisticated surveys and worked with
19 advocacy groups and have a list of the actual needs
20 for the developments from a resident perspective.
21 And so, have you ever - were you aware of this
22 document at all? Or something similar?

23 DEBORAH GODDARD: No, we weren't, but we would
24 be happy to sit with them and review it and compare
25 it to our PNA.

1
2 CHAIRPERSON AMPRY-SAMUEL: Okay, okay, because
3 those are helpful because just to align the question
4 from my colleague, looking at whats listed and
5 hearing from the residents as to whats actually
6 happening in their apartments, I would hate for us to
7 continue to move forward and it doesn't really
8 address the concerns of whats actually really
9 happening and I always say over and over and over,
10 that resident feedback, resident input, resident
11 involvement is critical at every stage and this is
12 just another level of that need.

13 DEBORAH GODDARD: We try to make wise decisions.
14 We're happy to meet with them and hear what they have
15 said, but we also have a fiduciary responsibility
16 around deploying the funds and it is this compelling
17 logic. But we're happy to sit down and talk over any
18 differences we may have based on our PNA and their
19 daily life experience, absolutely.

20 CHAIRPERSON AMPRY-SAMUEL: Okay, so since you did
21 mention RAD with a D in your -

22 DEBORAH GODDARD: I'm sorry.

23 CHAIRPERSON AMPRY-SAMUEL: In your opening
24 testimony. How will NextGen 2.0 and you can use RAD
25 as the first example, but I would like to get a sense

1
2 of the different development deals or plans in the
3 portfolio overall. But how will NextGen 2.0 one of
4 the development plans finance the actual capital
5 repairs at NYCHA?

6 DEBORAH GODDARD: So, I am -

7 CHAIRPERSON AMPRY-SAMUEL: So, can you just take
8 us through -

9 DEBORAH GODDARD: Actually, I can't take you
10 through the update to NextGen. Its not in my
11 portfolio. I obviously understand the themes of it.

12 CHAIRPERSON AMPRY-SAMUEL: So, as I was thinking
13 theoretically. Then so take us through the plans
14 that you - the development deals that you have on the
15 table now within your portfolio that you can actually
16 speck to.

17 DEBORAH GODDARD: Again, I'm not in real estate
18 but because I am aware of whats going on, I can speak
19 broadly, if that's okay. So, in our development
20 deals, the 50/50, the funding that comes in through
21 the present value of the ground lease, 100 percent of
22 it goes to - about 50 percent of it to date has been
23 pledged to improvements at what I call the host site.
24 We are looking at making that 100 percent of he
25 proceeds.

1
2 CHAIRPERSON AMPRY-SAMUEL: So, what does that
3 mean? So, name the development again.

4 DEBORAH GODDARD: Holmes for instance is the
5 first one that's underway.

6 CHAIRPERSON AMPRY-SAMUEL: Okay.

7 DEBORAH GODDARD: And —

8 CHAIRPERSON AMPRY-SAMUEL: So, it's a 50/50
9 deal.

10 DEBORAH GODDARD: Right.

11 CHAIRPERSON AMPRY-SAMUEL: And out of the
12 proceeds, how much of it will go to Holmes?

13 DEBORAH GODDARD: At this point, the full amount
14 of the ground lease. We expect \$25 million and we
15 are working with them to identify again, the PNA
16 needs. What can be done with that and moving through
17 it to have a —

18 CHAIRPERSON AMPRY-SAMUEL: So, what are the PNA
19 needs for Holmes?

20 DEBORAH GODDARD: I'd have to take a minute to
21 look.

22 CHAIRPERSON AMPRY-SAMUEL: Okay. \$47 million
23 according to the 2017?

24 DEBORAH GODDARD: We can get the specific
25 number. I know in meetings we've had with the

1 developer representing CPD, we have looked at -
2
3 Holmes actually is in the Mayors roofing initiative.
4 We will continue that. We're looking at bricks,
5 windows, maybe an alternative means of cladding the
6 building instead of bricks consistent with what the
7 developer proposed to do at the new building, but we
8 can get you more information. They're looking it up.

9 CHAIRPERSON AMPRY-SAMUEL: That'll be helpful.

10 So, what we're just trying to get a sense of is
11 looking at the PNA, looking at the needs, like just
12 pulling out a specific development and looking at the
13 plan or strategy around that particular development
14 and see a line by line if what you're projecting you'll
15 be able to receive in revenue, or actually address
16 the needs of that development and if it doesn't, if
17 it falls short, what other funding mechanisms are you
18 looking to address those needs?

19 So, that's what the folks at NYCHA need to get a
20 sense of. You're actually doing it, what's happening
21 because if it's just talks, it's just talks, but if
22 we can sit here and go by just line by line as to
23 what you're actually doing, then that gives us a
24 better sense of you know, you're actually working on
25 something and we can see it.

1
2 DEBORAH GODDARD: Well, let me speak generally
3 because I'm not sure that line by line - we're not
4 really prepared to speak line by line now, we're in
5 the process of figuring it out, but this is the
6 approach. Leverage the funds to the maximum extent
7 possible for the repairs at that host site.

8 As I mentioned, we know they need roofs, we're
9 not going to be short sided. We will continue -
10 actually we're going to bring Holmes forward in the
11 Mayoral's roofing initiative in order to time it
12 with the other repairs that would happen at Holmes.
13 To the extent we don't cover all of the PNA costs and
14 there is some hope we would cover a substantial
15 portion of it. We don't walk away from Holmes, it
16 remains part of our capital planning process.

17 CHAIRPERSON AMPRY-SAMUEL: Okay. What specific
18 funding sources is NYCHA considering for PACT? And
19 how do the programs function? So, can you just give
20 us like an idea of the full program itself? I
21 understand that - okay, so I'm trying to think of a
22 way to get some like clarity in that -

23 DEBORAH GODDARD: So, PACT would be RAD or the
24 state and unfunded units that we're putting on the
25 Section 8 stream. Which that allows it to be

1 leverage borrowing to do everything that's necessary
2 at that site. And thereafter, being on the Section 8
3 stream, they're also able to fund a capital reserve
4 account as we cannot do in public housing side of
5 things, but as you know, most owners would do that
6 and so, their able to project long-term needs and
7 fund it on an annual basis in the capital reserve.
8

9 CHAIRPERSON AMPRY-SAMUEL: Okay, so how about
10 this, whats the role of HPD and HDC in your planning
11 right now?

12 DEBORAH GODDARD: That comes under the real
13 estate department. I have nothing to do with those
14 conversation Council Member Chair.

15 CHAIRPERSON AMPRY-SAMUEL: Okay, so there is no
16 one that can speak to like term sheets or what type
17 of term sheets their using now?

18 DEBORAH GODDARD: No, its not connected to the
19 work I do for the PNA in capital improvements.

20 CHAIRPERSON AMPRY-SAMUEL: Okay, alright, and
21 the only reason why I had that line of questioning is
22 because I'm just trying to get a sense of how the
23 city is looking overall at NYCHA and its housing
24 preservation and its preserving its units and looking
25 to see what this administration is - how this

1
2 administration is planning their like tax credits and
3 funding resources the same way their planning all
4 these other affordable housing deals that's taking
5 place across the city and since public housing and
6 what we see is happening at NYCHA is – should be
7 planned the same exact way that their looking at
8 other affordable housing deals and so, it would be
9 helpful to see how this administration is utilizing
10 its resources for public housing specifically and see
11 where there can be some cost savings at all.

12 I'm going to hold off there. Who is next?
13 Council Member Grodenchik.

14 COUNCIL MEMBER GRODENCHIK: Thank you Madam
15 Chairs. Good morning, its still morning, I think its
16 still morning. Still morning, okay. It was a long
17 ride in on the F-train today.

18 I wanted to ask you, we've had discussions – the
19 Councils had with Governor Cuomo over design build
20 and while I know that design build wouldn't fit
21 everything that you need to do, how much money – have
22 you made any estimates of how much money that NYCHA
23 could safe in theory at least if we had design build
24 available to us on an unlimited basis?

25

1
2 DEBORAH GODDARD: To be honest with you, we
3 haven't focused on the financial savings. We focused
4 on the delivery savings, the schedule savings.

5 COUNCIL MEMBER GRODENCHIK: Well, time is money,
6 so that's good.

7 DEBORAH GODDARD: Very true, very true. And
8 just to be clear, the design build authority, we did
9 get from the state was limited and we can't use it
10 across our portfolio and we are still working with
11 HUD and actually I'm very encouraged by recent
12 conversations with HUD about getting some movement so
13 that we could use design build, because we need
14 approval from both sides.

15 COUNCIL MEMBER GRODENCHIK: You need approval
16 from both sides?

17 DEBORAH GODDARD: Yes.

18 COUNCIL MEMBER GRODENCHIK: Has HUD given you a
19 reason why they wouldn't - why this - does that make
20 sense or -

21 DEBORAH GODDARD: You know, it's a matter of
22 longstanding rigs. I think they go back to - my
23 understanding is they go back to a concern that the
24 designer and contractor don't sort of get in cahoots
25 and up the cost of the construction through the

1
2 design. But that's an outdated perspective. Plenty
3 of people do design build and in fact, we are getting
4 ready to procure a consultant to help if we get the
5 Authority to help us bid and administer design build
6 in a way that is cost effective and efficient.

7 COUNCIL MEMBER GRODENCHIK: Well, I'm going to
8 continue to advocate for it next time we see the
9 governor.

10 DEBORAH GODDARD: Thank you.

11 COUNCIL MEMBER GRODENCHIK: [Timer goes off] Whew
12 that was fast. Wait till you get to the Parks
13 Committee, you're going to be in trouble.

14 Just one more question. If I wrote to check,
15 which cleared today for \$32 billion, how long would
16 it take you to do all this work. I know it just -
17 we're talking about years and years, it's the
18 prospect is so staggering, but I know the MTA has a
19 five-year capital plan. They also have on top of
20 that, another plan which we're still getting details
21 on, but do you and NYCHA think of it in five-year
22 plan, a ten-year plan, because the numbers are just
23 so staggering?

24 DEBORAH GODDARD: Right. I think you're
25 absolutely right. When I arrived here a couple years

1
2 ago, I said, well, if we spend all the money on roofs
3 that we're spending, how much of the need will we
4 take care of? And that was before the Mayor's
5 announcement and I was like, oh my God. So, we do
6 look at it partially by component. So, with the
7 Mayors funding on roofs, we know that when we're done
8 with that program, we should be back into life cycle
9 replacement, move on.

10 We know that with the money we're getting - if
11 we get the money from the state on boilers, we have
12 about a \$300 million need left. We can start
13 thinking about how we address that.

14 We have generally planned in five-year
15 increments, it's the HUD cycle, but we are now in
16 fact putting together a ten-year plan to take that
17 longer look which is actually more appropriate for
18 capital planning to see when can we finish boilers?
19 When can we finish elevators? How much of kitchens
20 and baths we can do.

21 In terms of how quickly we could spend \$32
22 billion or even slightly less than that, I think we
23 also have to be aware that at some point the market
24 is saturated and so, at some point putting more money
25 on the street is not going to be an answer and that's

3 just something we have to continue to judge. If we
4 were to ever have a good fortune of reaching that
5 problem.

6 COUNCIL MEMBER GRODENCHIK: That would be some
7 good problem to have.

8 DEBORAH GODDARD: It would.

9 COUNCIL MEMBER GRODENCHIK: Alright, thank you
10 Madam Chairs. Thank you for your answers Ms.
11 Goddard.

12 CO-CHAIR VENESSA GIBSON: I just want to very
13 quickly follow up on the Council Members question as
14 it relates to design build with no limits and no
15 conditions, right? You talked about delivery savings
16 in terms of timeframe. So, in terms of design, how
17 much time would you anticipate saving and would that
18 be by project type? So, would it be all projects or
19 certain capital projects where you anticipate design
20 build authority would be beneficial?

21 DEBORAH GODDARD: So, right now, we've looked at
22 boilers and elevators because that was what the state
23 money was funding and the legislation allowed it for
24 at least the boilers. But to your question, yes, it
25 would differ depending upon the nature of the
project.

1 So, in design build, we thought that – just a
2 minute please – on a heating system that we could
3 shrink schedules that were three to five years in
4 total design construction through to completion to a
5 year and a half to two years. So, cut somewhere
6 between a year or two off the schedule.
7

8 I will say in the absence of design build on the
9 Mayors heating schedule, we also made a commitment to
10 move forward and cut our design time in half and we
11 did from twelve months to six months and this relates
12 back to my saying we're going to look at the industry
13 and tie our schedules and the evaluation of our
14 schedules to what our industry norms.

15 CO-CHAIR VENESSA GIBSON: Okay, what about
16 elevators? Do you have a projected timeframe on
17 that? I really care about elevators.

18 DEBORAH GODDARD: I don't but we will do it
19 because we are still talking with the state. In
20 fact, elevators are a perfect place for design build
21 because its virtually design build, but we can get
22 that to you.

23 CO-CHAIR VENESSA GIBSON: Okay, and also on
24 boilers to? Would you be able to get that info as
25 well?

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DEBORAH GODDARD: Yes.

CO-CHAIR VENESSA GIBSON: Okay, okay, thank you.

CHAIRPERSON AMPRY-SAMUEL: Council Member

Powers.

COUNCIL MEMBER POWERS: Yeah, thank you. Just to follow up on Council Member – I’ll take Council Member’s Grodenchik’s time left over or not left over. I didn’t hear a specific reasonable time estimate though. I thought you said maybe your looking at ten years now. Is that to say if money was – and I heard the saturation point, but if that money was available, then a reasonable expectation would be ten years to do the work that’s needed here?

DEBORAH GODDARD: No.

COUNCIL MEMBER POWERS: So, what is a reasonable expectation?

DEBORAH GODDARD: I don’t – I honestly can’t sit here without having thought about that, I can’t sit here and tell you what that is, but this has been decades in the making and I think it is probably a few decades in the solution.

COUNCIL MEMBER POWERS: To total money in and cost, staggering. And the \$450 million that you reference in your testimony that we know is still

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2 owed by the state, can you give us an update on that
3 money?

4 DEBORAH GODDARD: So, we actually talked to OMB,
5 state OMB and state budget office reached out to us a
6 couple weeks ago. We have been very close to a grant
7 agreement before the governor's executive order, but
8 they made it clear that the money would not flow
9 until the monitor was appointed under the consent
10 decree. So, as you well know, we are now a little
11 bit in limbo on that.

12 In the meantime, we have put these lists
13 together a couple years ago and we're taking the time
14 to go out now and eval - you know, redo our
15 estimates, so that we're ready to go when the money
16 is available.

17 COUNCIL MEMBER POWERS: And then two more
18 questions and then I'll hand it back.

19 DEBORAH GODDARD: Sure.

20 COUNCIL MEMBER POWERS: In the assessment - in
21 the PNA, I notice that you reference this in your
22 testimony, but a number of costs have gone up.
23 Elevators have gone up 5293 percent.

24 DEBORAH GODDARD: Yes.
25

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2 COUNCIL MEMBER POWERS: Which is remarkable in a
3 six-year period.

4 DEBORAH GODDARD: Yes.

5 COUNCIL MEMBER POWERS: And mechanical and
6 electrical, has gone up 2,617 percent. Roofs
7 actually have gone down 4 percent.

8 DEBORAH GODDARD: Yes.

9 COUNCIL MEMBER POWERS: But why? But how is it
10 possible those are so much higher today than six
11 years ago?

12 DEBORAH GODDARD: Well, the - first let me say
13 on the little bit of good news, it does show what a
14 concentrated investment can do right? On roofs. But
15 on elevators in particular, this team had a much more
16 expert engineering team looking at our elevators and
17 so, the figure from 2011 was not enough. It wasn't
18 sufficient.

19 COUNCIL MEMBER POWERS: By a lot.

20 DEBORAH GODDARD: By quite a bit, quite a bit,
21 yes.

22 COUNCIL MEMEBR POWERS: So, what confidence do
23 we have that the numbers today are then the right
24 ones?

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DEBORAH GODDARD: Because [Inaudible 1:20:11]

STV did take the effort to have an engineer, have an engineering team who are specifically expert in elevators, and given the reputation of these companies and that their willing to stand behind it and they've stood behind it as we've vetted these numbers. I have confidence that they're appropriate.

COUNCIL MEMBER POWERS: Okay, and then last question. You mentioned both the regulations from the federal level and the state level, I'm sure there's some at the city level to that - okay, no city level, okay. That add you know complication or consideration in terms of doing the work you're doing.

DEBORAH GODDARD: Sure.

COUNCIL MEMBER POWERS: Can you tell us what are the - can you just lay some of those out and any that you are seeking or NYCHA is seeking relief from? Or has asked for relief from in order to do this work in a more expedited or cheaper manner? Because I think as we approach, well, I think we are at, crisis level in terms of doing this work and we're hearing decade and \$30-something billion to do this work? It would also be an important moment to discuss what are the

1
2 regulations that you see as interfering in the goals
3 of doing this quick and affordable?

4 DEBORAH GODDARD: So, I don't always like to
5 focus on procurement in that, a lot of the effort in
6 procurement is simply a public advertising period and
7 you know, that is not a huge effort.

8 After that, and I will say on the city's side,
9 yes, after we procure, for our protectoral contract
10 we do, then for the construction management contract,
11 then for the construction contract. Each of those
12 times we go through an OMB process. OMB is very
13 responsive for approving it. Then we go to the
14 Comptroller's office for approval. We are trying to
15 work with them to make sure we deliver packages that
16 are in the form they want and that they turn them
17 around expeditiously.

18 So, I'll step back and say on the city, there
19 are steps that do add time. I've met with our own
20 procurement people. I think we could maybe speed up
21 some of our internal processes and we're talking
22 about where the sticking points - and I've created
23 tracking, so I can track that.

24 On boilers, we got a board vote and maybe we do
25 this more broadly to allow me the contract and report

1
2 to the board on what I've contracted, so that we
3 don't have to wait for the board cycle, but I think
4 that procurement even of itself often gets a bad rap
5 that is overblown. I will say though to design build
6 and the sort of out dated state and federal
7 regulations in terms of new procurement methods, that
8 is something we'd like to see loosened up and even on
9 state level, advocacy for design build broadly would
10 be very helpful.

11 COUNCIL MEMBER POWERS: Got it. Thank you.
12 Thank you to the Chairs.

13 COUNCIL MEMBER AMPRY-SAMUEL: We've been joined
14 by Council Member Gjonaj as well as Council Member
15 Salamanca. Council Member Salamanca.

16 COUNCIL MEMBER SALAMANCA: Thank you Chair. Good
17 morning. First, I want to thank you for this
18 detailed list of capital needs in my district,
19 district 17. So, in my district, to address all the
20 capital needs, its \$1.2 billion, total population of
21 15,520. Therefore, an average per person is \$77,965
22 to fix for every individual person and I have 6,668
23 units. When you average that out with the \$1.2
24 billion, that comes out to \$181,471 per unit. That
25 is unbelievable. And you know, I really cannot just

1
2 blame this current administration, even though I
3 think that this current administration could do a
4 better job in providing better onsite management to
5 avoid some of these big capital disasters that's
6 happening. I do blame past administrations. What
7 they have done is kick the can down the road to allow
8 us to get to a \$31.8 billion capital need in the City
9 of New York.

10 I just want that to sit in. In my district, I
11 know that there are some issues and some concerns.
12 There are certain projects that are really affecting
13 the quality of life of my constituents, and I think
14 that some of these projects are urgent and can be
15 fast tracked and I have for example, Jackson Houses
16 that the transmitters are constantly falling apart,
17 not turning off.

18 So, there surviving off a back of generators and
19 in the last couple of weeks, the back of generators
20 is not working either. And so, what is your plan to
21 address the basic need of electricity in these
22 buildings? When the electricity goes out, that means
23 that the light in the hallway goes out. That means
24 that the light in the apartments go out and most
25 importantly, the elevators are going out. So, can

1
2 you please explain to me what is your plan to address
3 the basic need of electricity in Jacks Houses?

4 DEBORAH GODDARD: Okay, I'm going to ask James
5 to respond to that.

6 JAMES SCANLON: So, we are aware of Jackson
7 Houses. It's a step up with the transformers. Its
8 actually going to begin design within the next six
9 months and it would plan for a capital upgrade next
10 year.

11 COUNCIL MEMBER SALAMANCA: You said the
12 transformers will be -

13 JAMES SCANLON: Right now, - Jackson requires a
14 step up, so its currently got a transformer that went
15 down.

16 COUNCIL MEMBER SALAMANCA: Let's be clear here
17 because I don't get correct information many times in
18 these hearings compared to the information that I get
19 from Brian or from Vito [SP?].

20 My understanding is that these transformers were
21 delivered, the first batch was delivered there was
22 one transformer that was broken, and they were sent
23 back and that these transformers were redelivered.
24 Therefore, these transformers should be there
25 currently, and that work should be getting done as we

1 speak. Its my understanding that before the end of
2 December, these transformers will be up and running,
3 but now your telling me that its going to take six
4 months to get that work done.
5

6 DEBORAH GODDARD: So, James was speaking to the
7 permanent solution being overseen by capital, but
8 you're absolutely right then on the authorization
9 side, they have delivered the transformers. But
10 we're talking about the permanent response.

11 COUNCIL MEMBER SALAMANCA: So, these
12 transformers that have been delivered are going to be
13 installed. It's going to be a temporary solution to
14 actually resolve the entire issue with electricity in
15 Jackson Houses will take up to six months?

16 DEBORAH GODDARD: We are designing a new system.
17 So, it will be designed, and construction would start
18 next year but it's a new system.

19 COUNCIL MEMBER SALAMANCA: Alright, I just feel
20 that we just get pieces and pieces of information
21 instead of NYCHA being honest from the very beginning
22 and giving us the whole entire picture.

23 DEBORAH GODDARD: We're happy to talk with you -

24 COUNCIL MEMBER SALAMANCA: My last question
25 Madam Chair, if I may just one last question. Roofs,

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2 there are some buildings in for example, 1471 Watson
3 Avenue for a population of 163 people, 96 units, they
4 have almost a \$20 million need, capital need in these
5 buildings.

6 In this last budget there was a cost of about
7 \$2.8 million, something in that price range to fix
8 the roof. I was negotiating to get some of those
9 capital dollars allocated and NYCHA turned around - I
10 was trying to get that money allocated in the last
11 budget, but in conversations with NYCHA and the
12 Council, we were informed that 1471 Watson was going
13 to be added to the RAD - to the new batch of RAD
14 projects that you were going to apply. Did that
15 happen? Is there a list of RAD projects? And if so,
16 how can we get access to that list that NYCHA - the
17 list of developments that NYCHA applied for?

18 DEBORAH GODDARD: Yes, we do have a list of what
19 has been applied for to HUD. That's not my
20 department but yes, we do have it.

21 COUNCIL MEMBER SALAMANCA: And how do we get
22 access to that list?

23 DEBORAH GODDARD: We'll take that back to the
24 real estate department.

1
2 COUNCIL MEMBER SALAMANCA: Alright, and so, when
3 will I get a response?

4 DEBORAH GODDARD: I don't think it should take
5 to long. I think it should be beginning of next
6 week, tomorrow, I'm not sure.

7 COUNCIL MEMBER SALAMANCA: Alright, I look
8 forward to getting access to that list. Thank you,
9 Madam Chair.

10 CHAIRPERSON AMPRY-SAMUEL: In the last hearing
11 that we had, we asked for a list of all of the plans,
12 all of the development plans. We asked for the
13 50/50, we asked for the 100 percent affordable as
14 well as the RAD. So, it would be great to have that,
15 but we did ask for it in the last hearing and haven't
16 received it yet.

17 In reference to RAD and its conversions, are
18 there any plans to or need to relocated residents at
19 all?

20 DEBORAH GODDARD: Again, that's being handled by
21 the real estate department but knowing what we've
22 don't to date and knowing in general how RAD
23 proceeds, the rehab has been done to date hasn't
24 required relocation. Sometimes hospitality sweets

1
2 while work is being done in the apartment but not
3 permanent relocation, no.

4 CHAIRPERSON AMPRY-SAMUEL: And with those
5 developments, have you already started the process of
6 having the formal sit-down meetings with the
7 residents and have they been a part of the reviews of
8 the scope of work at all?

9 DEBORAH GODDARD: I know you covered that in the
10 hearing with the real estate department and that's in
11 their **[inaudible 1:30:16]**, I would not know.

12 CHAIRPERSON AMPRY-SAMUEL: Okay. We've been
13 joined by Majority Leader Laurie Cumbo as well as
14 Council Member Ritchie Torres and next, Council
15 Member Gjonaj.

16 COUNCIL MEMBER GJONAJ: Thank you Chair. Can you
17 help me understand so I can go back to my district,
18 the 6,700 residents and explain to them that the
19 basic of services will be preserved and corrected
20 within a reasonable amount of time and this is just
21 heat, hot water, no leaking roofs, no mold, no lead
22 paint. What is the timeframe that you're ready to
23 commit to when it comes to protecting the most
24 vulnerable citizens of New York to ensure that they
25 have the basic of services?

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2 DEBORAH GODDARD: I certainly share the value
3 statement of providing quality, clean, safe housing
4 for every single one of our residents as I sort of
5 alluded to or actually said to Council Member Powers,
6 in terms of the capital side and the \$32 billion need
7 we have, I am not ready to provide a reliable
8 estimate for how long it would take us to work
9 through all of those capital improvements and
10 frankly, we don't have the funding to do all those
11 capital improvements.

12 Our pledge is to use the resources we do have
13 intelligently, as efficiently as possible and to
14 continue to put everything on the table in terms of
15 how we can raise resources to address these issues,
16 but I do not have an answer for when this can be done
17 and how it can be done with the resources we
18 currently have.

19 COUNCIL MEMBER GJONAJ: I don't even know how to
20 respond to that. Let alone how the residents of
21 NYCHA should respond to that comment. That we're
22 working on it, just don't have an answer for you.
23 For the basic, and I'm not talking about upgrades in
24 kitchens and bathrooms and paint my apartment and
25 improve the conditions that I'm living in. We're

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2 talking about heat, hot water, no leaks. This is the
3 richest city in the world and the 400,000 most
4 vulnerable New Yorkers have been given empty
5 promises. Your \$32 billion deficit may – we with the
6 federal judge that the half measures and half
7 commitments and that's what we're getting today is
8 half answers. I don't know when. I don't know how I
9 can commit and your going to go back to well, this is
10 decades in the making. It will take decades to
11 correct.

12 How do you look at those people in that audience
13 and tell them that twenty years from now, maybe we'll
14 get to your apartment? Maybe we'll get to your roof,
15 your boiler. Just maybe your son or your daughter or
16 your grandchildren will not be subjected to lead and
17 mold.

18 DEBORAH GODDARD: So, Council Member, let me
19 step back a minute and – I'm speaking to my purview
20 which is capital improvements but speaking to the
21 agency as a whole on heat and hot water, we haven't
22 made a commitment. The operations do have more
23 crews, more expertise, they have more temporary
24 boilers in case they need to deploy them, and the GM
25 and the Chairs pledge is to respond rapidly. To

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2 date, I believe we've generally been able to address
3 outages generally within 24 hours and we want to
4 maintain that record.

5 In terms of lead and mold, there is a healthy
6 homes department that's been created and that is
7 their focus, and that is what they'll be working on.

8 I'm sorry, I was speaking to the apartment
9 improvements, the boilers and the roofs. As I did
10 mention on some of those key items, on roofs, with
11 the Mayor's money we do believe that at the end of
12 the roofing initiative, we will be back to a regular
13 steady state of life cycle replacement approves.

14 With the state and city money, and federal
15 money, any PC's for boilers, we've covered all but
16 about \$300 million of it and we continue to plan
17 about how we can address that remaining need in the
18 boilers and the work we have done in those systems
19 has allowed - as I've mentioned before, us to take a
20 significant turn in the capital plan. It's actually
21 that 40 percent of the funding over the next five
22 years will be going to kitchens and baths.

23 COUNCIL MEMBER GJONAJ: I'm only reacting to the
24 comment that you made. That this is decades in the
25 making and it will take decades to correct. That's a

1
2 generation. You made a comment that will take a
3 generation for the issues of NYCHA to be addressed.
4 That's unbelievable, unacceptable, and outside of RAD
5 and PACT, this administration has come up with
6 another proposal on the table that will help generate
7 that revenue. They don't have a generation to wait
8 and no commitment or lack of commitment as to a
9 timeframe that you could be held accountable to, as
10 an injustice. I don't know how else to say it.

11 DEBORAH GODDARD: With all due respect and I
12 don't say this lightly, our residents deserve to have
13 everything as I said, safe and healthy. I do not say
14 this lightly, but we don't have \$32 billion, and it
15 would be irresponsible of me to project when I
16 thought I could have \$32 billion worth of repairs,
17 capital repairs done. That is not to say any of us
18 are happy or comfortable at all with that status.

19 COUNCIL MEMBER GJONAJ: Well the proposed plans
20 that are on the table to raise the revenue are
21 unacceptable. There is no — NYCHA will not reach
22 financial stability ever. That's what you're saying
23 today.

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2 DEBORAH GODDARD: No, I didn't say that. I just
3 said it's a daunting challenge and we don't have the
4 resources now, correct, I did say that.

5 COUNCIL MEMBER GJONAJ: We started off in the
6 last year with numbers that jumped from \$15 billion
7 to \$32 billion in a single year. Those are the
8 projections of the capital assessment needs less than
9 a year ago. They went from \$15 billion, they're now
10 at \$32 billion and a year from now, I dare imagine
11 what the capital needs are going to be.

12 DEBORAH GODDARD: Well, I'm not sure what
13 comparison your making, five years ago, the need was
14 \$16 billion.

15 COUNCIL MEMBER GJONAJ: I stand corrected its
16 \$16 billion.

17 DEBORAH GODDARD: Five years ago, and I think
18 it's important to notice as I mentioned, that two-
19 thirds of the increase is not a change in the
20 condition of our buildings. It is inflation and
21 market escalation and I think we reasonably hope that
22 that trend is not going to continue because it's not
23 sustainable for any market.

24 COUNCIL MEMBER GJONAJ: I have no other further
25 questions. I have no other comments except that it's

1
2 a sad day for New Yorkers and it really is an
3 injustice and a tragedy for NYCHA residents that we
4 can't do better for them.

5 CHAIRPERSON AMPRY-SAMUEL: Thank you Council
6 Member Gjonaj. Just a very quick question as I get
7 to my next colleague. In the case of some of the
8 individual developments where there are temporary
9 boilers and other temporary equipment in place, the
10 design process is being expedited from twelve months
11 to six months as one example of Andrew Jackson, the
12 Council Member Salamanca talked about. In addition
13 to that, are there other measures that NYCHA can put
14 in place to expedite these particular projects? I
15 think it speaks volumes to obviously the challenge
16 but whatever we can do as a city to expedite some of
17 these projects, is that something that we are looking
18 at. So, twelve months and six months is great,
19 right? So, I commend you for that but for a lot of
20 the developments where we have temporary measures in
21 place and my district is right across the street from
22 Andrew Jackson and there's a senior center in the
23 development, so we've experienced over the summer a
24 couple of disruptions of service, where we had no air
25 conditioning in the senior center. The power was

1 cut, the elevators were cut. So, what other measures
2 can we do to expedite some of these projects at
3 particular developments where we do have the
4 temporary systems in place?
5

6 DEBORAH GODDARD: So, I just want to be clear.
7 There are two kinds of issues going on here. Jackson
8 is on the electrical side.

9 CHAIRPERSON AMPRY-SAMUEL: Right.

10 DEBORAH GODDARD: And so, again, we will try and
11 expedite the design, even if it may mean it has to go
12 out of house to be done. On the Mayors boilers,
13 heating plants, we've been able to cut the six
14 months.

15 As I mentioned before, we have had - I didn't
16 mention today, but we have had great cooperation from
17 the Department of Buildings about meeting us with
18 that design process earlier on, so that when plans
19 got submitted, they were ready to go. We have a
20 commitment on boiler heating plants from DEP. We
21 give them advanced notice, they will prioritize their
22 inspections and certifications. OMB - we move
23 through OMB very quickly and we've been meeting with
24 the Comptroller's office about whether they can take
25 things electronically and file more easily.

1 Internally, as I mentioned, we did away, we
2 amended our own rules, so that I don't have to go to
3 the board ahead of awarding a contract. I can go to
4 report the awarding of a heating plant contract and
5 that's something that we'll look at for other things
6 to.
7

8 And as I said, we remain open to other ideas and
9 suggestions.

10 CHAIRPERSON AMPRY-SAMUEL: Okay, so those
11 conversation are actively happening now with OMB,
12 DEP, DOB, and all the relevant agencies that have
13 oversight approval, permit process approval, etc.,
14 where these agencies can help push this process
15 along.

16 DEBORAH GODDARD: Yes, we have commitments from
17 them.

18 CHAIRPERSON AMPRY-SAMUEL: Oh, and yes, let me
19 not forget the Comptroller's office as well.

20 DEBORAH GODDARD: Yeah.

21 CHAIRPERSON AMPRY-SAMUEL: We need them to
22 expedite, approving, and registering these contracts,
23 right?

24 DEBORAH GODDARD: Yes.
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CHAIRPERSON AMPRY-SAMUEL: Okay, thank you.

Next, we'll have Council Member Ayala followed by
Council Member Rosenthal.

COUNCIL MEMBER AYALA: Good afternoon. My
question is really around the senior housing
portfolio. Is there any priority given to capital
improvement projects for developments that house
seniors specifically?

DEBORAH GODDARD: It may come into play if
there's really a health or safety issue, but we do
generally stick to the issues of operational data and
whether something has part accessible and its useful
life.

COUNCIL MEMBER AYALA: And I think that's kind
of the problem that you know, I've been encountering
is I have seniors that are sitting for hours
sometimes in the lobby waiting for elevators to - you
know, repair technicians to come and repair the
elevators and I wonder is there like a tracking
system that NYCHA has that alerts whenever there's a
building that has a special needs population, right?
Because I applaud the idea of building senior
housing, but the fact that they were constructed in a
way that did not allow for social service workers to

1
2 be in the buildings and for that supportive
3 comprehensive planning that needed to go into them,
4 now leaves a whole entire building of vulnerable
5 people you know, alone to figure it out.

6 If you live in a regular building, you might
7 have a neighbor that'll help you out, right? But you
8 have 17 story buildings that are you know, occupied
9 primarily by older adults that cannot possibly walk
10 up the stairs and the fact that seniors are waiting
11 for hours and hours, and hours, I wonder like, even
12 if we cant fast track the capital needs projects -
13 for example, we have an elevator repair work that
14 needs to be done, is there a tracking mechanism that
15 alerts the technicians to like, this is a special
16 needs population. You need to get there quickly.
17 And that also relates to people with disabilities.
18 People you know, with wheelchairs.

19 I have a cousin that lives in Chelsea and she
20 has to go for dialysis. She's in a wheelchair.
21 Often times she's in front of the building and this
22 is you know, an inclement weather during the summer,
23 or during the winter and it happens consistently, and
24 I just wonder, what is NYCHA's contingency plan?
25

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2 DEBORAH GODDARD: I can't speak in great detail,
3 because that's on the operations side of our shop,
4 but I do know that yes, there is an alert system and
5 yes, there are flags that identify buildings and
6 apartments that have persons with issues in mobility
7 when the elevators are out.

8 COUNCIL MEMBER AYALA: And who would be able to
9 tell us what that system looks like?

10 DEBORAH GODDARD: Cathy Pennington, the EVP for
11 Operations and she has an elevator unit that work
12 with her.

13 COUNCIL MEMBER AYALA: Is it possible that she
14 would share that information with us at the Council -

15 DEBORAH GODDARD: Of course.

16 COUNCIL MEMBER AYALA: I appreciate it. Thank
17 you.

18 CHAIRPERSON AMPRY-SAMUEL: Thank you Council
19 Member Ayala. Next, we'll have Council Member
20 Rosenthal followed by Council Member Torres.

21 COUNCIL MEMBER ROSENTHAL: Great thank you. I
22 really want to dig into procurement a little bit. Is
23 that part of your bailiwick?

24 DEBORAH GODDARD: I have to deal with
25 procurement, yes.

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2 COUNCIL MEMBER ROSENTHAL: Are you guys - is
3 NYCHA participating in the passport system?

4 DEBORAH GODDARD: Yes.

5 COUNCIL MEMBER ROSENTHAL: And which phase are
6 you in?

7 DEBORAH GODDARD: I don't know what you mean by
8 phase, Council Member.

9 COUNCIL MEMBER ROSENTHAL: Are you participating
10 at the same pace that the rest of the city is or are
11 you just starting?

12 DEBORAH GODDARD: Oh no, we're fully on board.

13 COUNCIL MEMBER ROSENTHAL: What does fully
14 onboard mean? Are all of your contractors qualified?

15 DEBORAH GODDARD: Yes, they get prequalified
16 generally as they come in on a bid, but we - all of
17 our contracts and all of our contractors do go
18 through passport.

19 So, if they've never worked with us before, we
20 encourage them to get filed with passport ahead of
21 bidding, so its efficient. If a contract is awarded,
22 that's when the vendor -

23 COUNCIL MEMBER ROSENTHAL: Thank you. What do
24 you think the power of passport is for your - to
25 improve procurement for NYCHA?

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2 DEBORAH GODDARD: I mean its really a checks and
3 balance. I don't know that it improves procurement.
4 It's a check and balance. It provides critical
5 information about the history of the contractor. I
6 don't see it as - our experience to what I know it
7 and in it of itself is not a hurdle.

8 COUNCIL MEMBER ROSENTHAL: Its not.

9 DEBORAH GODDARD: Its not a hurdle.

10 COUNCIL MEMBER ROSENTHAL: A hurdle?

11 DEBORAH GODDARD: No.

12 COUNCIL MEMBER ROSENTHAL: Okay, so I'd
13 encourage you to sit down with Dan Simon at the
14 Mayor's office of Contracts.

15 DEBORAH GODDARD: Okay.

16 COUNCIL MEMBER ROSENTHAL: Speaking as a former
17 Chair of the Committee on Contracts, the power of
18 passport is multilevel, but there are a couple of
19 great benefits that I think might be beneficial to
20 NYCHA. One is that it roots out more effectively
21 contractors that have ripped off the city in the
22 past. So, that you're less likely to sign a contract
23 with them again. So, that's one really powerful part
24 of it.

25 DEBORAH GODDARD: Yes.

1
2 COUNCIL MEMBER ROSENTHAL: Another really
3 powerful part if your integrated into the passport
4 system is that it changes the payment timing for
5 people who have contracts with the city and the hope
6 is that if we start paying people on time, and not
7 two years later that the cost of doing business for
8 the city will come down.

9 DEBORAH GODDARD: So, let me clarify what I
10 meant by my comment. When I said it serves a very
11 useful purpose? I meant just that about rooting out
12 the bad doors and so, I don't see that as a hurdle.
13 So, I thought maybe you were asking me if I thought
14 passport got in the way and I don't think it does.
15 As to payment, I do want to really be clear that and
16 I've paid attention to this, we have a very good
17 track record of thirty-day payment.

18 COUNCIL MEMBER ROSENTHAL: Huh, so one of the
19 other really big problems that I notice when I did a
20 deep dive into procurement for cameras, in my
21 district which was during my first year on the
22 Council. I don't think we've ever met. I came to
23 understand that the procurement system was a really
24 top down program where people at the top wanted
25 something to be done and it sort of filtered down

1 through middle management to get done and one of the
2 things that we've discovered working with the Mayor's
3 Office of Contracts, is that the most successful
4 contracts are one that come from the bottom up.
5

6 That you get the least amount of fraud waste and
7 abuse if you have the actual users for whatever
8 product its going to be. Be very clear about what
9 they need, what their looking for and I offer that as
10 advise. I don't know if that's something you guys
11 would consider doing but I say all of this because
12 when I look at a \$32 billion shortfall, of course
13 it's a hellacious number and no one can wrap their
14 head around it. But I would assume that you would be
15 doing two things. Is fixing procurement in a
16 meaningful way at the same time that you figure out a
17 variety of financing mechanisms to get where you want
18 to go and I just - I've heard sort of you know, brief
19 statements, Oh, yeah, we're fixing procurement. But
20 I think for this committee it would be great and
21 certainly for Chair Gibson to hear and perhaps around
22 budget time, what your specific plans are to fix
23 procurement.

24 My experience has been that there's a lot of
25 waste fraud and abuse and you know, it does strike me

1
2 that you could chip away at that \$32 billion and
3 maybe bring it down to \$30 and that's not a bad
4 thing.

5 The second question and I'm going to then give
6 it back to that Chair, one thing I noticed as you
7 have looked at the Physical Needs statement is the
8 disconnect is between the financing and each of the
9 buildings that - each of the NYCHA buildings.

10 So, in other words, I think people would be more
11 trustful of a program where you could see for each
12 building which financing mechanism you expect to use
13 in order to get to the dollar amount of what's needed
14 at that building and I don't know if you have that
15 behind closed doors but that would be helpful to know
16 because otherwise nothing really - you can't cross
17 check or see if anything adds up. I mean, it's very
18 difficult to understand you know, when you say that
19 you know, you'll be looking to use HPD term sheets,
20 that's just as much a mystery to the public as
21 anything else. That does not explain how you get to
22 the need.

23 So, for example, one of mine is 154 - I'm just
24 looking at my sheet of paper.

25 DEBORAH GODDARD: Yeah.

1
2 COUNCIL MEMBER ROSENTHAL: West 84th street or
3 Amsterdam Houses \$197 million of need from soup to
4 nuts. So, it would be great to know which financing
5 mechanism you're planning on using. Is it PACT? Is
6 it RAD? Is it Section 8? Which combination of
7 things do you expect to use there in order to get to
8 the \$197 million and explain how in using those new
9 financing tools you're going to make sure that
10 Amsterdam Houses is fixed first before any new
11 building would go up, or a shift of Air Rights,
12 whatever it might be.

13 DEBORAH GODDARD: So, that really relates to I
14 think the hearing you had last week on the real
15 estate department and I understand from Chair Ampry-
16 Samuel that you've asked for some of that information
17 and the agency agreed to give it to you.

18 In terms of capital -

19 COUNCIL MEMBER ROSENTHAL: What?

20 DEBORAH GODDARD: I understand that was
21 requested last week, whats in the RAD pipeline, whats
22 in the PACT pipeline? That's not my department.

23 COUNCIL MEMBER ROSENTHAL: Well, the reason I
24 ask, and I'm less interested about whether or not its
25 in your department. You should be asking these

1
2 questions - I would imagine you would want the answer
3 to these questions.

4 DEBORAH GODDARD: Absolutely, absolutely. It
5 needs to be coordinated and I understand that the
6 information - I can get the information and I
7 understand that the Council has requested it from the
8 Agency and the Agency has agreed to provide it.
9 That's all I was saying.

10 COUNCIL MEMBER ROSENTHAL: Okay.

11 DEBORAH GODDARD: But absolutely, I can't plan
12 responsibly if I don't know what the other hand is
13 doing. We do coordinate.

14 COUNCIL MEMBER ROSENTHAL: Huh. It would be
15 great to see that. Thank you very much Chairs.

16 CHAIRPERSON AMPRY-SAMUEL: Thank you very much
17 Council Member Rosenthal. Next, we'll have Council
18 Member Torres followed by Council Member and Majority
19 Leader Cumbo.

20 COUNCIL MEMBER TORRES: It's all about a simple
21 hypothetical. It seems to me that it is unfair to
22 fault NYCHA for a lack of resources, right? We in
23 the political establishment bare more responsibility
24 for your resources than you do. But its entirely
25

1
2 fair to fault you or hold you accountable for how
3 efficiently those resources are spent.

4 So, suppose I handed you a \$32 billion check.
5 How long would it take to correct all the capital
6 needs in public housing?

7 DEBORAH GODDARD: So, I was asked that
8 previously and at the risk of reiterating a very
9 unpopular answer, Council Member I really, sitting
10 here today have not – I can't give you an honest,
11 reliable answer. It's a heavy lift and there's only
12 so much work you can put out on the street at any
13 point and time and for me to give you a date now
14 would be pure conjecture.

15 COUNCIL MEMBER TORRES: So, even if you had the
16 resources you need, you could not assure the public
17 that you could make the repairs as quickly as we
18 need. The citizens budget commission has reported
19 that the rate of physical deterioration in your
20 buildings outpaces your ability to spend dollars, is
21 that true?

22 DEBORAH GODDARD: Yes, you can see it in the
23 increase in the –

24 COUNCIL MEMBER TORRES: So, if we know that its
25 not only a funding issue, that the capital program is

1 to bureaucratic, to byzantine to address the
2 challenges, has NYCHA given thought to creating a
3 whole new approach? Doing for NYCHA what we did for
4 the Department of Education? Creating the school
5 construction authority, have we thought of creating a
6 construction authority for NYCHA that's more nimble,
7 more flexible, able to do repairs quicker, better,
8 faster?
9

10 DEBORAH GODDARD: Well, first of all, I don't
11 exceed to the description of NYCHA's lack of
12 capacity. There was at the start of NextGen a look
13 at whether there should be a different entity.
14 Changing the name and title does not change the
15 procurement regulations. It does not change how much
16 the market can absorb, which is what I was really
17 pointing to. I wasn't pointing to how much paper we
18 could push out. I'm pointing to the fact that the
19 market has a capacity constraint when we're talking
20 \$32 billion and then it wouldn't be responsible for
21 me to pull a figure out of my head right now about
22 how long it would take us to do that work.

23 COUNCIL MEMBER TORRES: Very quickly and then
24 I'll - I want to ask about obviously the main source
25 of funding that you have is federal funding. Within

1
2 what time frame do you have to spend those dollars?
3 And what happens if you fail to spend those dollars
4 on a timely basis?

5 DEBORAH GODDARD: We have 24 months to commit 90
6 percent of the funding and 48 to spend. We are well
7 within that. We've improved, we expect this year to
8 be 90 percent committed at 16 months, which is where
9 we feel comfortable. HUD would be able James I think
10 to take some funding back if we didn't meet our
11 obligation and expenditure?

12 JAMES SCANLON: Correct, but obligations and
13 expenditure at the federal level have not been an
14 issue. We award, as Deborah said, within 12 to 14
15 months as it relates to the grant and we're spending
16 within 30 to 32 months versus the 48-month statute.

17 COUNCIL MEMBER TORRES: Ms. Goddard, how long
18 have you been at NYCHA?

19 DEBORAH GODDARD: A little over two years.

20 COUNCIL MEMBER TORRES: And over the course of
21 those two years and this is my final question. Has
22 there ever been a federal recapture of capital funds?

23 DEBORAH GODDARD: Not from the capital fund
24 program, no.

25

1
2 COUNCIL MEMBER TORRES: I think that's a strong
3 accomplishment. So, I commend you for that.

4 DEBORAH GODDARD: Thank you.

5 COUNCIL MEMBER TORRES: That's the extent of my
6 questioning.

7 CHAIRPERSON AMPRY-SAMUEL: Thank you Council
8 Member Torres. Now, we'll have our Majority Leader,
9 Council Member Cumbo.

10 MAJORITY LEADER CUMBO: Thank you. Hello, thank
11 you for being here. I represent five NYCHA
12 developments; Walt Whitman, Ingersoll, Farragut,
13 Lafayette Gardens, and Atlantic Terminal.

14 There were - prior to me coming into office,
15 there were significant renovations done in both
16 Ingersoll and Whitman as far as kitchen upgrades and
17 bathroom upgrades and significant remodeling, but I
18 wanted to ask more specifically, what does NYCHA do
19 when the cost to rehabilitate an apartment or a
20 building is more than the cost to replace it? Do you
21 have example of when you have decided that it would
22 be as many people have brought to our attention, that
23 it often would be cheaper to either just reconstruct
24 a new building from the ground up versus continuing
25 to put resources into existing buildings?

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2 DEBORAH GODDARD: We have engaged in those
3 conversations. Obviously, I'm aware of some of the
4 statements that have been made by third parties. The
5 figures are a little bit misleading. There is a
6 figure for rehabbing. Got rehabbing start to finish
7 a unit and demolishing probably adds another couple
8 hundred thousand per unit on top of that.

9 When you really take into consideration taking
10 these buildings down, the feasibility and the numbers
11 change significantly.

12 MAJORITY LEADER CUMBO: So, your saying that the
13 demolition costs often do not warrant the ability to
14 demolish a building and to build something from the
15 ground up?

16 DEBORAH GODDARD: Correct.

17 MAJORITY LEADER CUMBO: Are there example where
18 you actually have decided to do that within this
19 administration?

20 DEBORAH GODDARD: Not to date.

21 MAJORITY LEADER CUMBO: That's interesting. Let
22 me ask you this question because I know we have
23 limited time. So, for the NYCHA developments in my
24 district, you're looking at the total five-year plan
25 would be close to, let's just say \$850 million

1 dollars. Can you explain to me and this may have
2 been covered by my colleagues, but alright, that's
3 the cost for five years, correct?
4

5 DEBORAH GODDARD: Yes.

6 MAJORITY LEADER CUMBO: Now, you have this
7 allocation that has come from the city, do you know
8 how much money you're putting into each recognized
9 district that has a five-year capital plan? In other
10 words, I'm trying to determine, where is the
11 shortfall?

12 So, this is the need. This is how much money we
13 have for these five years and here is the shortfall
14 and here's what you can expect in this five-year time
15 plan.

16 DEBORAH GODDARD: So, I may need to rely on
17 James a little bit but overall in the five-year plan
18 we expect -

19 JAMES SCANLON: About \$1.5 billion from the
20 federal side.

21 DEBORAH GODDARD: We have the Mayor's roofing
22 initiative which is a little - we are accelerating.
23 Its going to be between \$100 and \$200 million a year.
24 We have the boilers going forward which will take
25 care of all at about \$300 million of our need, but

1
2 you can see if you put these numbers together up
3 against a five year need it is woefully inadequate.

4 MAJORITY LEADER CUMBO: Is it possible for each
5 of the members to have an understanding in their
6 district of, this is your five-year need -

7 DEBORAH GODDARD: Yes.

8 MAJORITY LEADER CUMBO: This is how much money
9 we have and I'm hoping and praying that you can
10 figure out an equitable way to determine where the
11 resources are going to go. And then for this amount
12 of money, in this timeframe, this is the level of
13 work that you can expect to see as a result and where
14 you are short is here and to be able to have some
15 sort of conversation with I think the elected
16 officials as well as the TA presidents to have an
17 understanding of, how can we work together as
18 resources are scarce to prioritize. What is the most
19 critical for those developments as well as those
20 elected officials, because we have three years left
21 and as God as my witness, I want to see my NYCHA
22 developments better than when I found them, and you
23 know, particularly those of us who represent NYCHA
24 developments, we campaign on improving NYCHA
25

1
2 developments. We campaign on providing a better way
3 for people to live in respectable conditions.

4 And for us to do eight-year terms and to leave
5 those developments either the way we found them or
6 worse off would be the greatest tragedy that anyone
7 of us could ever experience. So, I and I know my
8 colleagues feel this way, we want to see improvement
9 after these eight years and we want to leave our
10 NYCHA developments in a better place as well as to
11 have a pipeline for those who succeed us to be able
12 to ultimately slam dunk the resources that we have
13 put in place so that people could live in
14 respectable, clean, healthy, environments.

15 DEBORAH GODDARD: So, let me — may I offer a few
16 things?

17 MAJORITY LEADER CUMBO: Please, thank you.

18 DEBORAY GODDARD: So, first of all, the capital
19 plan — the five-year capital plan for all
20 developments is on our website. So, it is available,
21 and we are actually working to do a ten-year plan.
22 So, a longer horizon which is appropriate for capital
23 planning, number one.

24 Number two, let me just briefly say that the
25 discipline that we try to use in deciding what we do

1 is again being very logical about the buildings. The
2 outside, to the systems, to the apartments, but of
3 course there's always – you know, there's not of
4 places that need a new boiler. So, then we are going
5 to look at our PNA, which tells us three things. The
6 scoring relates to three things. The remaining
7 useful life, whether we can get parts, and
8 operational data because something could be old and
9 still working well. So, we look at all those three
10 things and we actually look at it every year have
11 things changed as we create our capital plan.

12
13 And then, three, of course, we'd be happy to
14 meet with TA presidents, you, or any Council Member
15 about what our specific plans are.

16 MAJORITY LEADER CUMBO: I hear that. I want to
17 just make sure that we figure out a way for us all to
18 be at the same table to discuss, because I haven't
19 had a meeting with my NYCHA leaders, NYCHA, and
20 myself all together to have a clear snapshot of where
21 we are, what resources are allocated, what are the
22 priorities, and how can we make decisions
23 collectively as a group in the best interests of
24 those developments. So, I look forward to having
25 those meetings with you.

1
2 DEBORAH GODDARD: We'll work with
3 intergovernmental to set it up.

4 MAJORITY LEADER CUMBO: Thank you.

5 CHAIRPERSON AMPRY-SAMUEL: Thank you Majority
6 Leader Cumbo. Next, we'll have Council Member Carlos
7 Menchaca.

8 COUNCIL MEMBER MENCHACA: Thank you to the
9 Chairs and I want to ask about two different areas.
10 One is your relationship with the resident
11 association in general and whether or not you do
12 trainings and offer opportunities for them to
13 understand this capital plan, need, and get them
14 empowered. You heard from the first panel that there
15 was an opportunity there to really empower them.

16 The second question is the way that some of the
17 on the ground activists are really speaking to these
18 development needs in light of the consent decree
19 being denied is one for good faith \$2 billion to keep
20 going back into repairs, but really do it through
21 plan that engages the developments as a unit and
22 building modernization committees that exist under
23 the laws of the citywide council presidents in line
24 with HUD's engagement regulations CFR Part 964 or 24.
25 CFR part 964. So, that's the only two questions I'll

1
2 kind of give you but relationship with the resident
3 associations and whats preventing you from creating
4 these modernization committees to really focus say on
5 Red Hook East, Red Hook West, and allow the resident
6 associations to develop their plans to get stuff
7 working?

8 DEBORAH GODDARD: I'm going to go back a little
9 bit to something I said earlier on in response to a
10 similar question. We are happy to engage with
11 residents, but I do want to be clear that we also
12 have a fiduciary responsibility in how we spend the
13 funds. And so, the compelling logic of outside to
14 systems, to apartments isn't going to change.

15 On the other hand, there are plenty of
16 opportunities where the how we do it, what are we
17 doing in a kitchen? What are we doing in a
18 playground? How are we doing the doors? Offer
19 plenty of opportunity for resident input and we do do
20 charrettes on what each group uses the playground.
21 What equipment do they want to see on a playground?
22 Do they want a playground? Has the nature of the use
23 of the open space changed? In kitchens and baths,
24 you know offer a pallet and a choice of pallets.

1
2 COUNCIL MEMBER MENCHACA: Okay, I think I get
3 it, but I asked a very specific question about how
4 you currently engaged, you said your happy that you
5 can engage. What is your current mechanism for
6 resident association support? Do you train them? Do
7 you bring information to them? Maybe it doesn't
8 exist and if that's the case, I want to hear that to,
9 but I think you're missing the point here is that
10 you're really kind of thinking about this in terms of
11 experts and you are the experts and you know whats
12 going to happen and there's nothing that's going to
13 change.

14 I think you're missing the whole point here, is
15 that connecting how you responded to Ritchie Torres's
16 questions around the fact that even if you had the
17 money, you'd have trouble because its hard. That's a
18 good thing to talk to the residents about, so we all
19 have a good sense about it on the ground and you
20 can't keep all that information. This is public
21 funding. This is not your money, this is our money.

22 DEBORAH GODDARD: Absolutely.

23 COUNCIL MEMBER MENCHACA: So, they should
24 understand how it is getting spent and the issues,
25 and the difficulties, so they can be part of this

1 conversation and that's been my number one
2 frustration with NYCHA thus far in not allowing for
3 the empowerment of resident associations. So,
4 they're not just talking about a playground here or
5 not. Or of an appliance of choice, they're really
6 understanding the whole concept that you are
7 struggling with and I think through that
8 participatory process, you can get by from NYCHA
9 residents and the Associations and they join your
10 team when right now, they're just fighting you
11 because you're not being transparent as possible.
12

13 So, what is your relationship with the Resident
14 Association and we're going to have to work on
15 cracking this concept and this frame of mind because
16 I think its incredibly toxic and unhelpful.

17 DEBORAH GODDARD: So, we do not have direct
18 relationships in capital with the resident
19 associations. The HUD mechanism is the resident
20 advisory board and that's where we do take in, we
21 present our draft plan, we come back two or three
22 times later. I have talked to resident engagement
23 about meeting at the zone level or at the site level,
24 because I do agree with you. If you can put stuff
25 out there and people can understand the choices you

1
2 have to make, they can maybe not always agree with
3 you but understand what your doing.

4 COUNCIL MEMBER MENCHACA: And my final note is,
5 I think you understand from the first panel that they
6 understand to and so, lets talk to them as partners
7 because that's exactly what they are. They are the
8 owners of this property as the people and I want to
9 see more of that from NYCHA. So, let us help you
10 make that happen.

11 DEBORAH GODDARD: Not a problem.

12 CHAIRPERSON AMPRY-SAMUEL: Thank you Council
13 Member Menchaca. I wanted to ask a question specific
14 since I do have an Albany history. In terms of the
15 status of some of the state money. The FY 2016 State
16 Budget, there was \$100 million commitment that was
17 funneled through DASNY Dormitory Authority in the
18 state to develop a spending plan and then the money
19 was funneled through HCR, Division of State Homes and
20 Community Renewal. So, I wanted to ask about that
21 and then in your testimony your reference \$450
22 million coming from the state. So, that does not
23 include this \$100 million because subsequent after
24 that in 2018, there was \$200 million committed and
25 then FY 2019, \$250 which brings us to the \$450.

1
2 So, could you give us a status update on the
3 projects as well as how much of that \$100 million we
4 have drawn down and then I'm going to assume and I'm
5 probably correct, the \$450 million that's in the
6 remainder from 2018 and 2019, that money has not been
7 drawn down at all.

8 DEBORAH GODDARD: So, I'll start there. You're
9 absolutely correct.

10 CHAIRPERSON AMPRY-SAMUEL: Okay.

11 DEBORAH GODDARD: The state has not released the
12 funding and that's the funding they said they would
13 not release a couple weeks ago when we talked with
14 them until there was a monitor in place. So, we are
15 clearly in limbo on those funds.

16 As to the \$100 million that went to DASNY, it
17 might have sat at HCR for a bit, but it would have
18 simply been a Fiscal conduit if that happened. Its
19 DASNY that's administering the money and I did not
20 come prepared today to speak to how far along they
21 are in expenditures. Last time I looked at it they
22 are in the 40 percent range, because they were 30
23 before. I think they're in maybe the 40 to 50
24 percent range of expenditure.

1
2 CHAIRPERSON AMPRY-SAMUEL: Okay, okay, so we
3 still have a little way to go.

4 DEBORAH GODDARD: But we can get you the firm
5 answer on that.

6 CHAIRPERSON AMPRY-SAMUEL: Okay, well now,
7 that's an increase. The last time I got an update
8 which was last year, we were about 30 percent and a
9 lot of that money relates to building, intercom,
10 **[inaudible 2:12:03]**, door replacements and things of
11 that nature. Minor not some of the larger capital
12 work, correct?

13 DEBORAH GODDARD: Correct. We had proposed that
14 that money go towards roofs and sort of partnership
15 with the Mayor making a commitment on roofs, but the
16 state decided to do otherwise.

17 CHAIRPERSON AMPRY-SAMUEL: Okay, and then with
18 yesterdays decision rejecting the federal consent
19 decree, what do you think will be the impact. I know
20 there's a deadline that we now have to meet. So, is
21 there any insight you can give us on what we should
22 expect over the next few weeks?

23 DEBORAH GODDARD: To be honest with you, I am
24 not the right person for that. You're right both
25 parties are supposed to submit something to the judge

1
2 by December 14th and I think that's where a lot of
3 people are today trying to figure out what that means
4 and how to move forward. In the meantime, as you
5 know, we have been paying attention to lead and mold,
6 creating a healthy homes unit. We've been paying
7 attention to compliance. We in anticipation of the
8 money at capital have been mapping sites, in terms of
9 trying to determine, where's the overlap? We've
10 already done some system investments. Some exterior
11 building investments. If we're going to tackle for
12 instance mold, that's kitchens and baths. Where
13 should we come down? So, we've been mapping that
14 stuff out to help prioritize ourselves.

15 CHAIRPERSON AMPRY-SAMUEL: Okay, so that
16 question could be answered by someone at the
17 executive level in another unit?

18 DEBORAH GODDARD: I think the Chair and GM.

19 CHAIRPERSON AMPRY-SAMUEL: And general managers,
20 okay, great. I wanted to ask a question and go back
21 to the 2017 PNA. Moving forward now that the
22 assessment has been done, is NYCHA required to
23 provide any performance measurements or progress
24 report of what has been done towards that dollar
25 figure? So, if its \$32 billion, if you have to

1
2 provide a progress report or anything during the
3 interim, is that on the books or is that something
4 you do automatically? Or are you mandated to do it
5 if it has to be done at all?

6 DEBORAH GODDARD: We do file with HUD every year
7 on the annual plan. How we're spending the money and
8 what's been completed and how we're doing on
9 obligations and expenditures by project.

10 Additionally, actually the PNA this year included
11 also the purchase of a new software program, which
12 will feed completed projects in automatically. So,
13 we'll have a very robust system to track the
14 reduction in the PNA project by project.

15 CHAIRPERSON AMPRY-SAMUEL: Okay, and do you get
16 feedback from HUD on the annual submission, or is it
17 just in -

18 DEBORAH GODDARD: It's a fairly ministerial
19 submission.

20 CHAIRPERSON AMPRY-SAMUEL: Okay, so just
21 informational purposes.

22 DEBORAH GODDARD: They looked and make sure
23 we're spending our money appropriately that's on
24 capital improvements but there isn't a lot of
25 scrutiny.

1
2 CHAIRPERSON AMPRY-SAMUEL: Okay, and then the
3 program managers that you talked earlier about that
4 we are looking to hire, will they be through a third-
5 party contractor, or that would be NYCHA staff?

6 DEBORAH GODDARD: No, they'll be third-party
7 contractors.

8 CHAIRPERSON AMPRY-SAMUEL: Okay, do you know how
9 many?

10 DEBORAH GODDARD: At this point I'm looking at
11 two, but we will go to the board with the option of
12 increasing depending for instance, you know,
13 depending what happens with the SDNY when that
14 funding comes through. So, we'll maintain
15 flexibility.

16 CHAIRPERSON AMPRY-SAMUEL: Okay, and moving
17 forward in terms of 2019 priorities with the state,
18 there are changes that are coming to Albany, thank
19 God. Do we anticipate any priorities that NYCHA will
20 have for the state, for the governor and the new
21 state leaders?

22 DEBORAH GODDARD: Intergov will start meeting
23 with them to talk both ways. What our needs are and
24 what their interest is from a capital perspective.
25 If we could finish out our boilers and move forward

1
2 and be you know, on a lifecycle replacement, that
3 would be a great corner to turn for us, but I am
4 speaking as the EVP for capital planning and intergov
5 hasn't asked me yet.

6 CHAIRPERSON AMPRY-SAMUEL: Okay, well two
7 priorities for me. Design build authority and I want
8 to draw down on the \$450 million and I would love to
9 see more of a commitment from the state simply
10 because years ago, when I was there, I remember us
11 doing away with the state supervised developments and
12 giving them to the federal government. So, now all
13 of NYCHA is under the feds. So, I would love to see
14 more improvements from the state. I hope my former
15 colleagues are listening.

16 DEBORAH GODDARD: We share the sentiments.

17 CHAIRPERSON AMPRY-SAMUEL: Okay, and then
18 another priority for me and I've talked about it but
19 its always important to emphasize. I do want to see
20 more of an investment on interior, apartment repairs,
21 in light of the PNA for 2017, recognizing that that
22 is a priority. I do want you to go back and talk to
23 your colleagues, the GM and the Chair about how we
24 can invest more in apartment upgrades and if we can
25 expedite that, that will be great as well. So, if

1
2 the design can be expedited to six months, I mean,
3 lets go for the gusto, lets do three months. That
4 would be great. To see if we can really get some
5 apartment upgrades underway. I think that would be a
6 real recognition of a priority and really to all the
7 residents here, I think it would tell them that we do
8 recognize the anterior is just as important as
9 exterior.

10 DEBORAH GODDARD: I hear you, thank you.

11 CHAIRPERSON AMPRY-SAMUEL: Thank you. I'll turn
12 it back over to my Co-Chair.

13 CO-CHAIR VENESSA GIBSON: Over the past couple
14 of days we've heard a lot about this Amazon deal.

15 DEBORAH GODDARD: Yes.

16 CO-CHAIR VENESSA GIBSON: And the Mayor and a
17 lot of people had an opinion about how the residents
18 of NYCHA can benefit from Amazon moving into New York
19 City and Long Island City and the NYCHA developments
20 that is in the Long Island City area. Have you had
21 any conversations at all with this administration or
22 provided any kind of plans or projections, or how
23 NYCHA can benefit from this deal with capital repairs
24 or in any kind of way?

1
2 DEBORAH GODDARD: We have not, but we do know
3 that the state has a standard process for planning
4 the use of funds and we expect that NYCHA will be
5 partners with the city in those conversations.

6 CO-CHAIR VENESSA GIBSON: Okay, thank you and I
7 did have an actual line of questions related to
8 financing deals and really related to the funding and
9 revenue streams that will come from all the
10 development and how that could be able to address all
11 of the capital repair needs and we weren't able to
12 ask a lot of those questions because of the real
13 estate not being here and also, the fact that NextGen
14 2.0 has not been released. And so, I really hope
15 that plan is released soon so that we can really get
16 a sense of what NYCHA has planned for revenue and
17 addressing the needs and be able to have another
18 conversation, even if it's a roundtable discussion
19 with some serious stakeholders.

20 DEBORAH GODDARD: I think we would love to
21 participate in roundtable conversations and we share
22 here your hopes.

23 CO-CHAIR VENESSA GIBSON: So, we look forward to
24 receiving that as well as the list of all the deals
25

1
2 within our respective Council district. So, with
3 that, -

4 CHAIRPERSON AMPRY-SAMUEL: Oh, just one more
5 since Christmas is around the corner, I'd like to
6 develop my wish list early. But in addition to
7 everything I described in terms of 2019 priorities.
8 I just want to recap some of the things we've talked
9 about where we're recognizing that there are
10 significant changes that are happening, whether it's
11 the design process where expediting that design from
12 twelve months to six months. I'm going to push to
13 three months. The procurement changes in terms of
14 some of the bids that are being rejected for various
15 reasons, but also, I would say better recruitment,
16 you talked about that of more bidders. That's
17 something that my committee has been looking at
18 agency by agency, because I think we put ourselves in
19 a box when we work with the same bidders all the
20 time.

21 You know, we're forced to either accept with a
22 higher price or reject and start the process all over
23 and I think many of my colleagues and I have
24 experienced individual projects where there's been
25 inconsistencies in contracts and we've had to start

1
2 all over. So, my basketball court is another year
3 and the residents on the ground have to deal with
4 that delay.

5 Interagency coordination is something that we've
6 been harping on a lot because NYCHA can do everything
7 it can but if DOB and DEP and OMB and the
8 Comptroller's office and all the other agencies that
9 work with you are not also doing their part, then we
10 blame you guys, that's usually how it happens and so,
11 I want to make sure that the conversations are
12 actively happening through this process and where the
13 Council can be helpful, we appreciate that. You
14 know, the communication can always improve, and we
15 want to make sure that we're helping during the
16 process, not just during the budget conversations,
17 right? That we'll start in January, but this is
18 something that we should be doing year around and
19 certainly as Chair of the Subcommittee working with
20 our finance Chair Danny Drumm, we want to make sure
21 that we're doing that as well.

22 The program managers you talked about, we're
23 looking at two possibly. In terms of some of the
24 vacancies you're dealing with that total number of 44
25 and then you talked about 18 I believe, consultants

1
2 that you're working with as well. How we can help
3 with better recruitment, some of our partners, maybe
4 colleges and other entities where we can do - I'm a
5 big fan of job fairs, huge. Just had a few earlier
6 this year dealing with headcount and then anything
7 else that I didn't describe. I think I got
8 everything, but really wanted to you know, keep
9 talking about some of those procedural changes. I
10 mean it may sound boring, but these are the types of
11 things that delay projects that the public doesn't
12 understand.

13 So, they will blame us for the delay and then we
14 blame you and then we look internally and find out
15 what that inconsistency is. So, to the best that we
16 can, the level of consistency and detail, and
17 communication, interagency partnership with all of
18 our stakeholders, we really can start to put a real
19 dent. I recognize \$32 billion is a high price tag.
20 I wish I could write a check for \$1.6 billion just
21 for my developments and I agree with the Majority
22 Leader. Every day that we wake up we're trying to
23 make things better for our residents and families and
24 really the legacy that we leave behind. We don't
25 want to leave office in three years and our districts

1 are worse off. That means we haven't done our job.

2 We do want to make it better and I know it almost
3 seems insurmountable and impossible, but I appreciate
4 a lot of the work that has been happening and that is
5 going to continue to happen and most importantly I
6 really appreciate the voices of the tenants.
7

8 Many of them call us morning, noon, night,
9 weekends, and every other time and rightfully so,
10 because they do need a voice and they always want to
11 make sure that their voices are at the table and so,
12 the community engagement with CCOP and other of the
13 tenant leaders that are in place is really important
14 from the perspective of partnership and letting folks
15 know what's going on.

16 I try to meet with NYCHA once a month to go over
17 my individual projects because when residents ask me,
18 I need to have an answer and if I don't have an
19 answer you guys have to give me an answer and so, I
20 appreciate a lot of the work that has been done and
21 we do have a lot more work to do but I appreciate
22 that there are efforts in place to really look at
23 internally a lot of the processes, like procurement
24 and like design, like staff, Air recruitment and
25 retention, that need to be addressed and a lot of the

1 savings that you have in some of the underruns are
2 really critical because we can expedite even more
3 projects, right? And get our design to three months
4 and so, I think you. I'm very ambitious because I
5 don't think anything is impossible when you have
6 people together that want to achieve the same thing.
7 We really can make a difference. So, thank you for
8 coming today. We do have one more panel after you,
9 so I ask you stay behind, just like you heard from
10 the tenants, I want you to hear from some of the
11 other advocacy groups and the Fiscal watchdogs that
12 do a lot of great work and really oversight over
13 agency.

14
15 So, I thank you and I'll turn it back over to my
16 Co-Chair.

17 CO-CHAIR VENESSA GIBSON: Thank you so much.
18 So, now we'll transition to the actual last panel.

19 DEBORAH GODDARD: I just want to thank you and
20 the committees for your support and the conversation
21 and we will keep it going.

22 CO-CHAIR VENESSA GIBSON: Thank you. J.T.
23 Falcone from United Neighborhood Houses, Katelyn Hose
24 from LiveOn NY, Sean Campion from Citizens Budget
25 Commission and Lisa Caswell from the Day Care Council

1
2 of New York. And this is the last panel for this
3 hearing.

4 We can start with J.T. and please everyone just
5 state your name and your organization for the record.

6 J.T. FALCONE: Good afternoon Chair Ampry-Samuel
7 and Chair Gibson. I'm J.T. Falcone with Unite
8 Neighborhood Houses.

9 United Neighborhood Houses is a membership group
10 for New York City settlement houses and our members
11 include 40 New York City settlement houses and two
12 upstate affiliate members.

13 23 of our members operate out of sites owned by
14 the New York City Housing Authority where they offer
15 a wide range of services and run over 125 different
16 programs including Cornerstones, early childhood
17 education, and senior centers. These centers have
18 not been immune to the infrastructural challenges
19 that plague the Authority's aging facilities'
20 portfolio. A recent article in the Wall Street
21 Journal noted that an estimated \$500 million is
22 needed for vital repairs. We're here today with our
23 colleagues from the Day Care Council and LiveOn to
24 recommend reforms that could provide relief to
25

1
2 community-based organizations operating these centers
3 without adding stress to NYCHA's financial situation.

4 I'm going to dive right into these reforms. We
5 hope to see redirection of fines. Right now, the way
6 that the process works is that providers who are
7 operating out of NYCHA spaces can submit repair
8 tickets and repair requests to NYCHA and because of
9 the backlog in repairs, these requests can sit for a
10 long period and meanwhile they can be cited by
11 Department of Health and Mental Hygiene or FDNY for
12 violations. So, on top of repair costs, they're also
13 looking at fines for violations and we would ask that
14 these violations that have been reported to NYCHA
15 could be directed to NYCHA. As their the maintainers
16 of the space.

17 We're also looking at interagency cooperation.
18 These services are contracted by the Administration
19 for Children's Services, by Department for the Aging,
20 Department of Education, Department of Youth and
21 Community Development and all of these agencies have
22 different protocols for they cooperate with NYCHA and
23 how they work together and that should be something
24 that we could all coordinate and work together to
25

1
2 develop an interagency process that's consistent and
3 clear, and standardized.

4 And finally, an approval process for repairs.

5 In many cases, our members can raise the capital to
6 make these improvements and then when they approach
7 NYCHA for approval, those dollars can sit for we've
8 heard some instances of years because there's an
9 approval process that takes too long and it's not
10 clear, and it's not consistent. Again, consistency is
11 a key theme here. We're looking forward to working
12 with City Council and with NYCHA to find ways to
13 implement these repairs. We understand that the
14 financial situation is such that NYCHA is
15 prioritizing residential repairs and that's important
16 and that's key. These services help residents to
17 thrive as well and they develop and maintain the
18 communities that exist within NYCHA buildings, and so
19 it's important that we find ways to make sure that they
20 can continue to provide these services. Thank you.

21 KATELYN HOSE: My name is Katelyn Hose, I'm here
22 on behalf of LiveOn NY. Thank you to the Chairs for
23 the opportunity to testify and we're pleased to be
24 here with J.T. from UNH and Lisa from the Day Care
25

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2 Council to provide really the same recommendations
3 that were just outlined.

4 First and foremost, we want to speak to the 38
5 percent of NYCHA households that are headed by an
6 individual that's age 62 or older. There is and
7 estimated 7700 units designated specifically for
8 older adults. So, we fully support all the
9 recommendations to raise the conditions in the units
10 that was mentioned by Council Member Gibson and
11 throughout the testimony today.

12 Again, there's an estimated \$500 million in
13 capital funding that is needed specifically for the
14 community spaces that are operating in NYCHA. So,
15 these spaces are not separate from these issues.
16 There might be a leak on the third floor that impacts
17 the facilities on the spaces below and these have a
18 real impact on the lives of the tenants.
19 Specifically, if it's a cooling center or whatever it
20 may be for the residents. We would like to support
21 the recommendations that were given and specifically
22 to note that for providers there's a lot of time
23 spent on trying to navigate these issues, trying to
24 navigate these fines, trying to navigate the
25 processes. So, transparent process moving forward

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2 that is standardized across agencies as is
3 appropriate will be something that's wholly
4 supported. That way the agencies that are operating
5 in these spaces are able to get back to what they
6 really want to do which is providing social services
7 to the tenants.

8 Additionally, as programs move forward, such as
9 NYCHA NextGen and whatever it may be, as changes go
10 on in NYCHA developments, we really need for the
11 community based service providers to be kept in the
12 loop as to what is going on because often they're on
13 the front lines of answering questions the tenants
14 may have and to the extent possible we need them to
15 be partners with NYCHA and to be considered as such
16 so that they are able, to the best of their ability
17 support the tenants, answer questions and really be a
18 resource to NYCHA, to the community that they wish to
19 serve. Thank you.

20 SEAN CAMPION: Thank you Chair Ampry-Samuel and
21 Chair Gibson. My name is Sean Campion. I'm a Senior
22 Research Associate at the Citizens Budget Commission.
23 CBC I a nonprofit, nonpartisan civic organization
24 whose mission is to achieve constructive change in
25

1
2 the finances and services in New York State and New
3 York City Governments.

4 As we discussed today, NYCHA has an astounding
5 \$32 billion in capital needs which is nearly a
6 fivefold increase over the last decade. Today nearly
7 all its properties require substantial
8 rehabilitations, on average, about \$181,000 per unit.
9 Without dramatic action, up to 90 percent of NYCHA's
10 176,000 units of public housing could deteriorate to
11 the point at which they are no longer cost effective
12 to repair within the next decade.

13 In July CBC released a report called Stabilizing
14 the Foundation, which identified the root causes of
15 NYCHA's capital crisis and proposed strategies of the
16 City and the Housing Authority can use to mitigate
17 the deterioration, stabilize the system, and start to
18 improve tenants' quality of life.

19 Our report identified three root causes for the
20 deterioration. First was at NYCHA's capital funding
21 over the last 15 years was essentially flat, even as
22 its needs and the cost to address them continue to
23 grow.

24 Inefficiencies in both NYCHA's capital planning
25 and operations reduced the impact of the capital

1
2 investments that the authority did make and third,
3 NYCHA and the City made extremely limited use of
4 alternative strategies that could have addressed more
5 of NYCHA's needs.

6 And to address the crisis, we recommended
7 pursuing four strategies which I'll go through
8 quickly in the interest of time.

9 First, we recommended that the City should fully
10 integrate NYCHA into its affordable housing strategy.
11 The majority of the New York City Affordable Housing
12 needs for those with incomes at or below .2 percent
13 AMI, which is that of the population that NYCA serves
14 and incorporating NYCHA into the City's housing plan
15 will appropriately shift the unit distribution and
16 perhaps more than \$1 billion for NYCHA to preserve
17 these units.

18 Second, we recommend that NYCHA should
19 transition from being a landlord to an affordable
20 housing steward that manages fewer buildings. This
21 means that NYCHA needs to take full advantage of
22 public-private partnerships through RAD and
23 converting more units to Section 8, which offer a
24 more stable funding source and the ability to
25 leverage additional funds.

1
2 Third, that NYCAH should leverage underutilized
3 land assets to fund repairs and facilitate new
4 development, which is both – you know, it's through
5 infill of 80, 20 projects raised money for repairs as
6 well as the sale of Air Rights which could raise an
7 additional \$1.5 billion dollars and finally, that
8 NYCAH needs to improve its operations and
9 construction management to do more work during the
10 standard work day at a reasonable cost. Increase the
11 use of private maintenance contracts to add capacity
12 to the skilled trade divisions and also to seek
13 approval for design build and other construction
14 methods that will save billions of dollars in capital
15 repairs. Thank you for the opportunity to testify
16 and I look forward to answering any questions that
17 you have.

18 LISA CASWELL: Good afternoon. My name is Lisa
19 Caswell. Thank you very much for holding this
20 hearing. Thank you, Chairs Gibson and Ampry-Samuel.
21 I represent the Day Care Council of New York. We're
22 70 years old this year. We have over 200 childcare
23 providers in the City and a good number of them are
24 in NYCHA facilities.

1
2 We also provide labor relations and mediation
3 advocacy and early childhood career ladder and
4 employment support and we're the head of the Child
5 Care Resource and Referral system for New York City.

6 Right now, what we want you to know is that
7 we've been at this for awhile and we're really glad
8 that you're putting more pressure on the situation.

9 Over the last three years, we've been
10 consistently raising these issues with the
11 administration for Children's Services. We've met
12 with the Department of Health and Mental Health and
13 we've also recently met with the Deputy Mayor to be
14 able to see what can happen and he has gone to visit
15 some of our member centers and begun to work closely
16 with NYCHA, but we really are excited about is the
17 fact that the three of us can begin to work together
18 and get something done.

19 So, we completely support the recommendations.
20 We also did some recent research on our member
21 settings. In February we distributed a childcare
22 policy survey to find out what was happening in terms
23 of buildings and facilities for our members. The
24 results were that of the 65-daycare council
25 represented childcare programs in NYCHA buildings 53

1 percent had some form of building related violation.

2
3 Between 2016 and 2018, the most common violations
4 were related to lead paint, cited across all
5 categories of violations and rodents and insects and
6 other pests. Flooding, lack of hot water or heat,
7 and electrical and plumbing issues.

8 I know you're familiar with all of these issues
9 because of what you've heard already, but we have the
10 data, we have the research, and we're extremely
11 concerned. I'll spare you the story that's in our
12 testimony from one of our members. We've had
13 situations where there's been steam heat coming out
14 of parts of the playgrounds. Its really not right
15 and its an ineffective use of public funding at this
16 point to not address it because in some cases our
17 provider centers have had to close down, and we've
18 already had our colleagues talk about fees that are
19 coming to our member centers when they should be
20 going to NYCHA or from DOHMH.

21 So, thank you again for the work you're doing,
22 and we remain available and are pleased to be working
23 together. Thanks.

24 CHAIRPERSON AMPRY-SAMUEL: Do you have separate
25 meetings at all? I remember NYCHA used to have a

1
2 meeting with you and H, this work group. Do they
3 still have those work group meetings? Do you
4 participate?

5 SEAN CAMPION: So, those work group meetings
6 we're working right now with the executive team to
7 reinstate them. They're something that we've
8 connected with Bresno's team, to work to reinstate
9 and also we're working with our colleagues at LiveON
10 and Daycare Council to Coordinate our memberships so
11 as to most effectively streamline these conversations
12 and ensure that and as far as we're reaching out to
13 all of these agencies and working to coordinate
14 conversations there as well and with the Deputy Mayor
15 Phil Thompson that we're doing so as a group because
16 these issues are consistent across all of our
17 membership organizations.

18 LISA CASWELL: Right and this morning one of the
19 members of Deputy Mayor Thompsons staff addressed the
20 Daycare Council and talked about those meetings which
21 have begun again. So, there working more effectively
22 with strong leadership, but they need a lot of
23 support.

24 CHAIRPERSON AMPRY-SAMUEL: Okay, maybe we can
25 begin - we can be included in those meetings to look

1
2 at how we can maybe incorporate some of these issues
3 in the budget.

4 LISA CASWELL: We would all be happy to help
5 facilitate that.

6 CHAIRPERSON AMPRY-SAMUEL: Thank you so much.
7 Thank you everyone. So, this concludes the Community
8 Public Hearing and Oversight with NYCHA's 2017
9 Physical Needs Assessment on November 15th with the
10 Public Housing Committee and the Capital Budget
11 Subcommittee. Thank you so much everyone. [GAVEL]

12 CO-CHAIR VENESSA GIBSON: Alright, and might I
13 add, we finished at exactly one o'clock. We have a
14 triple joint hearing coming up, so if anyone wants to
15 stay please join us. We're talking about Public
16 Charge. Thank you everyone for coming today. Have a
17 great day and be safe.

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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 1, 2018