

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON PUBLIC HOUSING

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April 5, 2013
Start: 10:16 a.m.
Recess: 2:40 p.m.

HELD AT: Council Chambers
City Hall

B E F O R E:
ROSIE MENDEZ
Chairperson

COUNCIL MEMBERS:
Maria del Carmen Arroyo
Erik Martin Dilan
Melissa Mark-Viverito
Margaret S. Chin
James G. Van Bramer
Daniel J. Halloran III

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

John B. Rhea
Chairman
New York City Housing Authority

Fred Harris
Executive Vice President for Real Estate Development
New York City Housing Authority

Crystal Glover
George Washington Houses

Cecilia Santiago
Meltzer Towers

Jane Wisdom
Douglas Houses

Damaris Reyes
Baruch Houses

Aixa Torres
Smith Houses

Sonya Persia
Carver Houses

Carmen Quinones
Douglas Houses

George Sarkissian
Community Board 11

Joel Cufferman
New York Environmental Law and Justice Project

Judith Goldiner
Legal Aid Society

Victor Bach
Senior Housing Policy Analyst
Community Service Society

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

Reverend Getulio Cruz, Jr.
Monte Sion Christian Church New York City Metro IAF

Gregory Brender
United Neighborhood Houses

Ed Tito Delgado
Seward Park Area Renewal Coalition

Caroline Nagy
Policy Associate for housing and homelessness
Citizens Committee for Children of New York

Thomas Lopez Pierre
Chairperson and Chief Executive Officer
Harlem Family Eviction Prevention Fund

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2 CHAIRPERSON MENDEZ: This hearing
3 will come to order. My name is Rosie Mendez. I
4 am the Councilwoman for the 2nd District in
5 Manhattan, and I chair the Committee on Public
6 Housing. Today's hearing is about NYCHA's plan to
7 lease some of its land to private developers for
8 the construction of mostly market rate housing.
9 We are also going to discuss a pre-considered
10 resolution calling upon the New York City Housing
11 Authority to engage its residents in planning for
12 and to include certain requirements in any ground
13 lease for NYCHA land. I am sure that NYCHA will
14 go over its leasing plan in detail in its
15 testimony, but I am going to quickly outline the
16 plan as we understand it at this moment. There is
17 a PowerPoint over here, and this is taken from all
18 of the information that has been provided to the
19 City Council as well as been provided in all of
20 the public meetings that NYCHA has been holding
21 and has put up on its website. NYCHA has
22 publically identified 14 sites at eight different
23 developments in Manhattan, and it plans on ground
24 leasing eight of those sites in this coming year.
25 Altogether the sites consist of about 325,322

1 square feet of land that currently holds 614
2 parking spaces, three compactor yards, at least
3 two basketball or handball courts, a paved
4 baseball field, an outdoor plaza with seating
5 area, a community center, and at least one
6 landscaped area. Ground leasing means that NYCHA
7 will still own the land, but a developer can build
8 on it. NYCHA plans to ground lease the sites for
9 99 years. it expects the leases to generate 30
10 million to 50 million annually. According to
11 certain calculations that amounts to about two
12 percent of NYCHA's unmet capital need, and it is
13 about a quarter of the unmet capital need for the
14 eight affected developments. NYCHA says that the
15 developer who leases sites will mostly build
16 housing, but there may be some commercial space at
17 Meltzer Tower and some community facility space at
18 Carver Houses. There will be approximately 4,000
19 units of private housing, and it will be 80/20--
20 that means 80 percent of the units will be market
21 rate and 20 percent will be affordable, and
22 affordable means to a family earning 60 percent of
23 the area median income or less. For a family of
24 four, that 60 percent of the area median income is
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2 \$51,540 annually. NYCHA has also said that its
3 residents of the affected developments will get
4 priority if they want to move into the new
5 affordable units. Under the leasing plan
6 developers would have to install security
7 enhancements throughout developments where leasing
8 sites are located, but NYCHA hasn't told us what
9 those enhancements will be yet. NYCHA also says
10 that developers will have to build electrical
11 generators for the new buildings, and that these
12 generators must be capable of providing emergency
13 power for the entire development during an outage.
14 Before NYCHA can lease property, it must comply
15 with Section 18 of the United States Housing Act
16 of 1937 as well as the rules from the federal
17 agency, the United States Department of Housing
18 and Urban Development known as HUD. NYCHA has to
19 submit an application to HUD showing among other
20 things that NYCHA consulted with affected
21 residents. NYCHA cannot lease its property unless
22 HUD approves that application, and HUD will not
23 approve the application unless NYCHA shows it
24 consulted with residents. The Committee has many
25 concerns about NYCHA's leasing plan and the

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2 process it has used to craft that plan. I will
3 highlight a few of them now, and the rest we will
4 address during questioning. Many of these
5 concerns are also addresses in the pre-considered
6 resolution. First, the Committee appreciates that
7 NYCHA has been giving presentations, briefing
8 elected officials and meeting with residents
9 concerning its leasing plan, but there is a
10 difference between getting feedback and actually
11 doing something with that feedback. We need NYCHA
12 to listen and act. We understand that NYCHA has
13 already said that it plans to create a
14 participatory budgeting process where residents
15 would prioritize how that revenue from the leasing
16 plans would be spent, and we would support that,
17 but deciding how the money gets spent gets after
18 the plan is already set. Participatory budgeting
19 doesn't give residents the opportunity to suggest
20 a new plan or no plan or different leasing sites,
21 and it doesn't give them the opportunity to
22 prioritize playgrounds and community centers over
23 new buildings and new revenues. We need to hear
24 how NYCHA will ensure that resident concerns are
25 addressed in this leasing plan and any future

1 leasing plans, and that means resident concerns
2 about all aspects of the plans, not just how the
3 revenue will be spent. To that end, we are
4 calling on NYCHA collect, address and respond to
5 all comments from stakeholders about the leasing
6 plans or the RFPs, the request for proposals and
7 to post these comments and responses online to
8 voluntarily opt into the city's uniform land use
9 review procedure, to ensure that there is a
10 recognizable process and that all affected
11 stakeholders have input, and to form an advisory
12 committee of residents for each affected
13 development and to allow those committees to
14 propose the parameters of the RFP and to
15 participate in the selection of developers. The
16 Committee's second concern is that residents don't
17 want to just participate, they want to have
18 meaningful participation, and to do that, they are
19 going to need independent technical assistance.
20 So we are calling on NYCHA to establish an
21 independent not for profit organization where the
22 board of elected residents and a dedicated staff
23 of legal, architectural, land use and community
24 organizing professionals. This organization will
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2 help tenants evaluate the complex land use, zoning
3 and legal issues related to the leasing plan.

4 Third, NYCHA should never sell its property. If
5 it must dispose of property, it should use ground
6 leases, and certain protections should be included
7 in any ground lease for NYCHA property. The
8 leases should specify the number of permanently
9 affordable apartments that would be built at the
10 lease site and any income requirements for such
11 units, provide that public housing residents and
12 affected developments have priority for newly
13 built affordable units, ensure the replacement or
14 relocation of all existing parking spaces, yards,
15 playgrounds, community centers and any other
16 facilities on sites that would be leased and
17 create robust employment and job training
18 opportunities for NYCHA residents in constructing
19 new buildings and in permanent jobs thereafter.

20 The Committee's fourth concern is that this
21 leasing plan is moving forward too quickly.

22 Residents and elected officials have said time and
23 again that stakeholders particularly residents are
24 not being given enough time to fully consider this
25 leasing plan to understand it and to meaningfully

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2 comment. When asked about the timing at the state
3 assembly hearing in March, this was the chairman's
4 response, and I'm quoting, "We begin this
5 consultation process in 2006 with the original
6 plan to preserve public housing. With plan NYCHA
7 we did Town Halls with residents, community
8 conversations. We engaged residents, activists
9 and others with what our range of options are. In
10 September, I did a speech at ABNY, which was very
11 public and all the newspapers and the media
12 covered where we announced at the beginning of
13 this year we were going to come back to the
14 communities and to electeds and to other
15 stakeholders and have more specifics about the - -
16 plan that we are proposing today. So this is not
17 something we just dropped out of the sky two weeks
18 ago and said, hey, we are going to do this." I
19 have a few problems with that, and I think its
20 disingenuous to say that this process began in
21 2006. Stating you have a structural problem, a
22 structural budget problem and laying out some
23 ideas of how to deal with it, and then six years
24 later announcing that you are going to ground
25 lease your land is not a process, and if it is,

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2 then it is not consultation. It is not the same
3 when you tell someone you may build, then six
4 years later you will tell them that you will
5 build, but then when you announce meetings to
6 discuss the creation of the new housing, you don't
7 announce that it will be in this specific parking
8 lot in their development or in this specific
9 playground, and that is really what has happened
10 here with the plan to preserve public housing and
11 plan NYCHA and the ABNY speech, you told us that
12 you plan to lease property somewhere, but you
13 didn't tell us where. You told us there would be
14 a mix of affordable and market rate housing, but
15 you didn't tell us what that mix would be and most
16 importantly, you didn't let residents, elected
17 officials and other stakeholders play a role in
18 deciding these things. At the ABNY speech back in
19 September this is what the chairman said about
20 NYCHA's leasing plan--"We have done a significant
21 amount of work to develop this program and we are
22 still in the planning process. After we have
23 engaged our residents, elected officials and other
24 community leaders, we will finalize a list of
25 sites and early in the new year, release a request

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2 for proposals seeking development at these
3 locations. So NYCHA was in the planning process
4 back in September and probably beforehand, why
5 weren't the residents consulted then and why were
6 the lease sites finalized before you consulted
7 with stakeholders instead of after you consulted
8 with them? NYCHA has plenty of opportunities to
9 engage residents, elected officials and other
10 stakeholders earlier information of this lease
11 plan. They could have started engagement right
12 after plan NYCHA, after the ABNY speech or at some
13 other point in the planning process, but NYCHA
14 chose not to. So now we are calling on NYCHA to
15 wait a little longer so that the residents will be
16 impacted by this plan can get the assistance they
17 need to fully review it, to meaningfully and
18 adequately respond and the opportunity to stop it
19 if that is what they desire. I want to before we
20 call on the Housing Authority to give its
21 testimony to specifically thank two people who are
22 here today to tenant leaders: Aixa [phonetic]
23 Torres, president of Smith Houses, who is here
24 today even though she is very ill--

25 [applause]

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2 CHAIRPERSON MENDEZ: --and Crystal
3 Glover [phonetic] from Washington Houses, who just
4 lost her daughter and will be burying her this
5 weekend. We are not supposed to have clapping
6 here or booing because it will detain the
7 testimony and it will detain the public from
8 giving their testimony. I have one other thing to
9 say is that this process cannot go forward unless
10 the residents are given the opportunity to access
11 tenant participation funds so that they can
12 research and adequately address these issues up or
13 down on these ground leases and with that, I look
14 forward to hearing from the New York City Housing
15 Authority. Again, for the public, if you want to
16 testify, you need to fill out one of these sheets
17 and hand it to the sergeant at arms. Chairman
18 Rhea, the floor is yours. Oh, if you give me one
19 second, I want to mention that we have been joined
20 by Council member Andy King from the Bronx,
21 Council Member Margaret Chin from Manhattan, who
22 is a member of this committee, Council Member
23 Robert Jackson from Manhattan and Council Member
24 Jessica Lappin from Manhattan. Thank you,
25 colleagues, for being here. Mr. Chairman?

CHAIRMAN RHEA: Good morning,
Chairwoman Rosie Mendez, members of the Public
Housing Committee and other distinguished members
of the City Council. I am John B. Rhea, chairman
of the New York City Housing Authority. Joining
me this morning is Fred Harris, executive vice
president for real estate development. Thank you
for the opportunity to discuss with you our plan
to make selected NYCHA land available for
developers to build 80/20 market rate and low
income housing. I will describe the challenges
that necessitate action on this front, our unique
opportunity to generate new revenue to benefit
public housing residents, our engagement of
residents, elected officials and other important
stakeholders and how this engagement has already
influenced the direction and execution of the
plan. As we have shared with members of this
committee as well as other federal, state and
local elected officials, advocacy groups,
concerned non-profits and the nearly 630,000 New
Yorkers we serve, NYCHA faces serious challenges,
including an aging housing stock and a waiting
list that only grows longer as more New Yorkers

1 search for affordable housing. By definition the
2 economics of public housing depend on government
3 subsidies. The rents we collect from residents
4 only cover about half of our basic operating cost
5 and none of the required capital improvements.
6 Unfortunately in the last ten years, we have seen
7 a dramatic change in the assistance received from
8 our partners in government, including the total
9 elimination of city and state funding and a steady
10 and precipitous decline in funding from the
11 federal government, our principal source of
12 capital and operating dollars. Since 2001, NYCHA
13 has experienced a decline of over \$905 million in
14 operating subsidy and \$876 million in federal
15 capital program funding. Today NYCHA has six
16 billion dollars in unfunded capital improvements,
17 which will grow to \$13.4 billion over the next
18 five years. We also have a structural operating
19 deficit of \$60 million, which doesn't take into
20 account the potential impact of the federal budget
21 sequester and continuing resolution that recently
22 took effect and will reduce NYCHA's federal
23 subsidy revenue by well over 100 million in 2013
24 alone. When other cities across the country face
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1 similar challenges, many chose to disinvest,
2 substantially reducing their public housing stock,
3 but despite our financial challenges, preserving
4 public housing in New York City is the only
5 prudent option. There simply aren't enough
6 options for low income families. NYCHA's mission
7 to provide decent housing for New Yorkers in need
8 is more relevant than ever before, but given the
9 unprecedented - - by government at all levels,
10 NYCHA realizes that we must fund innovative ways
11 to chart our own path. That is why we have taken
12 extraordinary efforts to manage our cost and do
13 more with less. The path of preservation doesn't
14 come without tradeoffs and hard decisions. Today
15 NYCHA employs 3,000 fewer people than we did ten
16 years ago, and we dramatically reduced our central
17 office cost to redirect funds into critical
18 maintenance and repair and property management
19 activities. Meanwhile the costs associated with
20 important employee benefits such as pensions and
21 healthcare have continued to rise. Unlike our
22 other operating expenses, these costs are beyond
23 NYCHA's direct control. Despite a dramatic
24 decline in headcount, NYCHA's per employee costs
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2 have continued to rise five percent annually since
3 2002. This leads us to a need for innovative
4 revenue sources. We have already implemented
5 actions such as the federalization transaction
6 that attached over \$70 million of stable revenue
7 to 21 unfunded developments, which received no
8 federal, state or city support. We are also
9 continuing with our plan to leverage Section 8
10 assistance in order to convert our remaining
11 unfunded apartments, over 2,000 of which have
12 already been converted. This plan will yield over
13 \$100 million by 2017. We have also introduced our
14 rent equity initiative to phase out cap rents for
15 higher income households, which will generate a
16 total of \$169 million over the next four years.
17 All totaled, these initiatives will bring us
18 hundreds of millions of dollars in incremental
19 revenue. In order to systematically and
20 sustainably continue this work, we released plan
21 NYCHA over a year ago, affirming the need to
22 reinvest in public housing in creative ways. We
23 developed the plan with the input and
24 participation of residents and other important
25 stakeholders from across the city, and we are

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2 proud of and encouraged by the results we have
3 seen already. Plan NYCHA publically and
4 transparently identifies the initiatives we needed
5 to pursue--from raising rents for families paying
6 less than 30 percent of their incomes and cutting
7 central office costs to infield development. In
8 each case, we have taken action in that same open
9 spirit, engaging residents, elected officials and
10 other stakeholders along the way. One of the
11 imperatives discussed at length in these
12 conversations was to develop new, affordable and
13 market rate unsubsidized housing. The affordable
14 component will contribute to the mayor's new
15 housing marketplace plan and tackle operational
16 issues, such as right sizing apartments and
17 addressing our wait list. Market rate housing
18 will address our financial needs by leveraging one
19 of our most valuable assets--NYCHA land. Based on
20 current New York City zoning laws many NYCHA
21 properties has of right room to add new buildings.
22 In a city with so much demand for housing, new
23 development is critical and presents an
24 opportunity to significantly enhance the built
25 environment in our neighborhoods. Since its

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2 creation in 1934, NYCHA has been charged with
3 developing new housing in order to address the
4 reality of a dynamic and growing city. The notion
5 that NYCHA's developments should be frozen and
6 closed to new development is inconsistent with
7 history. Growth is a part of our heritage. For
8 example, LaGuardia Houses was built in 1957 and
9 later in 1965 after recognizing a need to
10 accommodate more seniors NYCHA completed LaGuardia
11 addition. Likewise after building Baruch Houses
12 in 1959, the Authority finished Baruch addition in
13 1977. Regrettably, building new public housing on
14 that scale is no longer permitted by law today;
15 however, new building on NYCHA's campuses can now
16 help preserve that housing that already exists.
17 As early as 2006, NYCHA began to discuss the
18 possibility of building market rate and affordable
19 housing on our land, and in fact we have already
20 built over 2,000 affordable and moderate income
21 apartments on NYCHA land across the city with over
22 2,000 more currently in the pipeline. We continue
23 to discuss this approach in more depth during the
24 development of plan NYCHA. Based on this work and
25 input from elected officials and other

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2 stakeholders, we undertook a comprehensive review
3 of the Authority's real estate footprint with an
4 eye toward offering NYCHA owned sites for the
5 development of market rate and affordable housing
6 and in some cases commercial retail and community
7 facilities. This process which placed a paramount
8 importance on potential resident impact led to the
9 identification of 14 sites located within eight
10 developments in Manhattan, all south of 110
11 Street. Development at these sites will yield
12 approximately 4,000 new apartments of which, 20
13 percent will be permanently affordable. Each site
14 has substantial unused development rights and the
15 ability to generate new revenue. We made a
16 deliberate decision to bring these sites forward
17 at the same time as opposed to one by one because
18 we wanted to be absolutely clear about our
19 objectives and the potential impact on NYCHA
20 residents and their surrounding communities. A
21 comprehensive approach will also maximize the
22 financial benefits for residents and the
23 Authority. We estimate that this proposal to
24 lease land for development will generate proceeds
25 of 30 to \$50 million per year for NYCHA, an

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2 increase of nearly 20 percent to our annual
3 capital budget. Every single penny--I'll say it
4 again--every single penny of this money will be
5 used for capital improvements will upgrade
6 apartments, fix roofs, rehabilitate elevators and
7 restore public housing building facades throughout
8 the NYCHA portfolio with an initial emphasis on
9 the eight developers where infield building will
10 take place. Residents at the selected
11 developments will experience the benefit of
12 enhanced security and alternative power for
13 elevators, heat and hot water during service
14 outages and other emergencies. The development
15 also create new construction and permanent jobs
16 for NYCHA residents. Despite these clear benefits
17 to NYCHA families, we know that there are
18 understandable concerns about the plan. I want to
19 be very clear today about what the plan is and
20 what it is not. This is not a plan to privatize
21 NYCHA land or any other public resource. We will
22 engage in 99 year ground lease agreements with
23 developers, creating a stable and predictable cash
24 flow to NYCHA so that we can rehabilitate our
25 existing public housing buildings and upgrade the

1 safety and resiliency of NYCHA campuses. The
2 developers will finance, construct and operate the
3 new buildings, but NYCHA will still own the land
4 on which the new buildings are built and receive
5 attractive compensation for our valuable asset.
6 At the end of the 99 years or any other
7 termination of the lease, NYCHA would have
8 unencumbered ownership of the land and buildings,
9 apartment or commercial tenants of the building
10 would pay directly to NYCHA. We will not demolish
11 a single residential building or relocate a single
12 family to make this plan happen. Development will
13 occur only on land where no housing exists. No
14 NYCHA resident will see a rent increase as a
15 result of the new development. Public housing
16 rents are determined solely by household income,
17 household size and apartment size. In no way will
18 the landlord relationship between NYCHA and the
19 current residents change because of this
20 initiative. No NYCHA employee will be put out of
21 work or see increased work requirements because of
22 this plan. Every building developed on our land
23 will include 20 percent affordable housing. These
24 affordability restrictions will be permanent. In
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2 addition NYCHA residents and wait list applicants
3 will be given a preference for the affordable
4 units, and none of this work will go forward
5 without engagement with residents, elected
6 officials and other stakeholders or appropriate
7 guidance and formal approval from our principal
8 regulator, the U.S. Department of Housing and
9 Urban Development. As I testified before the
10 State Assembly's Committee on Corporations,
11 Authorities and Commissions in February, NYCHA
12 like all other public housing authorities adheres
13 to the stringent HUD outlines Section 18
14 regulation governing the disposition of a range of
15 real estate interests including land, buildings,
16 development rights, easements, and leases of more
17 than one year. We have successfully complied with
18 this process many times. The Section 18
19 disposition process calls for NYCHA to consult and
20 engage with residents throughout a process that
21 has five key phases and will continue for roughly
22 18 months before a single shovel goes into the
23 ground. Even before we can submit an application
24 to HUD, the Authority must issue a request for
25 proposals, an RFP, receive responses to the RFP

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2 from potential developers, evaluate the
3 submissions and interview candidates,
4 conditionally designate developers with
5 authorization from the board and together with the
6 conditionally designated development conduct a
7 thorough environmental review for each proposed
8 new building. We must include the proposal in our
9 upcoming annual plan, which is compiled with
10 extensive resident input and collaboration. We
11 expect that after we submit our application the
12 HUD we will receive and respond to several
13 additional queries before final approval is
14 granted. Before, during and after each of these
15 important milestones, we will seek, encourage and
16 create opportunities for resident participation.
17 We have already begun the pre-RFP phase of
18 engagement in earnest. Between January and March
19 we completed an initial round of meetings with the
20 resident association leaders and elected officials
21 who represent the selected developments. In
22 addition an open meeting with residents of the
23 eight selected developments have already occurred.
24 Last month, we hosted meetings with over 900
25 residents from Campos, Carver, LaGuardia, Meltzer

1 [phonetic], Washington, Baruch, Douglas, and Smith
2 Houses. At each of these meetings NYCHA was
3 represented by Fred Harris and the development
4 team, employees from various departments,
5 including capital projects and property management
6 and either a member of our board or general
7 manager, Cecil House [phonetic]. Our presentation
8 outlining the same challenges and opportunities,
9 which I have shared with you today as well as site
10 specific capital needs was presented in Spanish,
11 Chinese, Russian and sign language. In addition
12 to residents, the meetings were attended by
13 elected officials and their staffs, members of
14 advocacy groups and other stakeholders. All of
15 the information shared at these meetings, both the
16 overall plan and the specifics at each selected
17 site has been made available on the NYCHA website.
18 Earlier this week we continued our engagement
19 efforts by convening a meeting of elected leaders
20 representing the selected areas. Additionally
21 meetings with the relevant community boards are
22 scheduled for next week. We have also begin a
23 second round of meetings, which will continue over
24 the next two weeks. These meetings will feature
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2 roundtable discussions in smaller groups, allowing
3 us to answer more questions, gather more feedback
4 and suggestions and continue to build the spirit
5 and trust of partnership that will need to make
6 this plan a success. The meetings have already
7 made a substantial impact on our execution of the
8 plan. Because of resident concerns, we have
9 pushed back the release date of our RFP to allow
10 time for more feedback, revise the flyers
11 publicizing our resident meetings, continue to
12 revise and refine our presentation to make it more
13 concise, clear, and informative and circulate hard
14 copies of the plan to interested residents of the
15 selected developments. Just this week, we
16 unveiled a comment section our website as well as
17 a P.O. Box for physical mail, both of which will
18 give residents yet another way to share their
19 suggestions and concerns about the plan with us.
20 NYCHA residents will have an additional
21 opportunity to offer their input and concerns
22 during our annual plan process, which has already
23 begun and will continue through mid-October,
24 culminating in a public hearing. Just yesterday
25 we held the first annual plan meeting with our

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2 resident advisory board, the RAB, focusing
3 specifically on Section 18 land disposition
4 process. After the RFP is released in late April,
5 a second phase of participation will begin. From
6 early May until proposals are received in late
7 July, we will initiate a collaborative capital
8 planning process by convening more meetings
9 between NYCHA staff and the residents of the
10 selected developments. Through this process
11 residents will have the opportunity to prioritize
12 identified capital needs that will be addressed
13 with the generated revenues from the infield plan.
14 During this period, we will also continue to
15 engage local elected officials and other
16 stakeholders. We have also committed to convening
17 a larger town hall meeting where all concerned
18 residents can receive information on the plan and
19 share their concerns. A third phase of engagement
20 will follow once developers are conditionally
21 designated. We will require every developer to
22 adopt a robust plan for engagement with residents
23 that will last throughout the 12 to 18 month
24 period during which environmental review is
25 carried out and a Section 18 application is

1 submitted to HUD. HUD's rules governing these
2 applications require NYCHA to inform residents of
3 their right to submit comments on the proposal
4 either directly to HUD or to NYCHA. NYCHA must
5 respond to these comments in writing and include
6 both the comments and the responses in the final
7 application. This plan presents NYCHA's single
8 largest identifiable opportunity to generate
9 millions of dollars to reinvest in public housing
10 and the time to act is now. The challenges that I
11 have shared with you this morning aren't going
12 anywhere. In fact, they become more urgent with
13 every year that passes, and NYCHA won't be the
14 only beneficiary of the new development. It will
15 benefit the entire city of New York. The ground
16 rent that NYCHA will collect from developers along
17 with the money that the developers will invest in
18 the new buildings will bring economic activity and
19 new jobs to neighborhoods that desperately need
20 them. We look forward to working with the City
21 Council to ensure that this direly needed work
22 goes forward in a responsible way that takes into
23 account every important concern. I look forward
24 to working with each member of this Committee to
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2 make this plan a success and to preserve the
3 precious resource of public housing. Thank you,
4 and we are happy to answer any questions.

5 CHAIRPERSON MENDEZ: I want to
6 acknowledge that we have been joined by Council
7 member Tish James from Brooklyn and Council Member
8 Melissa Mark-Viverito from Manhattan, who is a
9 member of this committee. Before we get started
10 with questions, I just want to bring to the
11 attention of the Authority that we are still
12 awaiting responses from last month's preliminary
13 budget hearing, and I'd like to know when we are
14 going to receive that information. Mr. Chairman?

15 CHAIRMAN RHEA: My understanding,
16 Chairwoman Mendez, is that we have already sent
17 the vast majority of the responses to your
18 questions and there are a couple of outstanding
19 items and we will complete them and get them to
20 you as soon as possible.

21 CHAIRPERSON MENDEZ: Okay. Just
22 for the record, this is what is outstanding: the
23 report of the above line services that the NYD
24 performs for NYCHA, the physical needs assessment
25 for each NYCHA building and the schedule of

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2 meetings with council members to discuss those
3 physical needs assessments, the performance
4 metrics associated with the social services
5 department, the performance metrics shown in the
6 PMMR [phonetic], the mayor's management report for
7 March through June 2011 and March through June
8 2012, and specific projections for other green
9 programs. Mr. Chairman, I am only doing this
10 because every month we have a hearing, I get some
11 answers, but not all of them. So I want to keep a
12 record of what we are getting back, so...

13 CHAIRMAN RHEA: Fair enough, and we
14 are endeavoring to get you things that are
15 accurate and complete as quickly as possible and
16 instead of holding some information until we have
17 all information, we provided what we do have as
18 quickly as possible.

19 CHAIRPERSON MENDEZ: Thank you. I
20 want to just ask you something about your public
21 testimony. On page 3, you say "based on current
22 New York City zoning laws many NYCHA properties
23 have as of right room to add new buildings." My
24 question is if we are going to cite the New York
25 City zoning laws, then why will NYCHA and this

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2 administration not commit to using the city land
3 use and zoning process known as ULURP?

4 CHAIRMAN RHEA: The simple answer
5 is we are not asking for anything that is not
6 allowed by law for anyone else. We have the right
7 through the city's existing zoning process to
8 develop on the land in question based on the
9 city's own guidelines and rules, and based on the
10 city's own guidelines and rules when you are
11 developing within the existing zoning
12 requirements, there is not a land use action. You
13 are not required to go through a ULURP process, so
14 we are not asking for anything different than any
15 other person would be allowed to do.

16 CHAIRPERSON MENDEZ: Many elected
17 officials have requested that NYCHA go through the
18 ULURP process, and you stated that you would look
19 into it or ask the administration--that you
20 couldn't make a decision--

21 CHAIRMAN RHEA: [interposing] I
22 stated and I want to say it again that many
23 officials are asking NYCHA to do something they
24 haven't asked anyone else to do, and that it is
25 not required by the current zoning laws, and we

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2 said we would take it under advisement and we
3 would engage in a conversation with those elected
4 officials about what exactly is it that they
5 believe exists in the ULURP process that does not
6 exist in the proposed required Section 18
7 disposition process as well as the other voluntary
8 things that we have agreed to do beyond the
9 Section 18 process, so we could substantively
10 understand what it is about the ULURP process that
11 the elected officials are looking for and based
12 upon a side by side comparison to what we proposed
13 and what ULURP requires and achieves, we would
14 discuss where there are substantive gaps and what
15 was the best way to close them, and we didn't rule
16 anything out with respect to that.

17 CHAIRPERSON MENDEZ: Thank you.

18 Mr. Chairman, can you tell me based on the
19 meetings you have had so far, the Housing
20 Authority, at all the different developments, have
21 any changes been made to the leasing plans based
22 on the feedback that you have received from
23 residents so far, and if so, what are those
24 changes?

25 CHAIRMAN RHEA: The feedback has

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2 been broad about the plan in general as well as
3 about concerns or opportunities at specific sites.
4 The majority of the feedback that we have acted
5 upon at this stage given it's such a preliminary
6 stage of our process is really about improving the
7 process, the transparency of it, the information
8 flow, the enhancing the communication. So most of
9 it has been in that area. As I said for example
10 we have made some substantial changes to the
11 flyers that publicize the meetings and articulate
12 what those meetings are going to discuss and what
13 we are hoping to achieve with the residents in
14 those conversations. We pushed back the original
15 planned release of the RFP, so there have been
16 specific process changes that are real and there
17 has been changes to our communication with
18 residents and other stakeholders. The other thing
19 is that we have recorded a tremendous amount of
20 input around what various stakeholders would like
21 to see in terms of the mix of market rate versus
22 affordable, what people would like to see in terms
23 of how that affordability is achieved. We have
24 had input from residents around a collaborative
25 process to discuss capital allocation, and we have

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2 said we would enter into a collaborative capital
3 planning process as a result of that resident and
4 other stakeholder input, so we have been very
5 clear that we want to be as flexible as possible
6 in meeting the needs of our most important
7 stakeholders, NYCHA residents, both those at the
8 affected developments as well as residents
9 throughout NYCHA's portfolio. We believe that all
10 public housing residents are a stakeholder in
11 these assets, yet we recognize that residents of
12 the affected developments are particularly
13 impacted by the plan, and so their viewpoints are
14 critically important to our decision making
15 process, but all NYCHA residents' viewpoints are
16 important to this process as well.

17 CHAIRPERSON MENDEZ: Will the
18 Housing Authority consider changing the
19 affordability based on resident comments?

20 CHAIRMAN RHEA: Yes, we will.

21 CHAIRPERSON MENDEZ: And let me ask
22 you this, if a majority of the residents at any
23 given development decide that they do not want to
24 move forward with this plan, will NYCHA stop the
25 plan in that development?

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2 CHAIRMAN RHEA: My suspicion is
3 today there is a range of opinions. I know today
4 there is a range of opinions from strong support
5 to strong views that this is not a good plan. We
6 have a responsibility to hear all of those
7 opinions, to balance many of the challenges that I
8 described today which are financial in nature as
9 well as operational in nature. We have a number
10 of challenges from not being able to move people
11 off a waiting list to giving residents correct
12 size apartments for their needs, under crowding,
13 over housing, a range of things. So we have both
14 some financial needs and some operational needs
15 that needs to be balanced against the broad range
16 of inputs to the specific plan. What we don't
17 have a right to do is to silence any of those
18 opinions, and it's a full responsibility by law
19 and by regulation for all of those opinions that
20 have been given to us in writing and that we have
21 collected at these forums to be part of the
22 permanent record and the official record that gets
23 submitted to HUD for the section 18 application
24 disposition process, so ultimately, it is not
25 NYCHA's decision on whether or not this will be

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2 approved or will be denied. It is ultimately
3 HUD's decision, but we intend to move forward with
4 a plan that largely looks like what we are
5 proposing with substantial changes to it that
6 reflect critical input from key stakeholders.

7 CHAIRPERSON MENDEZ: How does NYCHA
8 determine at a given development when you have an
9 equally vociferous group against and for, how can
10 you determine where the majority is, or is there
11 no way to determine that?

12 CHAIRMAN RHEA: Well, certainly it
13 not being put to a "one for one" vote, and there
14 is nothing that requires that, and I don't think
15 anything like that ever exists, and so it is going
16 to be a judgment call, and again, not my judgment,
17 but a judgment call as to all of the voices, and I
18 will say not every voice is equal. Obviously
19 elected officials have a unique voice that
20 represents the constituents that they were elected
21 serve. Their voice is a different voice than the
22 voice of an individual community board member.
23 The voice of a resident association leader who has
24 been elected by the residents at their particular
25 development has been charged with certain

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2 important powers, duties and responsibilities, and
3 that voice has a different weighting, and then the
4 collective voices of the silent who need to see
5 their roofs fixed and their boilers fixed and
6 their elevators working, and their mold
7 remediated. Those voices need to be taken into
8 consideration too. So ultimately this is a
9 balancing act. It is a decision of what is in the
10 best interest of the public good and trying to
11 ensure that the most important thing we are doing,
12 which is keeping these 180,000 units that serve
13 over 400,000 New Yorkers in public housing, that
14 those units don't get demolished because they go
15 into such a state of disrepair that the only
16 alternative is displacement and demolition. That
17 is our number one priority, and many of the voices
18 that may be against this plan will have to think
19 about what the alternatives are and what the real
20 risk is to this most critical permanent affordable
21 housing stock in New York.

22 CHAIRPERSON MENDEZ: Mr. Chairman,
23 how many public housing authorities have
24 demolished their developments and units of public
25 housing?

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CHAIRMAN RHEA: Most of the large major cities have demolished either some or all.

CHAIRPERSON MENDEZ: Major cities like...?

CHAIRMAN RHEA: Atlanta, Chicago, Detroit, Newark.

CHAIRPERSON MENDEZ: And they have demolished how much percentage wise?

CHAIRMAN RHEA: It ranges from something like 30 percent-- -- check our numbers-- in places like Chicago to 100 percent in places like Atlanta.

CHAIRPERSON MENDEZ: Let me get back to--

CHAIRMAN RHEA: [interposing] I'm sorry. 50 percent in Chicago, not 30. 50 percent in Chicago and 100 percent has been demolished in Atlanta.

CHAIRPERSON MENDEZ: Any of the public housing authorities that you know of that has leased or sold their land?

CHAIRMAN RHEA: Almost all major public housing authorities have entered into some form of lease agreements or disposition sale of

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2 their land, so this is not unique and it is part
3 of HUD's plan to ensure that you can sustain
4 affordable and public housing in major cities and-
5 -

6 CHAIRPERSON MENDEZ: And those
7 cities would be?

8 CHAIRMAN RHEA: Literally, the list
9 is too numerous.

10 [crosstalk]

11 CHAIRMAN RHEA: It would have to go
12 the other way, meaning who hasn't done it.

13 CHAIRPERSON MENDEZ: Give me some.
14 Some of the big ones.

15 CHAIRMAN RHEA: Again,
16 Philadelphia, San Francisco, Chicago, Washington
17 D.C., Detroit, Newark, Boston.

18 CHAIRPERSON MENDEZ: So you
19 mentioned Chicago that demolished, and you
20 mentioned Chicago that leased. Did Chicago lease
21 before it demolished? Do you know?

22 CHAIRMAN RHEA: So again they have
23 done a range of things. They have done a range of
24 things. They have demolished and then leased for
25 redevelopment. They have divested to developers

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2 who created both mixed income communities, low
3 income, moderate income and market rate and some
4 have just leased land without demolition because
5 is in New York, they have had land that the
6 Authority controlled that had the ability to
7 support incremental development.

8 CHAIRPERSON MENDEZ: How about
9 Atlanta? Did Atlanta do that?

10 CHAIRMAN RHEA: Atlanta has done--I
11 am safe to say Atlanta has done the full range of
12 options in terms of how they leased, sold and then
13 repurposed their portfolio of land, but we think
14 our proposal is incredibly unique in one aspect.
15 We have made a definitive statement that we are
16 not demolishing a single unit of public housing in
17 order to accommodate the development of new
18 housing in this program.

19 CHAIRPERSON MENDEZ: and all the
20 other public housing authorities have?

21 CHAIRMAN RHEA: That is correct.

22 CHAIRPERSON MENDEZ: I am asking
23 these questions because we need to understand what
24 has happened in other cities and understanding
25 that New York is a very unique city and that the

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2 Housing Authority is a city within a city, but
3 even looking at broad strokes at other urban
4 cities will give us a clue to see whether this
5 actually works or not and how it might impact this
6 city and our residents.

7 CHAIRMAN RHEA: We agree with you
8 and as I said, we through plan NYCHA through a
9 tremendous amount of engagement through the
10 support of the mayor and city hall, through the
11 support of many members on this committee and
12 others, we made a bold statement, which is we are
13 committed to preserving public housing as we know
14 it in New York, and as I said in my formal
15 testimony, that bold position doesn't come without
16 tradeoffs, and one of the tradeoffs we are
17 pursuing is to develop where we have the current
18 right to generate revenue to ensure we can
19 actually back up our bold statement of preserving
20 public housing with what matters most, which are
21 the funds to ensure that that happens.

22 CHAIRPERSON MENDEZ: Thank you. I
23 want to acknowledge we have been joined by Council
24 Member Jimmy Van Bramer from Queens, who has the
25 most public housing in the borough of Queens, so

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2 be careful, Jimmy and - - development may be
3 coming to a development near you. In the Assembly
4 hearing, you testified that NYCHA is summarizing
5 all of the comments it receives in writing or in
6 public forums. Will you be putting these
7 summaries online and what is NYCHA's process for
8 receiving, evaluating and responding to the
9 residents and the stakeholder comments?

10 CHAIRMAN RHEA: We will be putting
11 these summaries online and we also will be
12 publically disseminating our responses to them.

13 CHAIRPERSON MENDEZ: How quickly
14 from getting them will you be putting them online?

15 CHAIRMAN RHEA: I would have to get
16 back to you on the precise schedule, but we are in
17 the process now of summarizing the input and once
18 that is done, that is in some sense the bigger
19 job, and then the responses should follow pretty
20 quickly after that.

21 CHAIRPERSON MENDEZ: Do you think
22 that will be days, weeks, months? Just trying to
23 gauge here.

24 CHAIRMAN RHEA: We just created the
25 public response section on our website, so we need

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2 to number one, see the volume that comes in as a
3 result of that, but we will dedicate staff to
4 manage that flow. Many of the questions will be
5 obviously the required subject matter experts to
6 respond to them whether that is from our capital
7 projects department or from our property
8 management department or from our development
9 department or from our law department, and so they
10 will have to be routed to the right places. A lot
11 of the questions will be similar in nature, so
12 obviously one of our goals is to try to take
13 questions that are substantively the same and
14 respond to them in a way in which we are not
15 continuing to repeat the same thing and make it as
16 efficient both on NYCHA, but also on those who are
17 most interested in receiving the feedback. We
18 will do this real time, so it is not going to be
19 the type of thing where we are going to just
20 collect all of them and then give back to you in
21 three months. We are going to create a process
22 where we can respond on a weekly and regular
23 basis.

24 CHAIRPERSON MENDEZ: Have you
25 started to receive comments on your website, and

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if so, how many?

CHAIRMAN RHEA: Minimal so far on the website.

CHAIRPERSON MENDEZ: Excuse me?

CHAIRMAN RHEA: Minimal so far on the website. We just went up with this function this week, so...

CHAIRPERSON MENDEZ: What is minimal?

CHAIRMAN RHEA: I'd have to get back to you.

CHAIRPERSON MENDEZ: Okay. Someone is writing a list of stuff that they are getting back to us on? Okay. I am going to turn it over to questioning to my colleagues, but I just want to say there are a lot of people from the public, a lot of important resident leaders who are here today. Earlier I mentioned two particular tenant leaders, not because they are more important than others, but because for personal and health reasons, they may be leaving and may not be able to give public testimony, and I wanted to acknowledge that they were here. For anyone who has to leave, you are also welcome to submit

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2 public testimony in writing even after today
3 'cause we will be holding the hearing open while
4 we hold a vote for the resolution. So having said
5 that, I will turn it over to Council Member
6 Margaret Chin for questions.

7 COUNCIL MEMBER CHIN: Thank you,
8 Madam Chair. I just want to first start. I know
9 that all of us has met with you--all the elected
10 officials have met with you, Chairman Rhea, and
11 also we raised the issue about asking you to
12 submit to the ULURP process, and your answer
13 earlier was that you are not asking for zoning
14 changes and things like that, but I think my
15 understanding is that when you build on public
16 land that you have to go a ULURP process, and
17 NYCHA's land is public land.

18 CHAIRMAN RHEA: So again, as
19 defined by the city charter, NYCHA land is not
20 public land subject to ULURP. So again, that is
21 the city's laws, and so again, we are not asking
22 for any waivers to those laws. We are just
23 acknowledging and working within the existing
24 framework of law, both the spirit and the letter,
25 and so NYCHA is a public benefit corporation that

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2 owns the land and other assets that is part of the
3 Authority.

4 COUNCIL MEMBER CHIN: Okay. But it
5 is public land. I think that from that
6 perspective--and why we are really pushing for the
7 ULURP process is that because it is the
8 standardized review process and the way that this
9 whole infield discussion has started in some ways
10 it was not organized, and that is why I think
11 there was so much confusion and lack of
12 information. When we go through a ULURP process,
13 it is very organized and information has to be
14 presented, and there is a process there, and here
15 I think there is so much misunderstanding that in
16 my district I mean I just couldn't believe the
17 amount of misinformation, misunderstanding, lack
18 of information. Even with the briefing that I got
19 it was very last minute call, City Hall and NYCHA
20 want to schedule this meeting, and I didn't have
21 that much time, and it was very quick, and I
22 really felt like it was just, okay, we have to let
23 you know that we are doing this because we have to
24 outreach to our elected officials and we had to
25 follow up to ask for more information, so it just

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2 felt like it wasn't well planned out that there
3 was going to be a real input before you move on
4 with this, and it was the same with the meetings
5 with the tenant leaders that they did not feel
6 respected or that they were really asked to really
7 participate. They were just told we are going to
8 do this, and even with requesting meeting that is
9 what we are having so many difficulties at one of
10 the development. So that is why we are asking for
11 you to consider really going through the ULURP
12 process where all this input and participation is
13 in a well-organized way.

14 CHAIRMAN RHEA: So a couple of
15 things I think it's very important for us as
16 leaders whether elected or appointed to not
17 contribute to the misinformation, and I know that
18 is not your intent in your statement, but I just
19 must reiterate NYCHA land is not public land, and
20 to suggest that it is is not only factually
21 inaccurate, but it suggests things that just are
22 not in the best interest of any of us--public
23 housing residents, elected officials, NYCHA
24 management, or anyone. People don't have the
25 right to just go on NYCHA land and lay out as if

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2 it is a park or a playground. They do not have
3 right to access our buildings as if they are just-
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5 COUNCIL MEMBER CHIN: [interposing]
6 The land is owned by the government.

7 CHAIRMAN RHEA: The land is not
8 owned by the government. It's not. It is owned
9 by the Public Housing Authority, which is a public
10 benefit corporation. It is not public land. We
11 are a public corporation that serves the benefit
12 of our stakeholders, and so it is very important
13 that we be clear about what it is. Secondly, even
14 if we were a public land by the city's definition
15 of a charter, the process through which we would
16 go to ULURP wouldn't start now, and I'll let Fred
17 Harris talk about that because we are confident
18 although we want to demonstrate this and have a
19 conversation with electeds and others about the
20 difference between the process we are proposing
21 and ULURP and whether they are effectively the
22 same thing or if we need an enhanced process to
23 get to where we are all trying to land, which is
24 transparency, engagement and a process for joint
25 decision making in the best interest of public

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housing, but I think it is important for Fred to distinguish between--there is different types of ULURP actions and how they are governed and when that process would start.

COUNCIL MEMBER CHIN: I don't want to debate you over this, but we want a meaningful process and so far, it really hasn't been, so we are trying to--

CHAIRMAN RHEA: [interposing] But the ULURP process--would you please just allow us to respond to this because I think it is important? You are suggesting that even if we were subject to ULURP that certain things would have happened already that aren't happening under our process, and we disagree with that point. Where we have ULURP or don't have ULURP we disagree with the suggestion that there is a bunch of stuff that would have happened if we were subject to ULURP at this stage, it would not have happened, and so we need to respond to that.

COUNCIL MEMBER CHIN: Alright.

FRED HARRIS: If this disposition were subject to ULURP it would--the formal process would require first certification by the City

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2 Planning Commission and completion of
3 environmental review. We have commenced only the
4 most preliminary environmental review at this
5 point and the environmental review requirement of
6 HUD through Section 18 incorporates all of the
7 same standards of the city as well as a few
8 additional federal standards and likewise must be
9 completed before HUD can even consider a Section
10 18 application, so we feel that we are this - -
11 under the city charter and we would first have to-
12 -what we have said is we want to engage people,
13 and I think maybe it is a necessarily messy
14 process because we are actually engaging with our
15 residents and with you folks and other
16 stakeholders about what it is we are disposing,
17 and that is really--until that is known and what
18 is going to happen with that disposed property,
19 one can't start either environmental review nor
20 could you start ULURP in my opinion.

21 COUNCIL MEMBER CHIN: But the
22 residents are asking you for environmental review
23 because a lot of these structures are very old,
24 and I know the resident leader at Smith Houses
25 asked for some kind of engineering study - - it

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2 won't damage the building that is there if you
3 start building.

4 CHAIRMAN RHEA: That is all part of
5 our process, and what we are saying is is just
6 like it would be required for ULURP, it is
7 required for Section 18, and we are going to do
8 the full environmental review and that will
9 ultimately be the linchpin, the baseline for any
10 ability to move forward with any form of
11 development on these sites. What we are saying is
12 through our existing process, which is well known,
13 well utilized, for all public housing authorities
14 across the country to dispose of their land,
15 develop on their land, lease their land, it is for
16 all intended purposes identical to what is
17 required under ULURP and the timing is no
18 different, so we just feel it is very important
19 again around communication to the public that
20 whether ULURP or not there is the suggestion that
21 NYCHA hasn't done what it would have to do if it
22 was subjected to ULURP, and that is just not
23 factually accurate.

24 COUNCIL MEMBER CHIN: But--

25 CHAIRPERSON MENDEZ: --Chin, let me

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2 just ask a question. The city's environmental
3 review process is more stringent than the
4 Environmental Protection Agency, and so which if
5 any of these environmental review process are you
6 using?

7 FRED HARRIS: We are actually
8 covered by all because we are covered by the
9 Federal standards, which in some cases are
10 different or more specific about certain things,
11 but there is also a direction to follow the state
12 standards and the practice in the state is when
13 analyzing projects in New York City to follow the
14 CEQR standards, so in fact we end up with the same
15 technical standards for environmental review, plus
16 a few extras.

17 CHAIRPERSON MENDEZ: That is for
18 every development? Council Member Chin?

19 COUNCIL MEMBER CHIN: The reason
20 for that question is that like those things need
21 to be told upfront to the residents or even to
22 elected officials, and the way that you presented
23 this plan you were missing a lot of information,
24 which sets a lot of doubts, so going forward even
25 with requesting meetings, you had 900 people show

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2 up in eight development meetings. That is a very
3 small number. A lot of residents don't even know
4 what is going on and they are getting
5 misinformation from the newspaper and other
6 sources, so even preparing for the meeting, I
7 think one of the assembly members was talking
8 about was even on your flyer you could have some
9 more important information in there, your
10 rationale for doing this plan, the need to
11 preserve NYCHA as affordable housing. You are not
12 going to knock down any housing. Nobody is going
13 to get evicted. Rent is not going to go up. All
14 of those informations could have been in a flyer
15 to invite people to a meeting, and they were not,
16 and I think that wasn't really helpful, and even
17 in my district, and I know I had a conversation
18 with Cecil House yesterday, and I appreciate that,
19 that even when we were asking for a second
20 meeting, a second town hall meeting to allow all
21 the residents who weren't able to participate
22 before you do your roundtable because people have
23 questions and granted maybe all they care about
24 what you are not going to raise my rent, you are
25 not going to evict me, I don't care anymore. But

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2 at least give people the basic information what
3 NYCHA is going to do because they are your
4 stakeholders. We agree with your mission. We
5 don't want any building to be knocked down. We
6 want them to be preserved. That is our goal. We
7 all support that, and you need to let your
8 residents know that too. Right now, so let's kind
9 of like get as much information out there as
10 possible, and I am glad to hear that when Chair
11 Mendez asked you if residents and input comes in
12 that 80/20 is not good enough that you are open to
13 that, but you weren't in the beginning. In the
14 beginning when I raised 80/20, 80 percent market
15 rate is unacceptable, it is kind of like, well, if
16 you are going to want more affordable housing,
17 then we are going to have lost capital dollars,
18 and it was just--

19 CHAIRMAN RHEA: [interposing] Just
20 in all fairness on a couple of things--I couldn't
21 agree with you more that our initial
22 communications, our flyers and other things could
23 have had more specific information to help
24 residents and other concerned stakeholders make a
25 decision, is this a meeting in my really busy

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2 tough schedule, dealing with my family, my job and
3 all the other pressing matters, do I need to show
4 up at this one or not? So we took that feedback
5 and we believe that the current flyers that we
6 have been using to announce the meetings and to
7 strongly encourage participation go a long way to
8 addressing all of those concerns. I would be
9 happy to read it or I could just submit it for the
10 public record, but it has a picture of the site
11 with dotted lines around where the development is
12 on the public housing campus. It says that it is
13 a proposal to lease the land. It says that it
14 will build where currently there is outdoor
15 seating area. We want to discuss the specific
16 benefits to capital improvements, so this is we
17 believe a significantly better execution of what
18 our spirit and intent was originally, but it could
19 be improved, and we are going to continue to
20 improve it, and we got a lot of feedback and help
21 from particular elected officials on almost word
22 smithing it for us. So that is point one. I
23 agree with you and we are going to work hard to
24 improve and get better as this process goes along,
25 and we are in very, very early stages of the

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2 process. Secondly, yes, I wish there were more,
3 but I disagree with your characterization that
4 800-900 people is a few people. That is whether
5 you look at it on just an absolute number, input
6 from 8000 or 900 residents is a lot of input.
7 Secondly, if you look at it on a relatively basis
8 compared to a normal resident association meeting
9 or when we are having meetings around particular
10 issues on NYCHA when we publicize turnout, this
11 turnout has been quite large and we would expect
12 it to grow over time, and then third if you
13 compare it to even other development actions in
14 different parts of the city, these are large
15 numbers of people who are turning out at a very
16 preliminary stage of a process to understand the
17 plan and to express their opinions, and it is not
18 a one and done. We will continue to have more
19 meetings as I described through the phases, and
20 then lastly, I never said we would not consider
21 even in the prior meetings one on one with
22 elected, in the presentations that I made to the
23 state, the question was asked why 80/20, and we
24 explained because that is the level that is
25 required in order to receive certain tax benefits.

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2 Beyond that there are no additional benefits, and
3 so if we strive to increase the affordability,
4 which I would support, it has got a cost to it,
5 and given the proposal is fundamentally based on
6 generating revenue to invest in public housing,
7 right, doing this and minimizing and reducing the
8 revenue we will receive is fundamentally at odds
9 with the whole point of the effort, and so what I
10 have said and what I stick to even in response to
11 Chairwoman Mendez's question is yes, we are open
12 to it, but we need to have a conversation about
13 what is the actual financial impact of that and
14 how can that be cured? Because at the end of the
15 day if we are going to develop on our land, it is
16 critically important that we receive money for it
17 in a significant amount to do a desperately - -
18 need of capital investments.

19 COUNCIL MEMBER CHIN: I think that
20 is where I disagree with you on--

21 CHAIRPERSON MENDEZ: [interposing]
22 Can I - - for a second? Your flyer, which I am
23 passing around, it has been submitted into the
24 record. Council Member, you could ask a question,
25 but that photo, I don't get it. There is a dotted

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line over the entire NYCHA land, and it doesn't show me where you are planning to build, so if you want to tell me if I am missing something?

CHAIRMAN RHEA: I guess we could color it, but it is pretty clear for the eye to see.

CHAIRPERSON MENDEZ: It is pretty clear what your NYCHA land is, which includes the actual development. It is not pretty clear where you are planning to build.

CHAIRMAN RHEA: If you look at this, we said we would not demolish--

CHAIRPERSON MENDEZ: [interposing]
If we look at it in color?

CHAIRMAN RHEA: No, I am saying even in black and white, we said we would not demolish a single residential building to accommodate this development. There is only one place for it to go, but let's work on this together.

CHAIRPERSON MENDEZ: Okay. I am going to stop you right there. This is Meltzer Towers. It is only one building in that development. That doesn't tell me in Baruch

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2 Houses or Smith Houses where you have superblocks
3 and you have several development sites, which site
4 that is.

5 CHAIRMAN RHEA: On our website, on
6 the website it has the exact specific locations.

7 CHAIRPERSON MENDEZ: Mr. Chairman,
8 that is not good enough. Not every one of our
9 residents is going to the website, so that is what
10 is being given out at developments, that is not
11 good enough. That is all I am saying.

12 CHAIRMAN RHEA: This is just for
13 Meltzer. We are happy to share with you the other
14 flyers, and we were happy to take all input on any
15 way we can enhance the clarity of our
16 communications material. This is all about--

17 CHAIRPERSON MENDEZ: [interposing]
18 In black and white or in color.

19 CHAIRMAN RHEA: In black and white
20 or in color. We are happy to--

21 CHAIRPERSON MENDEZ: [interposing]
22 Let's make it all very clear. Black and white,
23 right?

24 CHAIRMAN RHEA: Absolutely.

25 CHAIRPERSON MENDEZ: Council Member

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Chin?

COUNCIL MEMBER CHIN: I just have one last point 'cause in your testimony you talked about as early as since 2006 you were looking at building housing on NYCHA land, and you have done affordable housing. You have built over 2,000 units of affordable housing.

CHAIRMAN RHEA: And moderate income.

COUNCIL MEMBER CHIN: And moderate income, but it is still affordable, but I don't think that that goal should be deviated, so on these land is really scarce, and you are talking about building on Manhattan land, which is very precious, and you are only talking about building this huge number of market rate housing. This is an opportunity here to also look at expanding NYCHA's portfolios so that we can meet some of the needs in our community moving some of the seniors out of their larger apartments, so that we can move in bigger families and the senior could still stay in the neighborhood, and you have done that in Queens. I think it is like that also needs to be taken into consideration, especially when you

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2 are only talking about generating 35 to \$50
3 million a year.

4 CHAIRMAN RHEA: Only?

5 COUNCIL MEMBER CHIN: 75 million
6 NYCHA pays to NYPD. Right? And that is still an
7 unanswered question in our minds--why we are
8 paying for NYCHA services. So I think the
9 opportunity here is not just to generate some
10 money. Land is precious. If we can use our land
11 to build more affordable housing to meet the needs
12 of NYCHA residents right now, that should not be
13 lost.

14 CHAIRMAN RHEA: You know, maybe
15 it's the finance guy in me, but I have to say that
16 30 to \$50 million of revenue a year is not only;
17 it will literally--our current annual capital
18 budget is \$260 million. It's a full 25 percent
19 increase in our annual capital budget, number one.
20 Number two, if you capitalize that stream, it is
21 worth a billion and a quarter to a billion and a
22 half dollars of capital improvements to public
23 housing, a billion dollars of improvements to
24 public housing. If you know of another way to
25 come up with a billion dollars to improve public

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housing, let's talk about it.

COUNCIL MEMBER CHIN: Well, let's look at the money that NYCHA gives to NYPD.

CHAIRMAN RHEA: So that's one. Two, the current plan that we work very collaboratively with residents on to create plan NYCHA calls for a substantial amount of development of affordable housing for seniors, families, and special needs populations as part of this plan. This part of the plan even has a substantial amount of affordable housing, 800 units of affordable housing would be created as a result of this plan without a single dollar of subsidies. There is no program that I am aware of that the city has now to create affordable housing without subsidies, and where NYCHA is not subsidizing the land to make the affordable housing work, so this is a win, win in the production of affordable housing, in money for NYCHA to the tune of over a billion dollars to improve public housing, and it doesn't come at the expense of a huge commitment that we have made and continued to make to produce more affordable housing throughout the rest of the NYCHA

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2 portfolio. As you said, we have already done
3 2,000 units of affordable. We have got another
4 2,000 in the pipeline, so even if we did nothing
5 else and there is 800 coming online. Even if we
6 didn't do anything else we would develop 5,000
7 units of affordable and only 4,000 market rate.

8 COUNCIL MEMBER CHIN: Math doesn't
9 add up.

10 CHAIRMAN RHEA: Only 3200 at market
11 rate, so we would have 5,000 units of affordable
12 and 3200 of market rate if we did nothing else,
13 and we have said that the vast majority of the
14 remaining developable land in NYCHA's portfolio is
15 for the production of affordable housing for
16 populations that are in critical need of more
17 affordable housing, and so we believe that we have
18 discretely balanced the portion of our portfolio
19 that is going to go to generate revenues for
20 NYCHA. We have picked the locations where that
21 opportunity is the greatest so we can use the
22 smallest amount of land to produce the maximum
23 amount of financial benefit to fix public housing,
24 and that is what this goal is. That is what we
25 discussed in plan NYCHA, and that is how we

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2 identified the locations, and this is a small
3 portion of our overall portfolio.

4 COUNCIL MEMBER CHIN: But the
5 location that you have identified are also
6 locations who are in desperate need of more
7 affordable housing for low income and moderate
8 income families, and the other thing to that too
9 is that the capital needs if we can start working
10 with the resident to really look at their capital
11 needs and what can be fixed right now and not wait
12 until - - plan goes forward, I think that would be
13 helpful.

14 CHAIRMAN RHEA: We agree with you
15 on that, and that is why while during the pendency
16 of the RFP, so we put the RFP out and while the
17 developer community is working on their responses
18 to that RFP, we will be actively engaged with the
19 residents at each of these developments about what
20 is in the physical needs assessment for their
21 capital requirements, what are their priorities,
22 and how can we meet those priorities with existing
23 budget as well as the specific money that is going
24 to come from this plan, and we will refine that
25 once we receive the proposals back that actually

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2 give us better clarity on actually how much money
3 we will receive. This is NYCHA's estimate, and
4 it's a wide range in this estimate. This number
5 could be less than what we ultimately receive, and
6 we are confident that we will receive at least
7 this if not more, and so once we have better
8 clarity on the exact dollar amounts that are going
9 to come in, the timing of that along with the
10 conversation of the resident about their
11 priorities, then we can enter into commitments,
12 and we are prepared to do that, to enter into
13 commitments on how this money will be - - for
14 specific goals that residents dictate are their
15 priorities in addressing the physical needs
16 assessment.

17 COUNCIL MEMBER CHIN: Thank you.

18 Thank you, Madam Chair.

19 CHAIRPERSON MENDEZ: I am going to
20 call on Council Member Melissa Mark-Viverito, and
21 then the my other colleagues who are here, and
22 then I am going to give them an opportunity to
23 come back and ask questions because the
24 development sites are in my district and in their
25 districts, so we are more impacted than the other

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council members. Melissa?

COUNCIL MEMBER MARK-VIVERITO:

Thank you, Madam Chair, and I am sitting here. My head hurts, and I am sure it is something that the residents in all of these developments share as well. I am also one that believes that this process should go through the ULURP process, and I am also one that believes that this process is moving too quickly. Could the residents that are here raise their hands? Who is here that represents some of the residents? We had a press conference earlier today right before this hearing, and one of our TA presidents, Ms. Jane Wisdom [phonetic] from Douglas Houses, she is in my district said--the first thing she said out of her mouth was I am overwhelmed, and that is the way that our developments feel. They are being thrown so much information. They are being called to so many meetings. They are being asked to do so much and they don't have the proper support. Now, if genuinely NYCHA is talking about empowering and working and having the residents' needs and thoughts first and foremost in this process this process should not have started

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2 without each resident association having the
3 proper technical assistance and legal support
4 already in place. Now I want to know what role
5 NYCHA is playing. You have said we are getting so
6 much mixed information that yes, you support the
7 idea of being about the use the resident
8 association dollars to hire technical assistance
9 and legal support. What are you doing, NYCHA, to
10 ensure that that is in place? Is it in place for
11 every resident association?

12 CHAIRMAN RHEA: Well, first of all,
13 Council Member Viverito, there is nothing about
14 the ULURP process that provides support to
15 residents to perform technical assistance--

16 COUNCIL MEMBER MARK-VIVERITO:
17 [interposing] It could be done in tandem. Let's
18 not talk about the ULURP process. I want to get
19 to the resident needs.

20 [crosstalk]

21 CHAIRMAN RHEA: You started with
22 the ULURP.

23 [crosstalk]

24 COUNCIL MEMBER MARK-VIVERITO: Mr.
25 Rhea, I am the one asking the questions here. I

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was not asking you about ULURP - - .

[crosstalk]

COUNCIL MEMBER MARK-VIVERITO: I want to speak about the support for the resident associations. I am asking specifically about the legal and technical assistance support using resident dollars, resident association dollars.

CHAIRMAN RHEA: So I repeat, there is nothing about the process that you propose that supports resident participation in funding.

COUNCIL MEMBER MARK-VIVERITO: It could have done in tandem with it, Mr. Rhea. Let's be real. Let's not try to parse words here.

CHAIRMAN RHEA: I didn't parse a word. I was clear. Nothing about the process you proposed supports residents and gives them a dime. Nothing.

COUNCIL MEMBER MARK-VIVERITO: NYCHA as an institution has the ability to allocate resident dollars to resident associations and that could have been done in tandem with the ULURP process. Let's not belittle the situation here. I am not asking you about ULURP. I have expressed a position. I believe we should go

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2 through that process. I am asking about the
3 resident association dollars, about getting legal
4 and technical assistance to the residents now.
5 Where are we at with that, and what role does
6 NYCHA have with making that happen?

7 CHAIRMAN RHEA: I was the one who
8 proposed that we use TPA money for residents to
9 gain technical assistance. I was the one who
10 proposed it. I don't remember you proposing it,
11 number one. Number two, we are working diligently
12 to ensure with the resident association board and
13 the city wide council of presidents--

14 CHAIRPERSON MENDEZ: [interposing]
15 Mr. Rhea, where did you propose that?

16 CHAIRMAN RHEA: I proposed it at
17 the City Council hearing. I proposed it in every
18 meeting I have had with every elected official and
19 we have proposed it in the meetings that we have
20 had with the residents of the affected
21 developments.

22 CHAIRPERSON MENDEZ: And what are
23 we doing to expedite that money? Let me finish.
24 My experience is that anytime an association
25 applies for TPA funding, it takes forever to get

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it if they get it at all.

CHAIRMAN RHEA: I also proposed publically at the last City Council hearing an offer to work closely with elected officials to come up with a mechanism that would speed the receipt of the TPA money by residents and your personally, Chairwoman Mendez and as you reached out to your other colleagues and said the Chairman has offered to work with us; we should work on a proposal jointly. There has been no follow up on that as far as I know--number one--

CHAIRPERSON MENDEZ: [interposing]
As far as I know, we have asked and we have been told there are several months to get the money?

CHAIRMAN RHEA: Can I finish?

CHAIRPERSON MENDEZ: You can absolutely finish. I am just letting you also address the fact that we have been told it is going to take several months to even see that money.

CHAIRMAN RHEA: So our law department is working with our finance department and is engaging with resident leadership and HUD and we have requested from HUD assistance on this

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2 to put a structure in place to move the TPA money
3 for technical assistance, number one. Number two,
4 I agree with you, it takes too long in general,
5 and I'd like to see it accelerated, and I'd like
6 to see a process that not only serves this infield
7 proposal to get that TPA money moving faster, but
8 a fundamentally structural process that gets it
9 moving beyond just the need for evaluation
10 infield--

11 COUNCIL MEMBER MARK-VIVERITO:

12 [interposing] So they are not having the legal
13 support and technical support, and yet the process
14 moves on.

15 CHAIRMAN RHEA: Third, the process
16 will take up to two years to complete, and the
17 vast majority of the kind of work that the
18 resident associations need from a technical
19 standpoint has not begun yet. The residents need
20 lawyers. They need architects. They need urban
21 planners, and those people are going to evaluate
22 things like their environmental impact. They are
23 going to evaluate the proposed structure. Those
24 are the kinds of things that technical assistance
25 will help the residents address and assess and we

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are not at that stage of the process yet, so our--

COUNCIL MEMBER MARK-VIVERITO:

[interposing] So you are defining it? You are defining what their need is? Right?

CHAIRMAN RHEA: It's what you said.

I gave a laundry list of the kinds of things. I didn't say it was an exhaustive list, but clearly--
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[crosstalk]

COUNCIL MEMBER MARK-VIVERITO: But

the information that is being shared now, Mr.

Chairman, that has to be processed in a way that

can be fully understood, and that assistance is

needed now. It is not needed six months from now.

So what I am saying is is that as part of the plan

believe that there was an oversight that if that

assistance was not put in place at the onset

before this plan was presented, before this plan

was rolled out, as information is being shared, as

the info sessions are happening, as tenants are

being asked to be at these meetings, I have been

to those briefings. The amount of information

that is shared is overwhelming for me. It's so

much information being thrown at people in a short

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2 period of time and then at that moment, they are
3 being asked to process it, and to ask questions
4 when they have been inundated with information
5 that is completely new, you know, that is
6 overwhelming and you are telling me that the
7 technical assistance is not going to be needed
8 until later in the process. I am going to get
9 some important questions--

10 CHAIRPERSON MENDEZ: Hold on,
11 Council Member. At the Assembly hearing, you
12 indicated that there was going to be a point
13 person from NYCHA assigned to this, and who is
14 that point person?

15 CHAIRMAN RHEA: It's our acting
16 general counsel, Kelly McNeil [phonetic].

17 CHAIRPERSON MENDEZ: Kelly McNeil?

18 COUNCIL MEMBER MARK-VIVERITO: Is
19 that person here? No?

20 CHAIRMAN RHEA: Yes, she is.

21 COUNCIL MEMBER MARK-VIVERITO: Just
22 to know, I didn't know who she was. Okay. So let
23 me ask a question based on this timeline that you
24 have up here. So beginning from the point of and
25 let me break it down again. You said that the

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2 process is going to take two years, you are
3 including in that already once the decisions are
4 made, but you are also talking about the beginning
5 of construction. I am talking specifically with
6 regards to when the beginning of resident input
7 started which has already begun to the completion
8 of that resident input. How much time are we
9 talking about? What is the lapse there? That is
10 not the two year period. I want to understand
11 from when did it start--I think it was January
12 probably--and to what is the end month of that
13 resident engagement before the RFP is out, after
14 the selection of the developers--

15 CHAIRMAN RHEA: [interposing] There
16 is no period where there is not significant and
17 meaning substantive resident engagement. There is
18 no part of the process that doesn't require it and
19 they will not have it. What we have been working
20 on now is communication on what is being proposed,
21 what is the potential nature of the development
22 and what is the timeline and what is the process?
23 That is what we have been communicating and all of
24 that is before the release of an RFP, and so that
25 is what this has all been about from the time we

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2 began discussing this in January until today, and
3 prior to the RFP. Once the RFP is out, there is a
4 different and more intense round of engagement of
5 residents that is particularly focused on before
6 we receive the response for the RFP what will we
7 use the money for and what other priorities did
8 residents have for the use of that capital
9 dollars. And also continuing to receive input
10 from residents on things like affordability, on
11 things like their interest level and taking
12 advantage of the new affordable apartments that
13 will be part of the development, so a range of
14 things that we still have an incredible amount of
15 ability to shape an outcome before any decisions
16 are made, before anything comes to the NYCHA board
17 to be voted on, before anything would go to the
18 Department of Housing and Urban Development,
19 before the environmental review truly commences
20 and is complete, and then once we get the
21 environmental review back, then you are into a
22 whole other round of engagement.

23 COUNCIL MEMBER MARK-VIVERITO: Let
24 me just get into some of the weeds in that. This
25 is something that is very, very--I take very

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2 personally and I am very passionate about because
3 I feel the frustration. I feel the frustration.
4 We all know and we can't poo poo the reality of
5 this genuine gentrification that our districts
6 have undergone. The sense of fear that this plan
7 instills in our residents because of the pressures
8 that our communities feel--there is genuine
9 displacement happening every day. When you sat
10 with me and gave me the briefing - - NYCHA one of
11 the things that I raised was okay, you may have
12 the right as an institution to do this within the
13 footprint of the developments that you manage and
14 you own, but that development is going to put
15 pressure on the surrounding community. You are
16 going to have less landlords wanting to accept
17 Section 8 vouchers because now they can probably
18 charge market rate or not because they are not
19 welcoming to those that have Section 8 vouchers
20 for whatever reason. We are going to have
21 pressures on the surrounding rent stabilized
22 housing stock in the community. This is going to
23 have other pressures to the surrounding
24 neighborhood that is something that has to be
25 taken into account. So that is a very real aspect

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2 of this is that there is that sense of
3 frustration, and I don't think a one year time
4 period is really enough to be able to genuinely
5 process this. It's complex. It's intense. There
6 is a lot of technical aspects to this. This is a
7 process that a lot of--these residents are all
8 going through for the first time. So there is a
9 lot to learn. Understanding all of that, have you
10 heard of a racial equity impact statement? Have
11 you heard of that?

12 CHAIRMAN RHEA: I haven't, but it
13 is something we would - -

14 COUNCIL MEMBER MARK-VIVERITO:
15 [interposing] I am recommending that that is
16 something that we look at. Racial equity impact
17 statements are used--we always seem to fall behind
18 the curve as the United States on certain things.
19 It is used in a lot of other countries.

20 CHAIRMAN RHEA: I don't know if it
21 is the exact same definition, but HUD does require
22 as part of our impact an environmental justice
23 impact review, so I don't know if it is the exact
24 same thing, but my suspicion is it is trying to
25 address some of the needs particularly with fair

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housing law and other things.

COUNCIL MEMBER MARK-VIVERITO:

Well, I'd like to see what it is, but it is something that we have uncovered in research, but it is looking at the impacts, how these decisions, public policy decisions impact communities of color, the racial impact. It deals with racial disparities and institutional discrimination and racism and inequities, so it is looking at how, and that is to be implemented during a decision making process, so that should be something that is being done now concurrently and because - - elements are going to have impacts on the surrounding communities.

CHAIRMAN RHEA: We would like to

take a look at that with you. I just want to take a step back and acknowledge the tremendous partnership that we have had with you, Council Member Viverito. You have worked with us on other projects that have done wonders for public housing communities in your district, and I recognize that as you say, you are very passionate about these issues, how they affect public housing residents in your district and we appreciate that. I also

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2 recognize that this issue of gentrification is
3 real and that we can't close our eyes to the
4 broader environment in which NYCHA lives and
5 participates, and I am not suggesting that we
6 should, and we have tried to take in consideration
7 that we have a special role in the city of New
8 York and we reaffirm that in plan NYCHA. Our job
9 is to ensure safe, affordable, decent housing for
10 low income and moderate income New Yorkers and to
11 help connect them to supportive services. That is
12 our mission. We are committed to it, and we
13 realize that everything we do needs to support
14 that mission, and so in recognition of that
15 anything we can do to look at disparities that
16 exist in our communities that we can help improve
17 and enhance and not exacerbate, we are committed
18 to doing, and so I appreciate where you are coming
19 from with the concerns about it is not just all
20 about NYCHA in a vacuum; it's about NYCHA and its
21 participation in the broader community. I do want
22 to say when you mentioned, and I know where you
23 were going with it, that if it leads to any form
24 of gentrification that can impact rents and other
25 things in the surrounding area of Section 8, but I

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2 just want to remind everybody, right, that the
3 Section 8 housing is market rate housing.

4 COUNCIL MEMBER MARK-VIVERITO: You
5 know what I am talking about--that they would
6 prefer to have a market rate--

7 CHAIRMAN RHEA: [interposing] But
8 that's illegal.

9 [crosstalk]

10 COUNCIL MEMBER MARK-VIVERITO: But
11 it happens. Let's be real.

12 CHAIRMAN RHEA: What I am getting
13 at is that to the extent that those pressures are
14 created, and those pressures are being created
15 whether NYCHA develops or not. Those pressures as
16 you said are real in our communities, and we need
17 to ensure that not just because of NYCHA's
18 potential development actions, but any development
19 action that is going on that we are vigilant
20 around prosecuting people who violate the law and
21 actually use source of income as a discriminatory
22 tool.

23 COUNCIL MEMBER MARK-VIVERITO: And
24 we know because we passed that. I know it is
25 technically illegal, but we know that it happens.

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2 The last thing I would just ask is as you are
3 going through this process and with all this
4 resident input and getting from the residents what
5 their priorities are, one is--and you are saying
6 that there is going to be a lot of agreements in
7 terms of whatever give backs are going to happen--
8 one is about codifying that not only in the RFP,
9 at some point some of those decisions are going to
10 made prior to the release of the RFP in terms of
11 what are the expectations of the developers that
12 you would choose, what are the give backs that
13 they would be responsible for, whether it's the
14 security of grades to the surrounding--whatever
15 has been delineated--that that should be codified,
16 delineated in the RFP and codified in the contract
17 in terms of the lease agreement because there is
18 an ability there to have some level of influence
19 and being able to make sure that it gets done.

20 CHAIRMAN RHEA: We agree. We
21 agree, and what we are doing as it relates to
22 codifying things in the RFP is trying to provide
23 direction that is clear. For example, we will
24 give additional points to developers who come up
25 with ways to maximize additional affordability, so

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2 we will create a framework that allows the
3 creativity and the competitiveness of the
4 developer community to balance needing to put
5 forward a successful proposal that is going to
6 financially meet NYCHA's requirements and strike
7 additional affordability, and so we want to create
8 an opportunity for that kind of competition to be
9 real in order to the benefit of NYCHA and the
10 community and public housing residents. We will
11 put in there things like points for finding ways
12 to deeply skew the affordability. So those are
13 the kinds of things, ways in which the security
14 beyond our minimal requirements to improve
15 security to the overall campus, suggestions that
16 they can make to go above and beyond our
17 requirements to enhance security, and so we are
18 going to create a framework in the RFP that is
19 clear about what our priorities are and how those
20 priorities will be scored and weighted, but then
21 to give people the ability to bring their creative
22 ideas to the table that we can then evaluate.

23 COUNCIL MEMBER MARK-VIVERITO: and
24 then putting all of that in the - - .

25 [crosstalk]

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2 CHAIRMAN RHEA: --when we get to
3 kind of entering into an agreement with the
4 developer, which we can only conditionally
5 designate them. We actually can't enter into a
6 contract with them until the Section 18 process
7 has been completed, and so again, that is long
8 after the environmental review and the impact
9 statements that you have described, HUD receiving
10 all of the input from every stakeholder that has
11 participated in this process and them making a
12 determination and after them asking for additional
13 information and changes and improvements to the
14 plan only at that time can we actually then enter
15 into an agreement with the developer.

16 COUNCIL MEMBER MARK-VIVERITO: I am
17 going to conclude with this statement, and I think
18 I would speak--I am hoping I would say this and my
19 colleagues would agree. I know we are asking a
20 line of questioning, and let me clear, I know that
21 there are residents whether they are present or in
22 the developments that are being identified that
23 clearly don't want this to happen at all. Okay.
24 Let me just be clear about that, but we as elected
25 officials have a responsibility and if NYCHA is

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2 saying they will not subject themselves to ULURP,
3 if they are saying they are not going through this
4 public review, we have a limited oversight in
5 terms of what level of impact. What we do want to
6 ensure is that if they are going to move forward
7 in the process in which they are saying they are
8 going to move that there is a genuine input from
9 the residents and that whatever is agreed to are
10 agreements that are going to benefit the public
11 housing residents. We have got to do that. That
12 is our responsibility. We just can't sit here and
13 throw stones and say we don't want this to happen
14 understanding that the process can proceed anyway
15 and then not negotiate on behalf of our
16 constituents in a reasonable way, so I think that
17 that needs to be understood that we find ourselves
18 sometimes in a difficult predicament. I know I
19 feel that at times, but that if this process is
20 going to move forward then we need to ensure that
21 what is being negotiated is in the best interest
22 of the residents and that you are benefitting from
23 it, so that is why we are asking the line of
24 questions that we are asking and not to assume
25 that it is a done deal, but if this is going to

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2 proceed the way it is going to proceed then we
3 need to ensure that your concerns are being
4 legitimately codified and expressed and addressed.
5 So I want to thank you, Madam Chair.

6 CHAIRPERSON MENDEZ: Thank you. We
7 have been joined by Council Member Maria Carmen
8 Arroyo from Manhattan. No. Order, order, order,
9 order. We need to have order in order to get
10 through this hearing. The public will be given an
11 opportunity to speak. Council Member James
12 followed by Council Member Brewer.

13 FEMALE VOICE: [background
14 conversation] When are the residents going to be
15 able to speak because I have to go?

16 CHAIRPERSON MENDEZ: Ma'am, the
17 process has been and has always been that the
18 agency gives their testimony, the council members
19 ask their questions and then we have the public
20 testimony. So we are still in the questioning of
21 the agency, and anyone can submit written
22 testimony that will go into the record.

23 FEMALE VOICE: Thank you, Madam.

24 CHAIRPERSON MENDEZ: Okay. Thank
25 you.

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2 COUNCIL MEMBER JAMES: Chairwoman,
3 in light of the concern of the public not being
4 able to testify, and individuals having a
5 conflicting schedule, I am going to limit my
6 questions out of respect for the public. Mr.
7 Chairman, as you know in my district in downtown
8 Brooklyn, my district is facing incredible
9 development pressures and the residents of
10 Ingersol, Whitman, Farragut, Atlantic terminal
11 often feel isolated, and I have always attempted
12 to have them be involved in every process of what
13 is happening in the district, so I understand the
14 frustration of a lot of members of the public as
15 well as some elected officials, but I also know
16 that you are facing an aging infrastructure and
17 there is a number of competing demands, and so my
18 question is, what opportunities will there be for
19 residents to develop, review and comment on the
20 draft RFP as well the leasing agreement?

21 CHAIRMAN RHEA: Fred, why don't you
22 take that?

23 FRED HARRIS: What we have set up
24 actually at the request of some residents and
25 electeds that we have met with is a town hall

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2 meeting a couple of weeks from now where we will
3 go through the sort of the key issues that have
4 been raised by--in the process and how we propose
5 to react to those, how we propose to put in place
6 a structure that effectuates that order - - we
7 accept and if there are ones that we don't accept
8 to explain that rational. At that same time,
9 there will be comments taken, and there may be
10 further changes. We have also pointed out that
11 even once there is an RFP issued there is
12 potential for comment from either the group of
13 interested parties that might respond to it as
14 well as the same stakeholders we have consulted
15 that may require that we issue amendments to it in
16 the state that it is, so we don't think that it's
17 frozen at that point, but we certainly want to
18 have a meeting beforehand where we can really lay
19 out in some detail how we think we have dealt with
20 the issues some of the ones that Chairman Rhea
21 mentioned about income levels and so forth.

22 CHAIRMAN RHEA: And again, that is
23 just to the stage of issuing the RFP. Subsequent
24 to that and obviously receiving responses from
25 developers and scoring those responses and

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2 conditionally designating a developer to move
3 forward with there will be a tremendous amount of
4 engagement with residents around that firm
5 proposal, and what in that firm proposal is
6 problematic if there are things that are
7 problematic and what adjustments can be made to
8 the ultimate execution of the proposal that will
9 be much more in line with their concerns and
10 interests, so before we get to a definitive
11 agreement with the developer, which is submitted
12 then to HUD for approval or disapproval.

13 COUNCIL MEMBER JAMES: And based on
14 the exchange that we all witnessed with Council
15 Member Mark-Viverito, will there be an opportunity
16 to provide legal and/or technical expertise to
17 residents so that they can analyze all of the
18 plans including the environmental impact
19 statement.

20 CHAIRMAN RHEA: Yes, and that is
21 what we are--and I understand Council Member
22 Viverito's concern that the sooner the better, but
23 our real focus is to make sure that when there are
24 hard plans for people to actually evaluate and
25 react to that residents have that technical

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assistance that they would benefit from.

COUNCIL MEMBER JAMES: Will that assistance be in the form of money or will you--

CHAIRMAN RHEA: [interposing] So we have discussed this internally, and we are entering into conversations with HUD, but ultimately we want to make sure that the residents have the financial resources, but that NYCHA is not dictating to them how they utilize those financial resources and who they engage. They need to be put in a position where they have the financial resources and then complete flexibility to engage the support that they need in a form that is appropriate and acceptable to them.

COUNCIL MEMBER JAMES: So those financial resources will be identified by NYCHA at some point prior to the beginning of this time?

CHAIRMAN RHEA: We have said at a minimum we would like to make as much of the TPA funds available to residents for this process, and if there are other resources beyond TPA that we can collectively identify then obviously we will work diligently to try to ensure that those resources are part of the process. Whether those

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2 are resources someone wants to contribute in kind
3 or whether those are resources that need to be
4 procured financially.

5 COUNCIL MEMBER JAMES: So we are
6 going to expedite the TPA process because correct
7 me if I am wrong, I thought I heard you say it was
8 going to take at least two years.

9 CHAIRMAN RHEA: No, no, no. We are
10 working and as I mentioned that Kelly McNeil, our
11 acting general counsel is responsible for working
12 with her colleagues within the Housing Authority
13 finance and other departments to get the TPA money
14 moving as quickly as possible. I said that the
15 entire process to ultimately put shovels in the
16 ground is going to take up to two years.

17 COUNCIL MEMBER JAMES: Thank you
18 for the clarification. So 60 percent of AMI that
19 is above a lot of the incomes of most residents of
20 public housing, what can we do if anything to
21 create more truly affordable public housing? 60
22 percent is around 30 to \$40,000. A lot of the
23 residents obviously earn much lower than that.
24 What can we do to--

25 CHAIRMAN RHEA: [interposing] Fred

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2 is going to answer most of the question, but I
3 just want to reiterate we do share what your goal
4 is and what you are just describing to figure out
5 ways to make these units available to as many
6 public housing residents as possible, but our
7 definition of affordable is the federal definition
8 of affordable, which is 60 percent of AMI or
9 below, and I just want to remind people that the
10 \$30,000 that you quoted is not an individual's
11 income. It is a household income.

12 COUNCIL MEMBER JAMES: Before you
13 answer the question, since we are negotiating and
14 discussing this with HUD, is it possible that HUD
15 can change that formula?

16 FRED HARRIS: I think what the
17 Chairman was referring to is that is the
18 definition for low income tax credits. It is the
19 definition that the city uses in 421A. That is
20 where that was pulled from. We understand that
21 and our residents have expressed that there are
22 many incomes for which 60 percent would be
23 difficult. We take that very seriously because we
24 would very much like for the affordable component
25 of these buildings for the preference for NYCHA

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2 residents to be meaningful, and so clearly one
3 strategy to reach a larger audience is to have a
4 lower rent level. There are many--we actually
5 because of the requirements for income
6 certification, we have a great deal of data on
7 resident incomes at each of the developments, and
8 we are really looking over that to try to make
9 sure that we create an opportunity. We also have
10 a significant number of residents above 60 percent
11 of AMI who would be equally ineligible, but there
12 is nothing that we can do about that unless the
13 city or the federal government changes such
14 regulations.

15 COUNCIL MEMBER JAMES: So my
16 position and recommendation is that we continue to
17 have discussions with NYCHA to specifically
18 isolate this proposal to change the definition of
19 AMI in addition to that as I have talked about in
20 my district, particularly focusing on seniors who
21 are in these oversized apartments and downsizing
22 them. I think that is critically important. As
23 you know in my district, I did a vote, and there
24 was a lot of support for that, and that is
25 something that I want to pursue based upon, and it

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2 all will depend upon what happens here in
3 Manhattan, but obviously focusing on senior
4 housing is something that I totally support. 421A
5 after it expires, it is no longer permanent. How
6 do we plan on addressing the issue of ensuring
7 that these apartments are permanently affordable?

8 FRED HARRIS: That is actually one
9 of the advantages of the leasing strategy because
10 that will actually be a lease default if the
11 permanent affordability restrictions are
12 violations, so it will not depend on whether 421A
13 is enforced, and we also--or whether or not they
14 chose to use bonds to finance the construction.
15 These may be conventionally financed, but
16 notwithstanding that, there will be an
17 unsubordinated ground lease, which means that if
18 it there is a default, they lose the building, so
19 people will have very, very strong incentives to
20 stay in compliance.

21 COUNCIL MEMBER JAMES: So let me
22 understand this. So in the lease agreement there
23 will be language, which will require that the
24 building be affordable permanently notwithstanding
25 421-A restrictions.

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2 FRED HARRIS: In fact that will be
3 the obligation, not 421A. It will be through the
4 lease, and it will be like a regulatory agreement
5 that would be attached to financing, only there
6 would be no expiration date.

7 COUNCIL MEMBER JAMES: How did we
8 determine the fair market value of some of these
9 properties? Was it in bulk? Was it isolated?

10 FRED HARRIS: It was really more in
11 bulk at this stage, and it is a very, very--as the
12 Chairman mentioned, it is a very broad range, and
13 it was really just a sort of 30,000 foot estimate.

14 CHAIRMAN RHEA: But ultimately each
15 of these sites will have underlying appraisals
16 that value them per market standards, and we also
17 want to be clear, right. We want the market to
18 price the land through an offering. We are not
19 pricing the land, and there is a wide range and a
20 lot of generality in our 30 to \$50 million for a
21 reason. We want the market to tell us what this
22 land is worth and we want developers and other
23 participants in this process to have to sharpen
24 their pencils and be aggressive as possible
25 because ultimately again, the money is for the

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2 benefit of preserving public housing, and so we
3 are not interested in showing our hand in what
4 ultimately it's going to take in order to be
5 successful in this process.

6 COUNCIL MEMBER JAMES: When we
7 renegotiated 421-A there were two things that I
8 was adamant about. I was able to secure one and
9 not the other. The first thing is language in
10 421A, which basically says that low income
11 individuals will no longer--the developer will no
12 longer be allowed to develop the low income units
13 elsewhere in a community district, and it all has
14 to be within that building--that is Tish James
15 language. Two, the other language is that, which
16 we fought for, and I was unsuccessful was
17 increasing 20 percent to a higher number. 80/20
18 is unacceptable, particularly given the demands in
19 the city of New York. We really need to increase
20 that number. What is the likelihood of increasing
21 that ratio from 80.20 to 70/30, 60/40, 50/30/20?
22 What can we do to increase the amount of--

23 FRED HARRIS: [interposing] As the
24 Chairman mentioned we expect to grant extra
25 consideration to proposals that do so, but we also

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2 were very clear that we are really talking about
3 trying to maximize financial return, and financial
4 models that we have looked at and they are just
5 our models show that there is effectively almost a
6 half a million dollar reduction in return to NYCHA
7 for the addition of each affordable unit, so we
8 want the world to be out there and compete and
9 there is ideas about senior housing and so forth.
10 There may be mechanisms and structures that we
11 haven't thought of, which will allow people to go
12 beyond 20 percent without serious damage to the
13 economics, and similarly with the income levels.

14 CHAIRMAN RHEA: And we want to make
15 sure again as I said earlier that the RFP not only
16 is clear about additional points and consideration
17 for people who come up with mechanisms to do that,
18 but our hope again on terms of making this a real
19 truly competitive process and a market driven
20 process is that people will come up with ways to
21 say we can take on additional affordability,
22 NYCHA, without damaging ultimately what we think
23 we can offer you in financial consideration for
24 the property.

25 COUNCIL MEMBER JAMES: So to take

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2 on more affordability one would assume that it
3 would require a zoning change to build higher
4 density? Is that something that is part of the
5 discussion with each individual developer?

6 CHAIRMAN RHEA: We are not as part
7 of this process requesting zoning changes. NYCHA
8 is not seeking zoning changes. If a particular
9 developer as a proposal that would require zoning
10 changes and through all the analysis and scoring
11 the determination was that that proposal is the
12 most compelling proposal and therefore even having
13 risk of zoning changes in it, then we would
14 conditionally designate that developer recognizing
15 that that developer is going to have to go through
16 a process that the city controls to request those
17 zoning amendments, and the developer may or may
18 not be successful, and NYCHA would have to
19 actually recognize that as a risk in our
20 evaluation process and have a fall back strategy
21 that we would be comfortable with if they were
22 unsuccessful with that.

23 COUNCIL MEMBER JAMES: Last two
24 questions, also when we negotiated 421A another
25 Tish James language was that the housing would be

1
2 not segregated and that you could not tell the
3 difference between an affordable housing unit and
4 a market rate housing. Is that also part of this
5 proposal?

6 FRED HARRIS: That is our current
7 working assumption that we would be basically that
8 sort of - - rules where there is rules about
9 spreading them through the building and lack of
10 concentration in any one part of the building and
11 so forth.

12 COUNCIL MEMBER JAMES: Will these
13 developments be built union?

14 FRED HARRIS: In general we have
15 not required on any of the land that we have sold
16 in the past or leased in the past for housing
17 development that that be the case. If federal
18 funds are used, there are a whole set of
19 requirements that apply.

20 COUNCIL MEMBER JAMES: Right. Are
21 we going to utilize Section 3 CM build [phonetic]
22 and is there a healthy component of WMBEs that are
23 part of the mix?

24 CHAIRMAN RHEA: So we are not
25 using--well, I shouldn't say that--NYCHA is not

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2 controlling the construction process, so
3 developers will use whatever construction process
4 is appropriate for them whether CM build, CM
5 agent, whatever they choose to use. We are not
6 responsible for building them out. Number two, we
7 will be very clear in, and this is where again, we
8 seek input and support and ideas from electeds
9 around the importance for our MWBE participation,
10 and we want to be as aggressive as we can within
11 the law and then we have been very clear that even
12 though this will not necessarily use federal money
13 and therefore Section 3 by the letter of law is
14 not required that we will put in the same
15 requirements that they meet those same kind of
16 Section 3 obligations to employ residents as part
17 of this process and we have existing precedents
18 for that where we have worked with many of you on
19 development where Section 3 wasn't required, but
20 where we got at least as strong language in the
21 contract as Section 3 requires.

22 COUNCIL MEMBER JAMES: Thank you,
23 Mr. Chairman. Let me just reiterate and
24 reemphasize my recommendation that we expedite
25 legal, technical and professional services for the

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2 residents of these public housing that will be
3 affected. The sooner the better so that they
4 could get to work, and that they will be in a
5 position to hire who they decide to do their own
6 analysis. Thank you.

7 CHAIRPERSON MENDEZ: Council Member
8 Brewer?

9 COUNCIL MEMBER BREWER: Thank you
10 very much. I just want to follow up on that TPA
11 issue. When we did Harbor View [phonetic], and
12 you know, as I say fortunately that private
13 developer because of circumstances beyond
14 anybody's control didn't go through with that
15 project, but we never had the TPA. It didn't come
16 up at that time. Does it say on the website, and
17 I perhaps should know this, the amount of dollars
18 available to each development through TPA? And
19 the reason I ask I know small buildings get X,
20 larger developments get Y. So I am just
21 wondering--

22 CHAIRMAN RHEA: [interposing] That
23 was the question, whether or not currently on the
24 website, I do not believe that currently you can
25 go on the website and click on by development how

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much TPA money is in the account for, but we have that information.

COUNCIL MEMBER BREWER: Could that be on the website? 'Cause I think it is public information. We knew a long time ago. I think it has been cleared up that there were millions of dollars not spent--

CHAIRMAN RHEA: That's right.

COUNCIL MEMBER BREWER: But I think you have been working on that.

CHAIRMAN RHEA: Yeah, but there is no reason why we can't put that on our website. The other thing is I mean one of the things that we are working on is whether or not the money that is available to residents for the purpose is only out of their TPA allocations, so for example, Meltzer--

COUNCIL MEMBER BREWER:
[interposing] No, I understand.

CHAIRMAN RHEA: But let's look at how much Meltzer has. Maybe that is not sufficient. Maybe it is more than sufficient. We believe that this project is for the benefit of all of public housing.

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2 COUNCIL MEMBER BREWER: No, I
3 understand - - .

4 [crosstalk]

5 CHAIRMAN RHEA: But the goal would
6 be to make sure there is sufficient funding.

7 COUNCIL MEMBER BREWER: I think it
8 would be good to know how much is available just
9 as a public transparency anyway, and then people
10 could decide whether it is enough, you could
11 decide, but so could the residents, and also
12 people just have no idea A) that there is TPA or
13 B) how much is in the kitty. It is not a slush
14 fund I know, but it feels a little bit like that
15 sometimes. Number two, the issue of air rights.
16 Obviously, I have in my district a lot of
17 developments. They are all wonderful, but they
18 all are frightening because they have so many air
19 rights over them, so my question is how is air
20 rights if at all part of any of these discussions?
21 In other words are developers going to be able to
22 include that in their proposal or are they going
23 to be looking perhaps for other people's air
24 rights, et cetera?

25 FRED HARRIS: These developments

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2 are all using development rights that are
3 currently there on that particular lot. We are
4 limiting how many can be attached to each of the
5 sites that we would identify. There is no--at
6 this point I don't think there are any places
7 where somebody would be bringing more in to these
8 or nor are we taking any off. I mean these are
9 sort of zonings generated on the lot and used on
10 the lot.

11 CHAIRMAN RHEA: And so yes to
12 everything Fred said, and if you are asking and if
13 they are--

14 [crosstalk]

15 CHAIRMAN RHEA: We are not planning
16 to offer that as part of this package, and the
17 whole issue of air rights and opportunity with air
18 rights is another potential opportunity that would
19 be separate and apart from this that we are not
20 exploring in any level that would be part of this
21 process.

22 COUNCIL MEMBER BREWER: Okay. I
23 won't ask now but just to keep in mind that I
24 think developers are looking at other developments
25 not one of the eight for air rights, and you will

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give us some information about that in the future?

CHAIRMAN RHEA: Yes, either a
specific--

COUNCIL MEMBER BREWER:
[interposing] I'm not excited about it.

CHAIRMAN RHEA: If there was a
specific project that requires air rights then we
obviously would be fully transparent and disclose
that as part of a discussion of that project, but
we are also trying to understand the value of our
air rights and mechanisms that could have that
value be realized again for the preservation of
public housing. That is not something that we
have done much work on and not because we don't
think it is an opportunity--

COUNCIL MEMBER BREWER:
[interposing] In a gentrifying area, and you know
all that means is a taller building somewhere else
and more controversy, less light of air and many
other issues, just so you know. The issue of
vouchers in general, in other words, there are a
lot of developers picking up on what Council
Member James stated, let me be clear, let's say
it's 20 percent, I have a question about that.

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2 Are they going to be on site? We are not going to
3 be using any of the--

4 CHAIRMAN RHEA: [interposing] They
5 are all on site.

6 COUNCIL MEMBER BREWER: All on
7 site.

8 CHAIRMAN RHEA: All on site in the
9 same building.

10 COUNCIL MEMBER BREWER: Another
11 question is the Chairman indicated I think it was
12 a billion castoff revenue he is looking for, if
13 you do--I am making this up--60/40, 70/30 some
14 combination then you get half a billion. Would
15 that be something that shouldn't also be on the
16 table because then you have a better project, a
17 better development? I am not even saying this is
18 all a good idea. I am just giving some synopsis
19 because you don't need to say that it has to be
20 80/20.

21 CHAIRMAN RHEA: No, Council Member
22 Brewer, but you just let a billion dollars let up
23 in smoke, a half a billion dollars go up in smoke--
24 -

25 COUNCIL MEMBER BREWER:

1 [interposing] I won't talk to you about your
2 capital budget, right?

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4 CHAIRMAN RHEA: We can, but--

5 COUNCIL MEMBER BREWER: How it's
6 unspent.

7 CHAIRMAN RHEA: Yeah, but we have
8 first of all I'd be happy to discuss our capital
9 budget, how much of our money is currently
10 obligated toward projects and being moved through
11 our pipeline.

12 COUNCIL MEMBER BREWER: Like
13 molasses.

14 CHAIRMAN RHEA: No, that is not
15 true. Not true; however, even if we spent every
16 dime today, we are still left with six billion
17 dollars of unmet, even if we spent every dime we
18 have today, we still have six billion dollars of
19 unmet capital needs and that is going to grow to
20 13 and a half billion over the next five years, so
21 we can't afford to let a half a billion dollars
22 go.

23 COUNCIL MEMBER BREWER: I
24 understand that, but you still have a city to live
25 in. You still have people and not just numbers

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2 and you still need to think of a way that is good
3 for the neighborhood and good for the development,
4 and good, yes--it's not your fault necessarily,
5 but the history of spending at NYCHA is
6 challenging, and so I want to make sure that as we
7 go forward, it is a city that people can live in,
8 and not just tall buildings that are good for the
9 developers always I am sure, but has to be good
10 for the neighborhood too, and having spent
11 hundreds of hours on this topic for the last 40
12 years not just in the City Council, I always think
13 that there is another way sometimes to do it that
14 might be better for everybody. You still make
15 some, you don't make as much, the developer
16 doesn't make as much. You are going to get a lot
17 of push back. I want to just make one comment.
18 Department of Education an organization that also
19 has its challenges is also talking about building
20 on top of schools, and they do not have to follow
21 ULURP, but that have put in writing that they are
22 going to follow ULURP. Is that something I know
23 that you say no, no, no, but is that something
24 that you can consider?

25 CHAIRMAN RHEA: Again, I want to be

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2 painted fairly. I haven't said no, no, no. I
3 have said that we want to lay out side by side the
4 process that currently governs NYCHA's disposition
5 and development and ULURP and to understand where
6 each of you see real gaps, substantive gaps and to
7 find a way to close them, whether that is through
8 some modified ULURP process, whether that is
9 through some new process that we all agree is even
10 better than what Section 18 requires or ULURP
11 requires. I haven't said no, no, no. The ask was
12 just made if I am not mistaken on Tuesday for the
13 very first time.

14 COUNCIL MEMBER BREWER: Alright.

15 Thank you, Madam Chair.

16 CHAIRPERSON MENDEZ: Thank you.

17 Mr. Chairman, we have a lot of questions, but as
18 you see, the public is here, and they want to
19 testify, and for everyone out there, we are going
20 to start the public testimony now. I am calling
21 resident leaders first and Mr. Chairman, you
22 always keep someone here, but I'd like you to stay
23 during the first two panels, which are all
24 resident leaders. The first panel is going to
25 Crystal Glover from George Washington Houses,

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2 Cecilia Santiago from Meltzer Towers, Jane Wisdom
3 from Douglas Houses and Damaris Reyes from Baruch
4 Houses, and the second panel will be Aixa Torres
5 from Smith Houses, Sonya Persia [phonetic] from
6 Carver Houses, and Carmen Quinones [phonetic] from
7 Douglas Houses. That is the second panel. So if
8 the individuals from the first panel will please
9 come up, and whoever is ready to give their
10 testimony first... Okay. Again. Crystal Glover,
11 Cecilia Santiago, Jane Wisdom and Damaris Reyes,
12 if you could just raise your hands, so I can make
13 sure you are still here. Come sit down and grab
14 the microphone so that we can start the public
15 testimony, and to Assembly Member Brian Cavanaugh,
16 thank you for staying this long through the
17 hearing and for the reps and everybody else from
18 other organizations who are here, thank you for
19 your patience. Whoever is ready can just grab the
20 microphone and identify yourself for the record
21 and you can start giving your testimony.

22 JANE WISDOM: My name is Jane
23 Wisdom, and I am from Frederick Douglas Houses. I
24 am the resident association president there, and
25 when we were outside I told you I am very

1
2 overwhelmed, but I have some questions. My first
3 question if we don't agree to this, how will we be
4 punished? 'Cause NYCHA punishes people when you
5 don't agree. Number two, with disrepair in
6 Douglas when will they give us repairs? They did
7 have a hearing with Bloomberg on TV saying that
8 they were going to be doing repairs all through
9 the different areas. And another thing, police
10 protection, will it be enforced in the building
11 because NYCHA pay for police protection, so we
12 worry that are they going to protect the new
13 building more than they are going to protect the
14 area? Are they going to be pushing people around
15 for this? I worry about that because we have a
16 lot of youth and always the development is blamed
17 for everything. You could live outside the
18 development and you get arrested in the
19 development. It's Douglas Houses. I worry about
20 that. I also want to ask I'd like to confirm is
21 the mayor giving us 85 million and when when he
22 leaves? I want to know about that. Alright? One
23 thing I'd like to say is I don't get no
24 information beforehand, no respect to the
25 presidents. We need some respect. We need to

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2 know that this job we are doing without pay that
3 we are respected. Don't call me in the morning
4 and say, Oh, Ms. Wisdom, did you see the flyers?
5 No, 'cause you didn't send me one. And it upsets
6 me. I'm very overwhelmed. I have the help of the
7 community boards and people are trying to help us
8 with this situation, but right now it is moving
9 too fast for us. We feel that right around the
10 corner you had a meeting - - the other night, now
11 you are going to have a meeting next week. What
12 is going on? Don't you want to let us breathe? I
13 have got to make the tenants feel comfortable.
14 That is why I am here because if they know that
15 this is going to go on anyway like the Saint
16 Nicholas Houses, where they had a class action
17 suit not to build a school in the middle of a
18 development, and they still built it while the
19 action was going on. You understand? So if you
20 are still going to build it, and we disagree, what
21 is the point of us being here? That is all I have
22 got to say. Thank you.

23 CRYSTAL GLOVER: This is so
24 emotional 'cause we were outside. Ms. Mendez, you
25 had your press release, and so we got a lot of

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2 what we had to say out, but I want Mr. Rhea to
3 understand, Chairman Rhea to understand that he is
4 a passionate man. He came to Washington Houses--
5 incidentally, my name is Crystal Glover, and I am
6 the resident council president for Washington
7 Houses. Our development from 97th Street to 104th
8 Street between Second and Third Avenue. There is
9 a charter school/residency, which is RBIPs
10 [phonetic], that is being built on 104th Street.
11 Chairman Rhea came to break ground two weeks ago.
12 He is a passionate man. He cares, and I am not
13 going to take that from him. Also, I just need
14 you all to know that when they presented this RFP
15 program to Washington Houses it was the day of our
16 general meeting in December. Community
17 operations, Mr. Leroy Williams, called me. We
18 were supposed to be meeting with some new entity
19 in house called community engagements, then it got
20 flipped to speaking to Leroy Williams from
21 community operations. He came to my home because
22 I was in the process of cooking, and I didn't want
23 to finish leaving my pots, so he came to my house.
24 We sat and talked. The first thing he said to me
25 was, "Oh, Ms. Glover. NYCHA is considering an

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2 infield development because you have so much
3 underutilized land and that it is going to be
4 built behind P.S. 109" which incidentally is
5 being built. They - - some artist took a public
6 that we need for our children, they took that and
7 converted it into some artists' residency for
8 affordable housing for artists, so he said to us
9 they plan on building right behind that building,
10 and then taking the land where we used to pay our
11 rent, our management office, where there is the
12 youth programs and the park unless they are going
13 to eliminate all of that, and then he tells me the
14 give back would be--it's a give and take, and the
15 give back would be if you all let us do this, we
16 will give you all a laundry room, we will give you
17 all repairs. Mind you, the mayor didn't he
18 mention 85 million he is supposed to be giving us?
19 This is what the mayor said. I heard that on NBC.
20 I just threw that in because she mentioned it. So
21 my question is it is supposed to be a give and
22 take and then Commissioner Lopez [phonetic]
23 brought to us that she made it sound like she--she
24 spoke very passionately and compassionately, but
25 she sounds somewhat like the mob. It was like

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2 either you go along with this, and if you don't go
3 along with it, you will be punished because you
4 will notice that this won't be happening, there
5 will be no money for that, et cetera, et cetera.
6 So I really don't have many questions, but I have
7 one more point I would like to make. In the '80s,
8 there was a program called tenant education. It
9 was through community affairs, and they hired
10 residents that lived in the development because
11 there were renovations that were going to be
12 taking place on the grounds. For instance,
13 remember when we had the chain links that
14 separated the grass from the pavement? They were
15 putting in metal fences, and they were doing
16 renovations and upgrading of the developments, so
17 they hired residents that lived in these
18 developments to work alongside tennis
19 associations. In my development, it took place
20 for two years. When the job was completed, it
21 expired. My question is given that Washington
22 Houses, we don't even have a supervisor for our
23 resident watch program, which used to be called
24 tenant patrol. We have no supervisor there. If
25 Chairman Rhea can consider hiring the TAs, giving

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2 a stipend to a TA to educate the residents because
3 I am going to be very honest with you. The
4 residents are very apathetic. We have housing
5 journals [phonetic], and I am going to tell the
6 truth. Someone once told me if you want housing
7 residents to know something, put it in the book.
8 Why? 'Cause we don't read. Everything that the
9 Chair said, everything may not be whatever
10 whatever, but if we live there, we rent there. We
11 don't own these apartments, so if something break
12 in your apartment, if you bring it to the
13 landlord, that is your fault. It is easier to
14 blame NYCHA and everybody else, but there is
15 enough blame to go around for everybody. I have
16 been in public housing my whole life, and we
17 haven't done our parent. Our TAs have not been
18 effective and where NYCHA is at fault because they
19 have not held these people accountable. You have
20 got a kazillion [phonetic], million people working
21 in housing, and nobody is doing squat. Not only
22 that, but between the drugs, the criminality, we
23 are sick and tired of NYCHA sitting on their humps
24 and sitting back. You can blame us all you want,
25 the residents, 'cause there is a lot of blame for

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2 us, but you have not been holding up to your
3 bargain. You let all kinds of garbage move into
4 the projects. We have got pit bulls running all
5 over the place. There is no as far as housing
6 cops. When they merge the city cops with the
7 housing cops, what was the point? Why didn't you
8 just eliminate the housing cops, - - officers and
9 just keep the city cops? You merged them, and
10 what is going on? We don't know squat. Don't
11 take any more of my pictures, please, 'cause I am
12 really tired of you taking my pictures. You got
13 enough of my shots. Enough is enough. Thank you.
14 And so in closing, in closing, I just want to say
15 you see, this is a new day. What went on 25, 30
16 years ago, that is finished. This is a new day.
17 Housing needs the money. We are not saying it
18 doesn't. We have got men that work our grounds.
19 They are tired. They have got wives and children
20 to go home to and they are working like 20th
21 century slaves. Every time you turn around one of
22 them is going out for injury. It's ridiculous.
23 God don't love ugly, and some of the roosters are
24 going to come home to roost. Somebody better do
25 something, Madam Chairperson, because it is

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2 getting disgusting. These are predominantly
3 African American, Hispanic people. We have got
4 Chinese folks moving in, Asians. If you remember
5 recently, there was some dude going around busting
6 Asian people in their mouth. He was probably was
7 tired of it because they come in the buildings.
8 They go out. They come and go. They don't
9 participate in nothing. They come and go.
10 Somebody better put something in check, and they
11 better do it soon. Thank you, Madam Chairperson.

12 CHAIRPERSON MENDEZ: Thank you, and
13 before the next speaker on this panel just to say
14 that the photographer is from the New York City
15 Council, and if you don't want your picture taken,
16 just please let him know. Don't move because we
17 may have questions for you, and I know I do, so
18 next.

19 DAMARIS REYES: I don't know if
20 it's morning or afternoon. My name is Damaris
21 Reyes, and I am a resident of Baruch Houses, one
22 of the impacted developments. I am also the
23 executive director of Good Ol' Lower East Side,
24 and GOLES has been around for 35 years. We are a
25 membership organization. We are dedicated to

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2 tenant rights, economic equality and community
3 revitalization. We have been working on public
4 housing issues both locally and nationally for
5 over a decade and we reach about 10,000 people a
6 year with our work. So I am officially here on
7 behalf of GOLES. I am officially here on behalf
8 of Baruch Houses. Many of my neighbors and
9 residents share the same sentiments that we do.
10 While we certainly commend Council Member Mendez
11 on her efforts to ensure the most transparent
12 possible process as NYCHA proceeds with its
13 infield plan, we want to contend that NYCHA has up
14 to this point acted in bad faith in developing a
15 plan, not a proposal, which we believe behind
16 closed doors and without public oversight. No
17 truly transparent or accountable process can be
18 built upon this foundation, and I urge this
19 Council to develop a stronger resolution
20 addressing this issue, a resolution that would
21 appropriately take to heart the far reaching and
22 long term impacts that NYCHA's current plan would
23 have on public housing and on our city as a whole.
24 NYCHA tells us that that colossal plan will alter
25 the fabric of our city forever and change public

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2 housing as we know it. Infringing on the last
3 best affordable housing resource in our city will
4 generate between 30 to \$50 million annually. I
5 want to ask the Council is this sum worth the
6 sacrifice? We know that NYCHA pays the NYPD
7 millions annually. I am sorry. I am just a
8 little off because I am not feeling well. We know
9 that NYCHA pays the NYPD, Sanitation and pilot
10 payments between 75 and \$100 million annually, a
11 double tax that New York asks no other resident to
12 pay at the tremendous cost of NYCHA residents'
13 wellbeing and quality of life in terms of sorely
14 needed repairs. I would ask NYCHA before it
15 returns with another plan to balance its budget on
16 the backs of its residents and their quality of
17 life to end payments to the NYPD. Any future
18 revenue generating plans must come in genuine
19 consultation with the residents and provide a
20 genuine benefit to their lives, like commercial
21 spaces and/or senior housing. By the time NYCHA
22 representatives approached our elected officials
23 to present them with the info plan, it was exactly
24 that a plan, not a proposal. Since NYCHA unveiled
25 its plan, I would argue that NYCHA has carried out

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2 a series a presentations, not consultations, which
3 fail unequivocally to disclose the social,
4 economic and environmental impacts of the proposed
5 plan not limited to added strain on sewage and
6 electrical infrastructure, loss of important
7 amenities like parking and open space and
8 diminishing political representation for NYCHA
9 residents. In order to adequately meet HUD's
10 requirement, NYCHA must altogether scrap this
11 current plan and begin again in earnest in a
12 genuine dialogue with NYCHA residents and elected
13 officials. The authorities practice to this point
14 marks a failure to adequately fulfill federal
15 requirements under HUD's Section 18 procedures,
16 which mandate that local housing authorities enact
17 any disposition or demolition proposals in
18 consultation with residents. NYCHA is
19 steamrolling this process and any stop gap
20 measures enacted this point will only further the
21 illusion of public discourse in which NYCHA claims
22 to engage its residents. Again, I appreciate the
23 council members' effort towards a more transparent
24 process, but my concerns lie not only with the
25 process, but with the plan itself. My position on

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2 behalf of Good Ol' Lower East Side and all of our
3 members is crystal clear. NYCHA's current plan
4 was developed in bad faith and behind closed
5 doors, and if it moves forward, it will have a
6 devastating impact on the residents of New York's
7 public housing and on this city as a whole. GOLES
8 opposes NYCHA's infield plan, and we encourage not
9 only a better process, but a different one
10 altogether. Thank you for your time and
11 consideration.

12 CHAIRPERSON MENDEZ: Thank you.
13 Ms. Glover, I want to ask you because you said
14 that Commissioner Lopez came and did a
15 presentation, and then you said something about
16 being punished. Did she say you would be punished
17 or was that the feeling that you got? I just want
18 to know if those were the words utilized?

19 CRYSTAL GLOVER: She actually took
20 us--we went to breakfast. We had a breakfast.
21 She met with us, the board, first before they had
22 the open meeting, and she was just breaking down
23 respectfully that this money is needed, these
24 repairs are needed. I can't remember every word
25 blow for blow, but she did make it sound like in

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2 other words like say the outside structure of the
3 building, so the facing, bricking and so forth, if
4 it's a priority, and if we don't go willfully go
5 along and support it, that they will just come and
6 do what they want and maybe work over us. I can't
7 remember. I am sorry. But it did sound like the
8 mob. You don't do what we ask you to do, we are
9 going to take you out or something. She didn't
10 literally say it that way, and I actually wrote it
11 down. We were bumping heads. Me and my board
12 were bumping heads, and we were like she sounds
13 like they are threatening us.

14 CHAIRPERSON MENDEZ: Okay, I just
15 want to get if that was word for word what was
16 said or that how you felt.

17 CRYSTAL GLOVER: I will get it to
18 you later 'cause I did write it down. I don't
19 have it with me. She met with us in a diner in
20 our neighborhood, and she let us know--cause I get
21 things done over there. She is saying wow. As
22 residents we have to reach out. We can't just sit
23 back and talk about who ain't doing this, who
24 ain't doing that, they ain't doing this. Okay?

25 CHAIRPERSON MENDEZ: Ms. Wisdom,

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you said you have not been reached out to prior to the meetings happening in your development, so they did not consult with you and your board to say we are going to do a big meeting on this week or this month or this day. Is that correct?

JANE WISDOM: It is correct, and what they did was when they put out the flyers, one say I look outside, and there is a little van, and I see a bunch of people putting flyers, bringing packs of flyers, so I stop one and asked them what was this, and [off mic]

CHAIRPERSON MENDEZ: That is not being recorded. Is one of the sergeants here? It's a finicky system. I just want to make sure that it gets recorded. Use the other microphone 'cause I want to make sure it gets into the record.

JANE WISDOM: You know that is why I said that I don't feel respected as president because people are calling me telling me they got flyers under their door, and I had to request a flyer to be given to me. I was so insulted. Another thing, I just didn't say with the jobs, Margarita [phonetic] said they are going to create

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2 jobs for the people, but they have to be skilled
3 tradesmen. How many people in Douglas are already
4 skilled tradesmen? Not many. You understand?
5 With the Section 3 they have got to get better.
6 Is the training going to be free training to trade
7 skill workers or do they have to pay? That is my
8 question.

9 CHAIRPERSON MENDEZ: Thank you.

10 Ms. Reyes, I think you nailed it when you said
11 this seems more like this is presentations and not
12 consultation. I have been there so there is
13 question and answers, but it is a presentation, so
14 we are certainly waiting to get to the
15 consultation part. My colleagues, do you have any
16 questions of this panel? Council Member James?

17 COUNCIL MEMBER JAMES: To each of
18 the panelists if attorneys were available to you
19 and architects and engineers, would that assist
20 you in analyzing all of the proposals that you
21 anticipate as a result of this project?

22 JANE WISDOM: I have two attorneys
23 from legal aid. I went through the TPA fund, and
24 you are right. It takes months to get anything
25 'cause first it has to be signed by the - - .

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2 Then it has to be signed again to get approval,
3 and then you have got to write the proposal, and
4 everybody is not very good at writing the
5 proposals. I learned. I had to teach myself.

6 COUNCIL MEMBER JAMES: So if we
7 were to streamline the TPA process, would that
8 assist you?

9 JANE WISDOM: It would.

10 COUNCIL MEMBER JAMES: So your
11 recommendation is really to streamline TPA so that
12 you can get some assistance?

13 JANE WISDOM: I have talked to the
14 person who is in charge of the TPA fund and she
15 told me--

16 COUNCIL MEMBER JAMES:
17 [interposing] Who is that person?

18 JANE WISDOM: Her name is Susan
19 Unger, and she did reach out to me and say what
20 she heard about it, so I talked to her. Now I
21 just heard that we can't get a certain fund for
22 this, but she told me that up to \$5,000--Susan
23 Unger told me up to \$5,000. Now I don't know if
24 that is enough for legal representation.

25 COUNCIL MEMBER JAMES: I don't

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think that is enough.

JANE WISDOM: Or I could get three bids, so I have got to find three lawyers, get three bids and see who I can get.

COUNCIL MEMBER JAMES: So maybe if we could streamline TPA and remove a lot of the bureaucracy involved perhaps we would go a long way in assisting you and increase the dollar amount. Is that something that you would support?

JANE WISDOM: I support it.

COUNCIL MEMBER JAMES: Okay. Thank you. Yes, ma'am?

DAMARIS REYES: The developments that GOLES is working with we have also been working in partnership with the Urban Justice Center, and other folks to provide legal representation to the residents. It is really unclear how the TPA funds can be used, how much you can use for legal assistance or how much of the TPA funds can be used for technical assistance like planning and architectural, so those issues are unclear. At the moment though, we found that working with legal aid, working with the Urban Justice Center that we can help to get

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2 representation for residents. I think the issue
3 will be that those agencies that provide this kind
4 of legal representation as these plans continue to
5 move forward will need additional support and
6 resources because they are not going to have
7 enough attorneys to adequately bring folks
8 together. They are doing an amazing job. They
9 always do an amazing job, but we have to support
10 them, and I think if the TPA funds could be used
11 to partially cover some of those costs, that would
12 be a really smart thing to do.

13 COUNCIL MEMBER JAMES: And are you
14 in touch with anyone at NYCHA to assist you in
15 advancing or expediting these TPA funds?

16 DAMARIS REYES: No. We at GOLES
17 have not been in touch with anyone at NYCHA. We
18 have been focused on assisting the developments in
19 our community that are opposed to this to secure
20 representation from Urban Justice Center, so
21 currently we are working with the Smith Houses and
22 the TA president is here, and she can talk about
23 that even more, but no, we haven't done that with
24 NYCHA.

25 COUNCIL MEMBER JAMES: Got it.

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Thank you.

CHAIRPERSON MENDEZ: Thank you.

COUNCIL MEMBER JAMES: There is one last--

CRYSTAL GLOVER: Yes, Ms. James, there was a letter circulated by community engagements. I am not sure of the person's name. She is a new person. I can't give you her name off the top of my head. The letter stated that there will be nothing signed off. There will be no TPA funds agreed to for legal consultation without the approval of herself--the TPA people, Susan Unger and those folks. There was a letter circulated 'cause I received it.

COUNCIL MEMBER JAMES: Okay. So you are working with her to try to expedite--

CRYSTAL GLOVER: [interposing] No, Susan Unger is not the one we are supposed to work with. It's the other lady from community engagements. The new lady--I can't remember her name, and she circulated this letter saying that TPA funds will not be agreed to for legal representation without them approving it. And to Ms. Margaret Chin, I just want to say that I hope

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2 I did not insult you in anyway when I said that
3 there was a guy running around punching Asian
4 people in their mouth at Washington Houses because
5 I just want to apologize if I offended you in any
6 kind of way. He was wrong in what he did. He was
7 wrong, and the fact that we do reach out to our
8 Asian residents--they are new. They come and go.
9 There is a language barrier. NYCHA also provides
10 interpretation if needed, so I just wanted to
11 apologize if I offended you in any kind of way.

12 COUNCIL MEMBER JAMES: Can I just
13 ask one general question. Do each of the
14 panelists oppose the program, the infield? Do you
15 oppose the infield?

16 CRYSTAL GLOVER: The feedback I am
17 getting from my residents is--I am glad you
18 brought that up because it wasn't really on my
19 mind. The feeling is where are you going to put
20 it? There is no room.

21 COUNCIL MEMBER JAMES: Next?

22 DAMARIS REYES: Organizationally
23 GOLES does oppose the infield plan, and the
24 resident associations that we are working with
25 also oppose the plan.

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COUNCIL MEMBER JAMES: Thank you.

Next?

CHAIRPERSON MENDEZ: You are working with which associations at this moment?

DAMARIS REYES: Right now we are working with the Alfred E. Smith Houses and Meltzer Houses, which is a senior development, and we also are beginning to work with Baruch Houses, which is the development that I also reside in.

JANE WISDOM: Frederick Douglas Houses resident association opposed the plan because of lack of information.

COUNCIL MEMBER JAMES: Got it. Thank you.

CHAIRPERSON MENDEZ: Okay. I want to get the next panel on. If someone can sit with me and my staff to talk us through how much TPA funds are available for each development, and how fast or slow it is going to take to access this funding and what of the things that we put forward like land use experts, technical assistance, legal assistance, what would quality that would be helpful for when we meet with our residents. Okay. I want to thank this panel for their

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2 testimony. Aixa Torres, Sonya Persia, and Carmen
3 Quinones is the next panel. And coming next is
4 Jessica Silver--are you still here--from the
5 Manhattan borough president's office, James Vogel
6 [phonetic], are you still here? Okay. George
7 Sarkissian from Community Board 11? Okay. You
8 will be on the next panel. As a matter of fact,
9 join this panel right now, Mr. Sarkissian. Join
10 this panel right now. Okay. The next panel after
11 that will be Joel Cufferman [phonetic] from the
12 National Lawyers Guild, Judith Goldiner from the
13 Legal Aid Society and Victor Bach from the
14 Community Service Society. That will be the next
15 panel on after this one. Okay. Just grab the
16 microphone, and you can start giving testimony,
17 and please identify yourself for the record.
18 Press the button. The button needs to be - - .

19 AIXA TORRES: Good morning. My
20 name is Aixa Torres and I am the resident
21 association president of Alfred E. Smith Houses.
22 Good morning, council members of the Public
23 Housing Committee. Ob behalf of the 2,000
24 families that reside in Alfred E. Smith Houses,
25 the resolutions T2013-6092 and T2013631

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2 resolutions should be passed, resolutions calling
3 upon the New York City Housing Authority to engage
4 its residents in planning for and to include
5 certain requirements in any ground leasing for
6 NYCHA land, resolution calling for oversight on
7 NYCHA's plans to lease for the development. We
8 wish to go on record on opposing NYCHA's Section
9 18 infield plan for Smith Houses. Since February
10 21st, 2012, I have request \$1.6 million to have gas
11 pipes replaced. I have been told by NYCHA that
12 that is why we need an infield. Smith Houses
13 representatives are now being held hostage to
14 receive repairs that are necessary to the
15 wellbeing and the safety of other nine buildings,
16 which have not had gas pipes replace. Since
17 January 16th, 2013, Alfred E. Smith resident
18 association has been corresponding with NYCHA
19 about infield proposal, its implication to the
20 Smith residents and we have requested because of
21 the following conclusions of the executive board
22 and the committee chairpersons expressed that we
23 do not want any new buildings built on Smith
24 Houses property, but we do want our repairs, which
25 are well overdue to be done. The reasons

1 submitted were the following: structure of
2 buildings on the site that NYCHA wants to build
3 could be dangerous to them, socialization of our
4 community with new residents who have higher
5 economic means than our residents, Smith Houses is
6 the only development on ground zero, three major
7 gas outages and several online averaging monthly
8 since 2010, we have survived an earthquake, NYD
9 [phonetic] evacuating into Smith Houses when the
10 earthquake happened, we have survived Hurricane
11 Sandy and its aftermath, we have survived Irene
12 also, and we pay mortgage rents and taxes without
13 services or repairs. On March 5th, we submitted to
14 NYCHA a list of questions and issues that we would
15 like answered or - - and when we met on March 19th
16 as of today none of them have been addressed or
17 answered. The question addresses our concerns and
18 our needs. Please provide a timeline, this
19 question one, for the proposed new development at
20 Smith Houses and at a minimum include expected
21 dates for the following steps: insurance of RFP,
22 resident consultation, insurance of environmental
23 assessment forms or impact statements, zoning and
24 other land use approvals, the start of the
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2 conversation--what are the agencies or government
3 - - NYCHA contributing to the preparation of the
4 RFPs? What studies or feasible - - will be
5 completed prior to the issuance of the RFPs? What
6 studies, analysis have already been completed?
7 Has NYCHA had an engineer inspect, survey Smith
8 Houses sites that may be targeted for new
9 development? Has NYCHA had any qualified expert
10 evaluate the structural integrity of the
11 surrounding buildings at Smith, and if so, what
12 are the findings? And this question is the crust
13 of our opposition. How will the developers'
14 obligations under successful proposal be enforced?
15 How will developers be selected? And what are the
16 criteria for evaluating developers and proposal?
17 And how is the developers' section criteria
18 prepared? Will the residents have any input into
19 the proposal selection process once the RFPs are
20 issued? And how will the residents' preferences
21 be addressed by the selection criteria or during
22 the selection process? Are there plans for
23 holding a pre-submission conference with regard to
24 the RFPs? If they have already been scheduled,
25 when and where is the pre-submission conference?

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2 Moreover, will residents be allowed to attend pre-
3 submission conference? How much money will be
4 raised by the proposed disposition of the land in
5 Smith Houses annually and in the first 30 years of
6 the lease term, over the life of the lease? How
7 will the money be spent? What institutional
8 rules, controls are in place at NYCHA to ensure
9 that funds are raised for the disposition of land
10 at Smith Houses will actually be used to fund
11 capital improvement at Smith Houses? How were the
12 sites targeted for RFP selection? At Smith
13 Houses, what is the plan for the future use of the
14 baseball field? Please provide a detailed
15 accounting of all amenities that could be lost or
16 affected by the proposed disposition or
17 construction activities including parking,
18 playgrounds, open space, trees, recreational
19 facilities, and resident gardens, and if NYCHA has
20 plans to replace any such amenities, please
21 provide a detailed explanation of plans. Were the
22 effects of super storm Sandy on Smith Houses loss
23 of electricity, water, sanitation services and
24 vulnerability to flooding taken into account in
25 developing the RFP? How will the addition of new

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2 market rate residences affect policy and security
3 operations at Smith Houses, and how will the
4 proposed development impact existing residents'
5 access to areas within Smith Houses? How will
6 construction impacts be addressed in particular
7 noise and fine articulate emissions? And will
8 NYCHA record records regarding disability and
9 medical conditions be taken - - when attempting to
10 migrate the impact of the construction rated
11 activity as existing Smith Houses? Please provide
12 a detailed explanation of all of the steps NYCHA
13 will take to comply with the resident consultation
14 requirement under Section 18 of HUD's regulations.
15 And additionally, please explain how the selected
16 developer will be involved in the resident
17 consultation and will a co-generation facility be
18 required as part of the project description in
19 RFP? If so, who will manage and operate the co-
20 generation facility--

21 CHAIRPERSON MENDEZ: [interposing]
22 Aixa, take a second, take a sip. We are not going
23 anywhere. I see you threw this all together at
24 the last minute, and you are trying to get it all
25 out. Take another sip.

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AIXA TORRES: I am sick too.

CHAIRPERSON MENDEZ: I know you
are.

AIXA TORRES: --once it is
completed, and if the co-generation facility
generates electricity that is sold back into the
grid, will NYCHA receive proceeds? What are the
funding requirements for the proposed development?
What if any public funding or tax credits may be
available to the perspective developer? Documents
requested--any documents or studies used to
prepare an RFP for the development of any site at
Smith Houses including visibility analysis,
engineering studies, economic analysis, zoning
analysis and environmental assessment, any
variation primary or final of the project
description and guidelines that will be included
in the RFP. Once again, we ask NYCHA for a
meeting date in April 4th to allow for time to
scrutinize and examine the presentation and then
have a general meeting in April. NYCHA did not
answer our requests or issues, but proceeded to
hold the meeting with elderly Chinese and Latino
residents who were being harassed and told they

1
2 would lose their apartments if they did not attend
3 the March 20th, 2013 meeting. This one upset me.
4 As of April 4th, we have made another request to
5 NYCHA to hold a town meeting format for all Alfred
6 E. Smith residents and community on April 11th,
7 which is the next meeting scheduled. To date, no
8 response. We requested this format for the
9 following reasons: the roundtable format will not
10 work on the RFP infield discussion for the
11 residents of Smith Houses, the town hall format
12 would afford residents and opportunity to voice
13 their questions and/or concerns related to the RFP
14 infield. Due to the time restraints, we are
15 requesting a limited presentation by NYCHA on the
16 site plan with several diagrams of their vision
17 and in addition to response to 20 questions
18 previously submitted, which we have yet to receive
19 a response. This should occur during the first
20 hour, and the members of NYCHA - - should dedicate
21 the remainder of the time to address the
22 residents' questions and concerns. Furthermore,
23 Smith Houses like many other developments needs
24 repairs, and it is clear to us that NYCHA can find
25 the money to make repairs without the infield

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2 plan. For example, eliminating the payments that
3 NYCHA has made to the New York City Police
4 Department for nearly 20 years would open up
5 significant resources and fund repairs. NYCHA has
6 paid approximately two billion dollars to New York
7 City at this time at the residents' expense, and
8 in doing so, has doubly taxed NYCHA residents.
9 The infield plan would infringe on our right to a
10 decent quality of life by straining our
11 infrastructure, by destroying our political impact
12 and by creating social divisions. Among many
13 other concerns, this is not and will not be
14 acceptable to the residents of Smith Houses. We
15 have the right to decent and affordable housing,
16 and please remember that the original residents of
17 Alfred E. Smith were military residents and their
18 families, who served you and this country to
19 protect our rights. In working to preserve public
20 housing, we hold everyone accountable, including
21 ourselves; however, preservation efforts must not
22 come at the expense of our rights, lives,
23 community and dignity. For decades, the city,
24 federal and state governments have cut public
25 housing budgets to fund other programs or tax

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2 breaks, and every citizen who benefits directly or
3 indirectly from NYCHA being led to the point of
4 deficit must now carry the responsibility to
5 ensure that public and affordable housing
6 continues. Finally, the whole infield process has
7 been dictorial [phonetic], a discontentment to the
8 residents of Alfred E. Smith Houses instead of
9 these meetings being a productive and transparent
10 process for all. We have in the last three
11 months, engaged in a fighting back and insisting
12 for NYCHA to respect, uphold the law and our
13 rights as citizens of the United States. Thank
14 you.

15 CHAIRPERSON MENDEZ: I need to
16 applaud you 'cause you are here and you are sick,
17 and I have worked with you even though you are not
18 in my district, and I just think you are
19 incredible, and you know that. Okay. Next
20 person. Aixa, can you please stay for some
21 questions? Next person?

22 SONYA PERSIA: My name is Sonya
23 Persia. I live in Carver House since 1997. I
24 want to say thank you for the opportunity for this
25 opportunity to testify in front of the NYCHA.

1
2 Okay. I participated in the CBH. CBH is the - -
3 community here and the group - - community here.
4 - - wanted my right because we lose our rights
5 because the situation is very, very dangerous for
6 us. One day maybe we wake up in the hospital - -
7 poor people, but we know we are not alone because
8 Jesus and the holy mother be with us. Every day I
9 pray for the peace. Every day I pray for the
10 peace because this is - - . I want to say thank
11 you everybody putting something in the way for us
12 because we need help [phonetic]. We are in
13 danger's way. We need help because the situation
14 is like the water that Jesus cry again [phonetic]
15 to the devil. We are - - in housing, especially
16 in the 7771 before - - . The center they say next
17 year. Okay. They are playing games with us. You
18 see? And now they say in 24 hours, they are going
19 to your house, they see, and they go. They say
20 goodbye. They don't repair nothing. We are human
21 beings. We are the - - animal. We not be agree
22 with the plan on NYCHA. No. I don't want to - -
23 . - - because other times they prepare something,
24 we are going to go fall down. They say they are
25 good thing for us, they don't say they are bad

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2 things for us. When I sign, we are going to go oh
3 my god. I say oh my god. Why I sign? Now they
4 bring - - they don't say they are - - and they
5 make it--they don't wait for us. I don't want - -
6 because we are human beings. It's unacceptable
7 how they are doing, - - . They don't respect the
8 tenant because my son--they closed my son in the
9 third floor. They are working from the - - and
10 they closed my son with another work in the third
11 floor. I sent my son to get my letters , and when
12 I don't see my son in five minutes, I say, oh my
13 god, something wrong happened, let me go
14 downstairs, and when I go downstairs, oh, the
15 elevator is closed. The elevator is stopping on
16 the third floor. I say oh my god. I don't scare
17 because Jesus and the holy mother be with me. I
18 don't scare nothing because - - the devil. I
19 support to - - my people. These is my people.
20 I'm Afro-Caribbean [phonetic], Afro-American, - -
21 people. We are strong with Jesus Christ.

22 CHAIRPERSON MENDEZ: Are you
23 finished? Okay.

24 SONYA PERSIA: - - . God bless you
25 everybody - - . I am looking for my rights, and I

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have my rights because I am human being. We are not monkey. We are the human people.

CHAIRPERSON MENDEZ: Ms. Quinones? Please identify yourself for the record.

CARMEN QUINONES: My name is Carmen Quinones, former democratic district leader, former state committeewoman, activist over 40 years, started with Angelo Littoro [phonetic]. I am as ordinary as everybody else. I am sitting here, and I look straight up--a government of the people, by the people, for the people. Does anybody really know what that means anymore? What is happening? You know, I have been fighting for a long time. I am from Douglas Houses. I have been fighting for a long time. I have been blackballed a long time. Any time I wanted something done in housing, I had to get media to do it. I have had from broken walls to gutted apartments to everything done in NYCHA. I sit here with lupus today for smelling, inhaling in every apartment I went through to help my tenants. You won't find me suing housing because it was my choice to do it, but when you see the abuse--this is abuse. This is such abuse that I don't

1
2 understand how anyone could just sit here and take
3 it. You sit here and you hear a woman--now let me
4 tell you something. I have been here since nine
5 o'clock. Thanks for the water 'cause this is all
6 I have had. Since nine o'clock. It is now 9:10,
7 and you know--

8 CHAIRPERSON MENDEZ: [interposing]
9 1:10.

10 CARMEN QUINONES: --I thank you for
11 staying. I really thank you for staying. I
12 really thank you for staying 'cause you always
13 walk straight out. So I have got to give it to
14 you today, but you got to hear this. You have
15 housing authority full of people that don't work.
16 Get rid of these people, save money, fire them.
17 Fire them. They are making you look bad. Enough
18 is enough. You can't sit on two sides of the
19 fence. You can't serve two masters. It's
20 impossible. You see our people coming down every
21 day - - it's working. It's working. If it ain't
22 for you today, he is coming for you tomorrow.
23 It's just that simple. God. I don't know what
24 else to do. People say I am crazy. People say I
25 am radical, but damn, you don't give us no other

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2 way to be. It's just about being human. We are
3 human first. I am 54 years old. I have got 18
4 grandkids. 18. I am blessed today with one great
5 grand. I am blessed today, but I continue to come
6 out here and fight and fight and fight. I ain't
7 got no choice. I got 18 grandkids. Do you know
8 what that is? It's just about being human. Have
9 some dignity. Look at your people. Stop thinking
10 about yourselves all the time. The self-serving
11 is got to stop. We are killing each other. No
12 one has to do it for us. We are doing it to each
13 other. You can't serve two masters. Mr. Rhea, I
14 respect you and I know you have got a boss. You
15 have got a job to do, but please don't sell your
16 soul. It ain't worth it. It ain't worth it at
17 the long run. Trust me. I have been in this
18 business a long time. I have helped housing a
19 long time. A long time, I have been helping
20 housing, helping my tenants, serving my tenants,
21 and you know what you get, a bad name? They
22 blackball you. They run against you. They
23 conspire against you. Politics is a dirty
24 business, real dirty, and trust me, everybody here
25 knows what I am talking about. I couldn't stop

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2 but to come today. I had to because my soul--I
3 just lost my mother two months ago. You know I am
4 still hurting, huh? Every day I can't. It's like
5 you ever get this little itch in your back that
6 tells you you have got to get up and you got to do
7 something? Well, I get that itch almost every
8 day, and after this today, guess what? I will be
9 in bed for three days because lupus is--you know
10 what that is? It's stress, so it knocks you down.
11 I have lupus eternally, so when I get excited like
12 this, I go to bed for three days until I am okay.
13 This is not a joke. Housing is full of mold.
14 Housing is still full of asbestos. Housing is
15 full of shit, and that is really the bottom line.
16 Please when you make your decisions here, put
17 politics aside and think about humanity. Jesus
18 Christ, we have got senior citizens that can't--
19 some of them are alone. Some of them all they
20 have is a home attendant, no family. Come on.
21 Have some compassion. It's enough already. You
22 all are about to have a revolution for real. It's
23 about to be a revolution. You all better watch it
24 'cause a resolution is about to come.

25 CHAIRPERSON MENDEZ: I want to

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2 thank you before your testimony. Before we listen
3 to George Sarkissian, I just want to say that as
4 the process is now we have legal standing or vote
5 in this. We are holding this oversight hearing to
6 get information, and we will be working with our
7 residents to have them have real input, but there
8 is no legal role at this point.

9 CARMEN QUINONES: Ms. Mendez, is it
10 possible to ask especially all of the community
11 boards to put a resolution right on the floor
12 whenever and have them--

13 CHAIRPERSON MENDEZ: [interposing]
14 No. Yes and no. We can put all the resolutions
15 we want, but that doesn't stop the process. City
16 Council has a resolution. The community boards
17 can draft their own resolutions. The resolutions
18 may end up being differently depending on the
19 community board, but it does not stop the process,
20 and that is why we have asked for ULURP because
21 that has a clock and it needs to be followed by
22 the time limit, and there are certain things that
23 could stop the process, and we will let it go
24 forward. Mr. Sarkissian?

25 GEORGE SARKISSIAN: Thank you,

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2 Madam Chair. My name is George Sarkissian. I am
3 the district manager of Community Board 11. I
4 will be speaking on behalf of the board, and we
5 work in the community of East Harlem. Working
6 collaboratively with communities has potential to
7 create responsible development. We have all
8 collectively recognized this fact by creating a
9 ULURP process. Development can serve many needs,
10 but to properly identify those needs, we need to
11 have sincere conversations with local communities.
12 As it stands, we are very concerned that NYCHA's
13 proposed infield development process will not
14 engage community residents meaningfully. We call
15 on NYCHA to commit to creating development plans
16 through a real partnership with each respective
17 community including tenant associations, community
18 boards and elected officials. We have created
19 ULURP for this process, and we believe NYCHA
20 should commit to using this process. Infield
21 development in Washington and Carver Houses
22 located in Community Board 11 must adequately
23 address local needs. Only proposing 20 percent
24 affordable housing in a gentrifying community like
25 East Harlem is missing a real opportunity to

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2 address the shortage of affordable housing and
3 developing high rise luxury housing will lead to
4 further displacement. Development must be
5 contextual in scale. NYCHA has proposed using
6 most of the available adjacent air rights at each
7 site amassing an incredible amount of buildable
8 floor area. At Washington Houses, for example,
9 based on the floor area and lot area information
10 provided by NYCHA without any existing height
11 limits, the proposed development on the site of
12 the north side of 99th Street could be as tall as
13 393 feet with an FAR equivalent of 21.88 and the
14 site on the south side of 96th Street will be 523
15 feet with an FAR of 8.77. In contrast adjacent
16 buildings in Washington Houses have a maximum
17 height of only 140 feet. The contrast will be
18 incredible and the proposed scale is
19 irresponsible. NYCHA should make firm commitments
20 to ensure job creation through these developments
21 lead to local employment for residents. They must
22 also commit to reinvesting all revenue raised
23 through the land lease back into each respective
24 public housing development where the infield
25 buildings are located. While each public housing

1
2 will bear the burden of each of these projects,
3 NYCHA must take extraordinary measures to ensure
4 that each public housing development and their
5 residents benefits from real investment including
6 jobs and capital funds raised from lease revenue.
7 Please consider working with our communities and
8 ensuring our collective feedback shapes these
9 developments. Thank you.

10 CHAIRPERSON MENDEZ: Thank you, and
11 if you can get us your written testimony so we can
12 get it to the Housing Authority... I want to say to
13 NYCHA there are 20 questions in here that Ms.
14 Torres says was submitted to NYCHA already. We
15 would like answers to these. The residents
16 deserve the answers. I after this hearing want to
17 hear how long it is going to take to get them
18 these answers. My colleagues, does anyone have
19 any questions. Did Mr. Rhea leave for good? He
20 got up during your testimony. Did he leave for
21 good? He was already gone by the time I looked
22 otherwise... Yes, Council Member Chin?

23 COUNCIL MEMBER CHIN: Yes, I just
24 have a comment. I wanted to thank Aixa for coming
25 today. I know she has been really sick and just

1
2 got her voice back a little bit today, and she was
3 at the press conference with us. I just want to
4 let her know that when I heard about the gas
5 outage issue with the discussion of NYCHA I called
6 Cecil House, so he is going to - - is going to
7 give me the capital plan to really start the
8 discussion in terms of looking at the gas outage
9 so we will help facilitate some discussion to make
10 sure that that gets done as soon as possible, and
11 the other thing is that with the next meet because
12 we did request a second meeting with NYCHA for
13 tenants at Smith Houses, so in the next meeting, I
14 was told that an April 11 meeting in the first
15 part of the meeting, it will be a town hall style
16 where people will be able to ask questions, and
17 also they will have a written response to these 20
18 questions before the April 11th meeting.

19 CHAIRPERSON MENDEZ: Council Member
20 James?

21 COUNCIL MEMBER JAMES: Comment and
22 a question. First of all this presentation is
23 excellent. I just want to applaud the residents
24 of Alfred E. Smith association as well as Ms.
25 Torres and the entire board. You have raised some

1
2 very probing questions that need to be answered,
3 and I would hope that NYCHA would address all of
4 these questions, and when you receive a copy
5 hopefully a copy will be forwarded to my office as
6 well, and to all of the individuals who are on the
7 panel as well, you should recognize that this
8 committee under the leadership of Rosie Mendez has
9 consistently and repeatedly raised issues as it
10 relates to NYCHA. In fact, under her leadership
11 she was able to secure millions of dollars several
12 years ago. We have been in the forefront on
13 issues related to NYCHA and will continue to do
14 that simply because we represent you. We
15 understand who you are. A lot of us who sit up
16 here have relatives who live in NYCHA, and so we
17 are inextricably tied to one another, and we feel
18 your concern, understand your concern and live
19 with it each and every day, and we too get on our
20 knees at night and pray for you. Thank you.

21 CHAIRPERSON MENDEZ: Thank you.

22 Ms. Torres, you are just incredible, and these
23 questions are really well thought out questions.
24 We are submitting this to the Housing Authority in
25 addition with our questions that we didn't get to

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2 ask, and I am asking the Authority to send us the
3 answers to this simultaneously when you send it to
4 Smith Houses and to Ms. Torres, and once we get
5 those answers, Ms. Torres, I am hoping that you
6 will allow us to share these answers with all of
7 the other developments that are impacted and
8 designated or have been chosen for this
9 development 'cause these are answers that everyone
10 should have.

11 AIXA TORRES: Thank you. I just
12 want to say that the questions have been a work of
13 we have an infield committee of lawyers, resident
14 leaders, GOLES, and it was a collective effort and
15 listening to our residents' concerns. They are
16 very real. They are not just questions to be
17 given, but questions that I feel should have been
18 answered first before NYCHA even began the plan,
19 and I think that some of the heat that I have
20 taken over this has been because I have the right
21 to ask the questions and somewhere along the line
22 I think that the NYCHA staff forgot that they are
23 the employees and they are there to serve us. It
24 has been a very distasteful process for me. As
25 you can see, I am sick, and this battle has taken

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2 a toll on my health, but my concern is very real
3 about my residents' safety and wellbeing, and I
4 think that the way that NYCHA has proceeded with
5 this infield plan has really just said, oh, this
6 is an empty lot; nobody uses it without really
7 asking real questions and really understanding the
8 impact that they would have on the community, and
9 it is down from a top level down. At the end of
10 the road to basically say that because we live in
11 public housing that we don't have a right to have
12 a baseball field, we don't have a right to have
13 parking. You know, it is like we have no rights.
14 I think that the city has a responsibility to look
15 at other ways of funding. These use, the film
16 industry uses public housing all the time, and I
17 was told--well, we give ten billion dollars to the
18 city that that is how much money the city makes
19 out of the filmmaking. Do you know how much NYCHA
20 property is constantly used for the filming? They
21 can give us some of that money to begin to repair
22 the damage that has been done. It has been like
23 the same way that they have found money they would
24 have found money to do for the Olympics, they can
25 find money to repair our projects. It is

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2 inconceivable to me that there are still
3 developments that have still not recuperated from
4 Sandy, and I am in Zone A, and we did--but there
5 were developments that were hit harder than we
6 were, and even Sandy was a disaster. Had it not
7 been for the elected officials, we wouldn't have
8 had water, we wouldn't have had food because NYCHA
9 was really told no Red Cross on the grounds. It
10 was really dictorial [phonetic]. I just think
11 that if we are going to have a relationship and we
12 are supposed to be part of the process then we
13 begin from the beginning and not at the end. The
14 way this has been done is you are going to do an
15 RFP, you are going to be included, and then what
16 is it that you want? No. First of all, answer
17 our questions because they are very real, and they
18 are real concerns about what can happen. Can you
19 tell me if those two buildings have a cracked
20 wall? Were you going to displace 340 families
21 overnight? They can't answer that, and that is
22 why I said question five is like the real question
23 for Alfred E. Smith doing anything that will
24 damage--because we are talking about 340 families
25 being displaced if they begin to build and

1 something structurally happens to those two
2 buildings. And they haven't even bothered
3 checking, and we asked when we had the meeting on
4 the 19th. Oh, we will do that after we do the RFP.
5 Seriously? After the fact? I think it should be
6 done before you begin to bring a developer in to
7 say you are going to build here, but this might be
8 a problem.

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10 CHAIRPERSON MENDEZ:

11 CARMEN QUINONES: Ms. Mendez, I
12 just want to say one more thing. You have to
13 realize that the structure of housing is very old.
14 We have a lot of loose bricks. If they decided
15 that they wanted to drill, they have to really
16 look at these buildings because everything is
17 deteriorating at such a rate that it is dangerous
18 to even think about building something with so
19 many--Douglas has 18 buildings. 18. That is a
20 lot of buildings, so when you are thinking about
21 building on such a land, you are talking about a
22 lot of people in danger. Where are all these
23 people going to go? So we need to really think
24 about the structure of how they are going to do
25 this and go step by step. It has to be a slow,

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2 slow process. I thank you for your time.

3 CHAIRPERSON MENDEZ: Thank you. I
4 am going to call the next few panels, and if you
5 haven't heard your name, that means you have not
6 filled one of these out. The people I had already
7 called for the next panel--Joel Cufferman from
8 National Lawyers Guild, Judy Goldiner from the
9 Legal Aid Society and Victor Bach from Community
10 Service Society. You are on now. Next we will be
11 Reverend Getulio [phonetic] Cruz, Jr., Gregory
12 Brender from--Reverend Getulio Cruz is from Monte
13 Sion Christian Church New York City Metro IAF,
14 Gregory Brender from United Neighborhood Houses
15 and Harvey Epstein from the Urban Justice Center
16 is the panel right after this one. Right now my
17 last panel is Ed Tito Delgado [phonetic] from
18 SPARC, from the Seward Park Area Renewal
19 Coalition, Caroline Nagy [phonetic] from Citizens
20 Committee for Children and Thomas Lopez Pierre
21 [phonetic], an individual who has not self-
22 identified, but who lives in a community and wants
23 to give testimony. So you are going to be the
24 last panel. If you have not heard your name and
25 you want to testify, again, you must see the

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2 sergeant and fill out one of these forms. Okay.
3 Whoever is ready from this panel--oh, let me just
4 say, the Manhattan Borough President's Scott
5 Stringer's representative left, but left testimony
6 for the record that we are submitting into the
7 record, and if anyone wants a copy of this, we
8 will make it available to you. I just want to
9 read one little part that is interesting. The
10 second to last paragraph from the borough
11 president says, that there is already precedent
12 for regulating development on super blocks, like
13 the special planned preservation district, which
14 requires a special permit for every new
15 development on select super block sites in the
16 city, and there are multiple legislative routes
17 that can be pursued to require ULURP, including
18 changing the zoning resolutions, state law or the
19 New York City Charter. We will be looking into
20 this.

21 VICTOR BACH: My name is Victor
22 Bach. I am with the Community Service Society. I
23 will try to be brief. Council members, committee
24 members, and the resident leaders have already
25 raised so many of the issues that need to be

1
2 addressed in the info program that I won't repeat
3 any of the arguments we have in the testimony.
4 What I would like to add is that we all remember
5 that although NYCHA considers itself to be heavily
6 regulated under Section 18 when it wants to lease
7 land, HUD's regulations apply to over 3,000
8 housing authorities across the country from very
9 small ones to NYCHA, which is by and large the
10 largest housing authority in the country. We have
11 to ask ourselves and NYCHA has to ask itself
12 whether the regulations that may be good for
13 Peoria are good for New York City, and I think
14 that is the critical question here. New York City
15 is an exceptional city. NYCHA has an exceptional
16 track record. What makes the city exceptional is
17 its density as a vital urban center. You develop
18 on one corner, you affect the rest of the block in
19 an urban setting. You affect the other four
20 corners. You affect not only the residents of the
21 development that NYCHA is targeting, you also
22 affect the community that surrounds that
23 development, and there is a need both for resident
24 consultation with resident and community
25 leadership particularly the community boards. It

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2 is for that reason that I think it is incumbent on
3 NYCHA to opt into the ULURP process. Things are
4 too interdependent in our urban setting here in
5 New York City for Section 18 and its minimal
6 consultation requirements to do the kind of work
7 that is needed to be done here around the infield
8 program. Thank you.

9 JUDITH GOLDINER: My name is Judith
10 Goldiner, and I am the attorney in charge of the -
11 - law unit at the Legal Aid Society. The Legal
12 Aid Society has worked on public housing issues
13 for basically since public housing existed. We
14 are currently a member of the alliance, and we are
15 also representing the tenant associations of
16 Douglas Houses and Baruch Houses to help them give
17 them assistance in understanding the infield
18 project and figuring out what legal challenges if
19 any there are to the proposal. I do want to say
20 that the Legal Aid Society's position is not anti-
21 development per se, but we have a lot of concerns
22 about the way the Housing Authority has gone about
23 the infield proposal, how that proposal was
24 prepared, how it has been presented to the
25 residents and the lack of meaningful resident

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2 consultation as well as the lack of consultation
3 of the larger community. We agree with the
4 leadership of Chair Mendez and think that the
5 resolution makes a great deal of sense. We
6 support the idea that any proposal should go
7 through ULURP, and we think overall the proposal
8 really needs to slow down so that we can get more
9 information what is going on. Unfortunately, I
10 have been to a large number of the meetings that
11 NYCHA has had as well as the public testimony
12 NYCHA has been given, and the information that has
13 been given has been contradictory, so for example,
14 at a meeting I was at with the Douglas Houses
15 tenant association board member Margarita Lopez
16 stated that every penny that was raised from the
17 Douglas Houses development would go directly into
18 Douglas Houses. The chair of the authority has
19 now said on more than one occasions at public
20 hearings that that is not the case, that the money
21 will be spread across the whole--all of public
22 housing. Now we don't take a position that one
23 thing makes sense or one thing doesn't make sense.
24 Certainly there are needs across the whole. I
25 think there is an issue about whether the

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2 developments that are most impacted should get a
3 benefit--should perhaps get more benefits but in
4 any event they should not be being told different
5 things by different people who work for the
6 Housing Authority, and that is what we have seen
7 overall. We are being told different things.
8 Things are not being put in writing, and people
9 are not having a meaningful opportunity to be
10 consulted, and we have concerns about all of those
11 problems. There is more in our testimony
12 obviously, and I am happy to answer any questions.

13 JOEL CUFFERMAN: Joel Cufferman for
14 the New York Environmental Law and Justice
15 Project. We have been in this battle a long time.
16 I just want to say that we represent the residents
17 of Smith Houses. Three minutes is much too short
18 a time to count through all the bad legal analysis
19 that went down. First I must say that Mr. Rhea
20 and company failed to give us a correct legal
21 analysis. Mildly put they twisted the letter and
22 the spirit of the law. They kept on repeating and
23 claiming what the minimum that is required. They
24 didn't really tell us what the maximum of the law
25 allows NYCHA to do to protect their residents.

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2 First, in terms of zoning in public statements
3 NYCHA officials have stated that they will not
4 seek rezonings at any of the eight targeted
5 developments that they would only approve infield
6 development proposals that could be accommodated
7 under existing zoning restrictions; however, a
8 March 9th, 2013 city limits article on NYCHA's
9 infield development plan raised concerns about
10 whether an infield development could be
11 accommodated possible without a rezoning.
12 Specifically, the city limits article described,
13 Michael - - , the executive director of the
14 Environmental Simulation Center as being skeptical
15 that enough open space is available with - -
16 zoning limits to enable a new tower or a street
17 address. We do have zoning problems here.
18 Clearly, the footprint of the existing buildings
19 in Smith Houses remains well below the maximum
20 allowed FAR; however, we would like to determine
21 whether the proposed infield development at Smith
22 Houses can be accommodated under other applicable
23 zoning restrictions such as the open space
24 requirements. We are also very concerned about
25 the mayoral override in terms of zoning. They

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2 used it before in Saint Nick's and we demand that
3 NYCHA disavow the use of that again, and in our
4 papers we will describe fully the bad use of the
5 mayoral override. It is basically short
6 circuiting all the zoning and ULURP requirements
7 that demand an analysis and it basically says that
8 the mayor has the right to do this - - claiming
9 that it is not founded in the law. Also, Section
10 197C of the City Charter explicitly joins planning
11 and zoning decisions to the Land Use review
12 process ULURP. If they are subject to zoning,
13 they are also subject to ULURP, and if they are
14 subject to ULURP for zoning, they are also subject
15 to ULURP for urban renewal plans, acquisition and
16 disposition of city property, franchises site
17 selections. It makes no sense to decouple these
18 things. I also want to show that 99 year lease is
19 serious, and they keep on pushing that is a
20 temporal thing. That is three generations. It is
21 basically a selloff of the land. Also, they
22 misled us on HUD regulations. Under 24 CFR--
23 that's the code of federal regulations 970.25
24 NYCHA cannot take any action to dispose a public
25 housing authority before HUD approval. The

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2 request for proposal is not merely a planning
3 tool, but a step in the disposition. Once the
4 train leaves the station cannot be put back.
5 NYCHA is not following the timeline explicitly
6 prescribed by federal law, and also we are
7 concerned that they are doing--the selling off of
8 this land is draconian. We can't just put it
9 back, but once that shovel hits the ground, we are
10 going to be told that the citizens in the city has
11 no right to oppose that. - - consulting
12 recommendation. They spent ten million dollars,
13 and that was brought up a few times, on a report
14 figuring out what NYCHA could do. You shouldn't
15 enter that 99 year lease at least for two years.
16 We oppose the leasing of this land, but you can't
17 spend ten million dollars and disregard all of
18 those recommendations. - - much better
19 management, and also just shows all the cost
20 saving things that NYCHA could do. They have
21 minimized the impact on building, and people have
22 expressed concern about demolition. We have
23 buildings here that are on vulnerable land. We
24 have got to remember that especially the Smith
25 Houses that we had flooding and that water came up

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2 and all the promises that the city would look at
3 global climate and the Army Corps of Engineers
4 even changed their maps in terms of where the
5 flooding is. You can't build a million square
6 feet, and not impact the buildings that are
7 nearby, and the questions that we want to raise to
8 add to that 20 questions which we - - is how do
9 you determine the effects on those buildings and
10 also, once we know that those buildings are
11 affected, how do we make sure that the effects are
12 remedied and also if any of the residents that are
13 living in those buildings have to be moved, who
14 pays for that movement, and who is going to make
15 sure that they are protected? Also, we want to
16 point out under the public trust doctrine parkland
17 cannot be alienated without state legislature
18 approval. We have ball fields in Smith and in
19 many of the locations we do have vulnerable public
20 spaces, but also I think they pointed out that
21 what happened in Chicago and elsewhere that New
22 York is different--I just want to point out what
23 really brought us into this case working with
24 these people is that in 1996 over 200 people died
25 in the heat wave in Chicago, and a few years after

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2 thousands died in France, and now they are telling
3 us there is no impact. Out of all my years of
4 being an environmental attorney I think that is
5 one of the most disingenuous statements I ever
6 heard. You can't build a million square feet and
7 put people into shadows and probably many of them
8 24-7 full time year take away their sunlight, and
9 say that there is no impact. That to me is I
10 guess the point that gets me most upset. It is
11 going to be a permanent loss of open space. We
12 have many, many elderly people there. We have
13 young people, and they can't--the only space that
14 they can use is that area that is there, even the
15 parking lots and the like in each of these things.
16 The city in Saint Nick's told us that it's okay,
17 the replacement land is parks two blocks away or
18 three blocks away. We are saying that that is not
19 suitable at all, and that is not an acceptable
20 return. They also told us that the standards that
21 they are going to use are really vague that SECRA
22 applies and under SECRA that they could use the
23 city code. We want commitments from them saying
24 that they will look under SECRA. They want to go
25 step by step. They are telling us they might. We

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2 want demands that they do. And also, we can't
3 comment on something that is so nebulous. They
4 are asking residents let alone experts to comment
5 on a plan that they don't even know how high, how
6 tall, and all this impact. We are also concerned
7 that there isn't in fact enough technical
8 assistance. We need it now. We even need lawyers
9 now, and speaking as a lawyer that is very
10 familiar with what happened in Saint Nick's and
11 many other cases what the city does and what NYCHA
12 does is they move fast and then what happened to
13 Saint Nick's they said that people reacted too
14 slow, so here they are telling us that two years
15 from now we can get all the architects and
16 engineers to tell them that these buildings are no
17 good. They need the help now, and we have got to
18 change that two years to maybe they can put out
19 the RFP in two years, but we have to get the--they
20 should get the technical assistance now. What
21 they did in Saint Nick's also was that they
22 discredited the experts that we presented. We
23 presented - - that actually helped the city write
24 zoning laws, and the city claimed that he wasn't a
25 lawyer; that he was just an urban planner. So now

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2 they are telling us that they don't need lawyers
3 now. They just need experts down the line. How
4 could they tell us that they need lawyers in the
5 case and say - - , but they don't need lawyers
6 now? And also I guess basically I just want to
7 add a few questions to the 20 questions that we
8 gave, which I will submit, but the environmental
9 impacts in this case is greater than most
10 developments that have generated thousands and
11 thousands of pages of cut reports, litigation
12 going back and forth, so to deny these residents
13 the right to have meaningful input is just
14 outright wrong and violates the law. I want to
15 say also that NYCHA is not following HUD. Section
16 18 is being totally disregarded and that ULURP and
17 zoning laws should be - - to effect.

18 CHAIRPERSON MENDEZ: Thank you.

19 Mr. Cufferman, the Chairman was here and he said
20 that this is as of right, so they don't have to
21 utilize ULURP. What is your response to that?

22 JOEL CUFFERMAN: We disagree for
23 many reasons, and also he said that this land is
24 no longer public, that it is a public benefit
25 corporation, and once it goes into a public

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2 benefit corporation it is no longer public and the
3 laws don't apply. We vehemently disagree. We
4 believe that ULURP does apply. There is a
5 disposition going on here and the law is clear on
6 this phase. And also, I just want to say that we
7 are claiming it is, but also we want to claim that
8 NYCHA can agree to follow ULURP. I think that is
9 the important--there is two points here. One is
10 that they are required, and also they have a right
11 to adhere to the ULURP process to a higher
12 standard.

13 CHAIRPERSON MENDEZ: Ms. Goldiner,
14 do you know how much TPF funds the various
15 developments might be eligible for on the low end
16 and on the high end?

17 JUDITH GOLDINER: I don't know. I
18 know that they have at least \$16 million that has
19 not been allocated as a whole, and I don't what
20 percentage of that could go to the developments
21 that are impacted, but with \$16 million in the
22 pot, there should be more than enough money to pay
23 for the needed architects, engineers,
24 environmental experts as well as land use experts.
25 The concern that we have is that we have been

1
2 trying to access those funds since we were
3 retained by Douglas Houses for the TA--

4 CHAIRPERSON MENDEZ: [interposing]

5 And when was that?

6 JUDITH GOLDINER: We started
7 working on that a couple of weeks ago. We have
8 been in touch with the Housing Authority, and they
9 have requirements for the use of those funds that
10 they don't have in writing. They won't provide us
11 something in writing about what those requirements
12 are, and they are very clear that if it is going
13 to involve an allocation of more than \$5,000 that
14 they are going to apply very strict rules to that
15 and they have made it pretty abundantly clear that
16 they are going to block efforts to allocate that
17 money in a way that the residents would like to
18 see.

19 CHAIRPERSON MENDEZ: So my
20 understanding is that the TPA funds is a certain
21 amount, a designated amount per apartment, and so
22 is that correct?

23 JOEL CUFFERMAN: The HUD funding
24 stream, which is annual is at a rate of \$25 per
25 apartment per year, so the smaller developments

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2 would have less allocated and I assume that
3 whatever distribution has been made and pools are
4 available at different developments that is in
5 proportion to the number of units.

6 JUDITH GOLDINER: But also a fair
7 amount of that \$25 can be taken by the Housing
8 Authority for their own tenant empowerment
9 projects to be determined by the Housing
10 Authority, and they generally use that to run
11 elections and so it's not \$25--it's closer to \$15
12 per unit, and we don't know how much they claim
13 the developments have already been allocated or
14 overtime how much people are owed, so that is the
15 difficulty in figuring this out, so it's not just
16 that I can take \$15 and multiply it by the number
17 of units saying Douglas Houses because it is
18 likely that Douglas Houses hasn't gotten their
19 share for a number of years, so how much is in the
20 pot for them is a little hard to know, but my only
21 point is there should be enough money. It is
22 really that trying to get the money out of the
23 Housing Authority is pretty difficult.

24 CHAIRPERSON MENDEZ: When you say
25 that they have made it clear they are going to

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2 block getting the funds, can you elaborate a
3 little bit more on that? How and who?

4 JUDITH GOLDINER: I am happy to
5 defer, but what they told us is that they had a
6 draft memo that was going to govern the funds and
7 they had to run it through their legal department
8 and they couldn't give it to us because it was in
9 draft form, and they weren't really going to
10 allocate funds until the rules were clear from
11 their law department, and in our experience with
12 them one that could take a very long time, and
13 even when it is out, it is not going to be clear
14 what the requirements are, and we have dealt in
15 the past with other issues around TPA funds, and
16 it not being allocated in a prompt or fair manner.
17 For years we have seen that.

18 JOEL CUFFERMAN: I requested a copy
19 of a TPA funding application from - - chair, and
20 was told that it only goes to tenant association
21 presidents, so it was very difficult to get even a
22 copy of the - - application.

23 CHAIRPERSON MENDEZ: Ms. Goldiner,
24 you are representing Douglas Houses, so have you
25 requested that application and has it been denied

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to you 'cause now you are--

JUDITH GOLDINER: No, and in fact we said we were representing Douglas Houses, and we requested a copy of the application, and they said it would only go to--that our client had to request it herself and everything had to go through her even though we were representing her.

CHAIRPERSON MENDEZ: I don't quite understand that.

FEMALE VOICE: We don't either.

CHAIRPERSON MENDEZ: So we will look into this. Okay. Aixa, you have something to say? You need to identify yourself again for the record 'cause I still have six other people who have not given testimony.

AIXA TORRES: Aixa Torres, resident leader of Smith Houses. We received last month a letter. The TA president saying that--I think mine says that I have \$22,000. My last balance as I know was 100,000 something, so Nancy has been going--Ortiz, president of - - has been going back and forth with Dr. Butler requesting where is her balance because NYCHA cannot dictate to us under 964 how much money we can spend in a year. Maybe

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2 the process the 5,000, the 10,000, but they cannot
3 tell us that we will only be allowed to spend
4 25,000 or 20,000 because of the \$16 million moving
5 forward if they are telling us, well, this is your
6 allocation for the new year 'cause they finally
7 figured it out, fine, but in the interim, most of
8 us have a huge balance of money, and that is why
9 there is \$16 million sitting in the bank.

10 CHAIRPERSON MENDEZ: When you say
11 that they said the TA president could only get it
12 even though you are their attorney and they won't
13 give it to you, who is they?

14 JUDITH GOLDINER: I will have to
15 get back to you on that. It was Lucy Newman
16 [phonetic], who is the attorney in my office was
17 has been addressing those issues, and I just don't
18 remember of the same of the person she spoke to,
19 but I believe it was the person who was designated
20 as the person who is running the TPA program.

21 CHAIRPERSON MENDEZ: The point
22 person from legal or the Susan Unger that everyone
23 has been talking about?

24 [crosstalk]

25 JUDITH GOLDINER: I will get that

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2 for you, but I don't want to misstate for the
3 record. I really just don't remember.

4 CHAIRPERSON MENDEZ: Council Member
5 James, you have a question?

6 COUNCIL MEMBER JAMES: To Ms.
7 Goldiner, the request that you made to NYCHA with
8 regards to delaying this process through a letter
9 dated February 20th signed by 16 elected officials
10 and the letter on March 1st again, a group of 28
11 concerned elected officials lead by Assembly
12 Member James Brennan asking for a delay of the
13 issuance of the RFP. Have you received a response
14 this far?

15 JUDITH GOLDINER: Council Member
16 James, I am going to defer to my colleague.

17 JOEL CUFFERMAN: As of the recent
18 Assembly hearings there have no response. I think
19 that was about two weeks ago.

20 JUDITH GOLDINER: I will I think we
21 would have heard had there been a response, but we
22 haven't heard, and so I assume there is no
23 response.

24 COUNCIL MEMBER JAMES: And with
25 regards to the recommendation again to Ms.

1
2 Goldiner or whoever is interested in responding,
3 the individual public hearing on each development
4 site, has there been any response to that
5 recommendation?

6 JUDITH GOLDINER: No, there hasn't
7 been.

8 JOEL CUFFERMAN: There has been no
9 response. I understand that a number of
10 conversations with NYCHA have indicated they are
11 not going to do that. Today the Chair did testify
12 that it would be a subject at the annual hearings
13 - - on all issues on a 250 page plan. That is not
14 enough as you know.

15 COUNCIL MEMBER JAMES: Based on the
16 representations that were made today with regards
17 to the TPA funds, do you believe that you are in a
18 position to access those funds for the purposes of
19 securing independent professionals and outside
20 expertise?

21 JUDITH GOLDINER: We will do our
22 best to try and get those funds for our clients,
23 and we will do our best to secure that technical
24 advice, but I am not optimistic about drawing down
25 that money in the time frame that is set forth in

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2 this. For example, if we have to go to court and
3 sue them, we are not going to get that money
4 quickly.

5 COUNCIL MEMBER JAMES: Got it.

6 Thank you.

7 CHAIRPERSON MENDEZ: Okay. I want
8 to thank this committee for their testimony.
9 Submitted for the record is testimony from the
10 Mason Tenders of Greater New York. They are a
11 political action committee. And is Urban Justice
12 Center here?

13 MALE VOICE: Actually, he is not.
14 He is co-counsel. We submitted his--

15 CHAIRPERSON MENDEZ: Yes, I see it
16 here. That is why I was just asking. He was
17 supposed to be in the next panel, but their
18 testimony is now submitted for the record, and so
19 the next panel--will Reverend Getulio Cruz, Jr.,
20 Gregory Brender--I thought it was Bender, but it
21 says Brender here and Ed Tito Delgado from Seward
22 Park Area Renewal Coalition. You are on this
23 panel. Whoever is ready just grab the microphone
24 and identify yourself for the record and start
25 giving your testimony.

GREGORY BRENDER: Good afternoon.

I am Gregory Brender from United Neighborhood Houses. We are New York City's federation of settlement houses and community centers. Most of our member agencies are based in public housing and serve many public housing residents and have many public housing residents not just as their participants, but also as their staff. I am also submitting testimony on behalf of one of our member agencies, Union Settlement Association, the home of the youth services program is actually in the little dotted line area on the flyer you saw from NYCHA earlier, and so is - - from this plan. They also in Washington Houses have the Washington and Lexington Senior Center. Both of those programs are primarily serving residents of that development, and also do have a lot of staff from the development. We support the resolution that the Council has put forward, but I just wanted to really emphasize the one point about ensuring continuity of services. We are calling on NYCHA to ensure that neighborhood services, early childhood education, after school, senior centers, workforce development and the broad range of

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2 services, which are housed in NYCHA that there is
3 no disruption in services due to these infield
4 plans. When you look at the infrastructure of New
5 York City's early childhood system, after school
6 system, senior centers, a huge proportion of it is
7 based in NYCHA and in fact in many laces because
8 NYCHA is one of the few affordable parts of the
9 neighborhood, and it is where many of the low
10 income residents reside, it is really an important
11 part of the development, and something that really
12 could not find space in the neighboring
13 communities. So taking away the space from a lot
14 of these places would really take away services
15 from these communities. So we want to make sure
16 not just that there is a promise to say rebuild in
17 five years a senior center or a community center
18 in the case of what is happening at Washington, a
19 youth program, but that there is a guarantee that
20 there is no disruption in services. Thank you.

21 COUNCIL MEMBER JAMES: So just a
22 question before we go to the next panelist. Is
23 there any commitment in the RFP or the leasing
24 plan that they replace any parking that is used
25 for the infield or any playground, et cetera, or

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open space?

GREGORY BRENDER: I think that is something that NYCHA could put in the RFP.

COUNCIL MEMBER JAMES: But currently it is not as far as you know? Well, we don't know what the RFP--

GREGORY BRENDER: Yeah, we don't know what the RFP is, but it certainly I mean when you look at what they are offering, they are offering space to developers. That is a pretty good deal, and I think they can easily make it a requirement of the RFP that if something either a park or a community center is being lost, that they be not only replaced, but that the services continue.

COUNCIL MEMBER JAMES: As far as you know have there been any verbal representations to that effect?

GREGORY BRENDER: They have talked about--and actually in this hearing Chair Rhea talked about the importance of social services in NYCHA. With regard to Washington Houses, at some of the community meetings which were actually held in the community center, they did talk about

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finding replacement space.

COUNCIL MEMBER JAMES: Thank you.

REVEREND CRUZ: My name is Reverend Getulio Cruz. I am the pastor of the Monte Sion Christian Church, a Pentecostal congregation located in the Lower East Side. Close to half of our members live in public housing. I am also a leader in Metro IAF. New York Metro IAF is a group of six non-partisan, multi-racial organizations made up of congregations, schools and other associations, east Brooklyn congregations, south Bronx churches, - - Empowered Queens United in Action and leadership among others. We are committed to developing leaders and the identification and resolution of issues of concern in their communities. Metro IAF has won major victories such as building over 4500 - - homes with over 1,000 more on the way. Our reactions to NYCHA's plans to lease for development is the following: the proposal to use existing NYCHA land to create other development opportunities some that will generate revenue to support existing NYCHA operations, others to provide alternative housing for current NYCHA

1 seniors living in oversized apartments has merit.
2 In fact, this idea has surfaced many times in
3 recent years, and Metro IAF has been calling for
4 the creation of senior housing on NYCHA property
5 for several years so that larger apartments could
6 be freed up and the seniors living in them could
7 relocate into a more suitable housing unit in the
8 neighborhoods that they know and value. Our
9 concern is not with the merits of the concept, but
10 with the competence of the NYCHA leadership and
11 management. The same team that could not install
12 cameras, a much more modest capital improvement is
13 not going to succeed at the much more complicated
14 and challenging task of building new housing at
15 scale on existing NYCHA sites. This task requires
16 top flight construction and management
17 professionalism. The public agency that has
18 delivered the most new construction in recent
19 years is the School Construction Authority, an SCA
20 like entity run by competent people with proven
21 track records is needed. In addition tenants need
22 to be fully informed and engaged in this effort,
23 and just a handful of affordable units won't be
24 enough. In many of the developments where Metro
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1
2 IAF is active, tenants would welcome a new senior
3 building, retail stores or even a market rate
4 development that would generate a significant
5 stream of revenue to meet NYCHA needs. Thank you.

6 TITO DELGADO: My name is Tito
7 Delgado, and I am a longtime activist on housing
8 on the Lower East Side. I am also a retired
9 federal employee. I worked for HUD fair housing,
10 and the discussion earlier about racial equality
11 and how HUD monitors that with the public housing
12 authority as being the senior intake person for
13 fair housing, what I observed was rubber stamping
14 anything that the housing authority would provide
15 to us. There is no real monitoring. It is all
16 paper. The other issue I have is that I don't
17 understand how we can possibly have this infield
18 procedure without public input from the community
19 at large. We are the taxpayers. We have built
20 public housing. We have been funding public
21 housing. For it to be--for this procedure to be
22 taken from us is really anti-democratic. There is
23 an incredible impact not only to the residents of
24 public housing, but to the community at large if
25 this thing goes through. I have been witnessed

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2 and have been affected by the gentrification that
3 went on on the Lower East Side. Wealthy people
4 came in wanting to live in our community, but not
5 wanting to live with us. If people think that
6 stop and frisk is bad now, imagine wealthy people
7 living right next door to us. Forget it. We will
8 be prisoners in our own homes. I am totally
9 opposed to this infield. I certainly support this
10 resolution that Rosie Mendez has in front of us
11 because what we need is time to organize.
12 Considering that all the legal alternatives have
13 been closed to us, we need this time to organize
14 our community to fight this. Thank you.

15 CHAIRPERSON MENDEZ: Thank you, and
16 I had to run and take care of some human problems,
17 so I missed a little bit of your testimony and
18 wanted to apologize. Reverend Cruz, I received
19 this, which is about a press release, but if we
20 could have your written testimony for the record?

21 REVEREND CRUZ: That is it.

22 CHAIRPERSON MENDEZ: It is exactly
23 what is in here.

24 REVEREND CRUZ: It is exactly what
25 is written.

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CHAIRPERSON MENDEZ: Okay. It seemed like it was more.

REVEREND CRUZ: Except for my introduction of who I am, but that is not as important as what we wrote about, and at the bottom it describes what Metro IAF is. I shortened it.

CHAIRPERSON MENDEZ: I see it here. It seemed like it was more stuff and you elaborated more, but I see a lot of the stuff you are talking about in here. Council Member James?

COUNCIL MEMBER JAMES: Reverend Crus, just to be clear, you are interested primarily in building senior housing and making sure that the seniors who currently live in NYCHA are given first priority?

REVEREND CRUZ: We, Metro IAF, is interested in building what is appropriate in the different development areas. Now on the Lower East Side, they are constantly bugging our seniors. They want them to move from larger apartments to small apartments. In my particular congregation, I have a senior who is willing to move, and on a previous occasion we had a senior

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2 who was moved, but she was kept in the same
3 development. The fear that our people have,
4 especially seniors is that they get moved to a
5 development that is away from their children. A
6 lot of them take care of their children's
7 children--away from their doctors and away from
8 all these... Metro IAF believes that each area needs
9 to decide that is important to them. The public
10 who lives there should say we need a senior center
11 here. We need a youth center here. If 80/20 is
12 not enough - - I agree. We agree. But the thing
13 is that it should be something--we shouldn't take
14 away from the fact that they want to develop,
15 generate new money and we are not against mixed
16 used housing, but we just want to see that the
17 people who live there are listened to and their
18 input is really used to create the final plan.

19 COUNCIL MEMBER JAMES: So it really
20 comes down to process?

21 REVEREND CRUZ: Right. So seniors
22 are important. The senior housing is important to
23 us, but whatever is important--because we serve
24 different developments and every development has
25 their own particular needs.

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COUNCIL MEMBER JAMES: Thank you,

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Pastor.

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CHAIRPERSON MENDEZ: Reverend Cruz,

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have you read our City Council resolution?

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REVEREND CRUZ: Yes, I did.

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CHAIRPERSON MENDEZ: Okay, so if

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you have any comments on that or any suggestions

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that you would like us to try to incorporate into

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that, we would love to hear from you on that. You

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don't have to do it right now. So I don't want to

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put you on the spot. You don't have to do it

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right now. I know - - anything right now.

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Gregory--is it Bender or Brender?

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GREGORY BRENDER: It's Brender.

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CHAIRPERSON MENDEZ: Brender. All

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these years. So thank you for being here. I know

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you have been involved in all these issues from

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when we were saving the community centers at

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NYCHA. Is United Neighborhood Housing working

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with any of the developments in the impacted

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developments at this point?

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GREGORY BRENDER: Yeah. Mostly it

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is through our member agency, Union Settlement,

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which is in Washington Houses, and they are

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2 actually doing their own flyering and their own
3 outreach to the folks that are in the parents and
4 the youth, who are in their youth program, which
5 is actually in the area that would be impacted by
6 the infield and also to the Washington and
7 Lexington Senior Center, which is in a different
8 part of Washington Houses.

9 CHAIRPERSON MENDEZ: Okay. Has
10 NYCHA told you or anyone from Washington Heights
11 where the community center is going to be moved
12 to?

13 GREGORY BRENDER: No, there is
14 language--I should have memorized it, but I
15 didn't, but I think it is something like nearby,
16 so it could be in another development under I
17 think the language that we have now. We would
18 urge them to include in the RFP that there needs
19 to be both space in the existing development in
20 Washington Houses itself, their campus, and also
21 that there be no interruption in services.

22 CHAIRPERSON MENDEZ: Okay. Mr.
23 Delgado, I have known you for many years. Thank
24 you for coming in today and giving your testimony.
25 When you were talking about HUD rubber stamping,

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what kind of cases were you talking about?

TITO DELGADO: Specifically about the integration and the racial components of public housing. A lot of that stuff was just rubber stamped. When there were complaints, nobody really looked at it. It was just--it's a huge bureaucracy, and basically, I don't know what the policy--depending on the politics in Washington will determine how the office works--

CHAIRPERSON MENDEZ: [interposing] Well, the politics in Washington is they are not giving any public housing authority the money it needs to run itself, so certainly I believe they are going to look favorable upon these plans, I sort of think I can't use the word. We are not in a good place.

TITO DELGADO: When I was there I was under the Reagan Administration and the biggest cuts to the national budget was in housing under the Reagan Administration, so everything was affected down the line including our staffing.

CHAIRPERSON MENDEZ: Well, we might be better off under the Obama Administration. We have a Tea Party and a Republican Congress that is

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2 very obstructionist and is not letting work get
3 done, so I hold out no hope. So I want to thank
4 this panel for their testimony. Caroline Nagy and
5 Thomas Lopez Pierre? Caroline? Okay. Great.
6 Thank you, gentlemen, and thank you, Reverend, for
7 staying 'til the end. I will note for the record
8 that somewhere in between my trip to the ladies'
9 room, NYCHA left the chambers, unless no one is
10 identifying themselves from NYCHA, so I am sorry
11 for this panel. Is someone here from NYCHA? You
12 are from the Bronx unit. Okay. Are you here in
13 your official capacity for NYCHA? Plus all the
14 developments are located in--you are here because
15 you are of interest to you, so NYCHA has left the
16 chambers. To the last panel, we are here and we
17 are listening, and this is part of a public
18 record, and this is available either on audio tape
19 and you can go to the City Council website or
20 sometimes on video tape, so people will be
21 listening to your comments, and we will be
22 bringing back whatever you tell us back to the
23 Housing Authority. So whoever is ready, just
24 start testifying, and please identify yourself for
25 the record.

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2 CAROLINE NAGY: Hello. Good
3 afternoon. My name is Caroline Nagy, and I am the
4 policy associate for housing and homelessness at
5 Citizens Committee for Children of New York, which
6 is a 69 year old independent, multi issue child
7 advocacy organization dedicated to ensuring that
8 every New York child is healthy, housed, educated
9 and safe. We appreciate the City Council's
10 ongoing commitment to protecting support and
11 enhancing NYCHA facilities and the living
12 accommodations for its almost 400,000 residents.
13 We are very glad that City Council is paying
14 careful attention to the infield plan and that the
15 Council has proposed a pre-considered resolution.
16 We are in support of that resolution and believe
17 that the NYCHA public housing facilities obviously
18 provide an essential service including to the
19 almost 111,000 children under the age of 18 who
20 live in NYCHA public housing. While we appreciate
21 the difficult financial pressures that have
22 plagued NYCHA like the Council and the State
23 Legislature, we have concerns about the plan
24 particularly with respect to the need for notice
25 and consultation with affected stakeholders, the

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2 availability of new units, and the plans impact on
3 community based services; therefore, we support
4 the pre-considered resolution calling up NYCHA to
5 engage its residents in planning for the new
6 developments and to include certain requirements
7 regarding the affordability of the new units and
8 replacement of community resources in any ground
9 leases. I had a couple of sections on notice and
10 consultation, replacement of community resources
11 and affordability of the new units. In general,
12 we are very supportive of all of the provisions in
13 the pre-considered resolution. In addition with
14 regards to the affordability, we recommend that
15 the number of affordable units exceed 20 percent
16 of the total number of units. Given the value and
17 desirability of the proposed infield sites as well
18 as New York City's severe lack of affordable
19 housing, it is essential to maximize the amount of
20 new affordable units in all new developments, and
21 that obviously includes those by city agencies or
22 public benefit corporations or however you would
23 wish to describe it. I am not going to read the
24 rest of my testimony because you have it, but we
25 look forward to working with NYCHA and City

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2 Council to ensure that the infield plan proposal
3 is responsive to these concerns. Thank you for
4 this opportunity to testify.

5 THOMAS LOPEZ PIERRE: Good
6 afternoon. Thank you, Madam Chairman. My name is
7 Thomas Lopez Pierre, and I am the chairperson and
8 chief executive officer of Harlem Family Eviction
9 Prevention Fund, and on a private note, I am a
10 candidate for City Council in the 7th Council
11 District. I just want to make a couple of points
12 to inform the thinking of the committee. One is I
13 believe that this funding issue with NYCHA is
14 really a shell game. I believe that over decades,
15 the problem that public housing has arrived at now
16 has been well thought out and I believe that there
17 is a--I won't use the word conspiracy, but I
18 believe that there is an asserted plan to move
19 poor people, people of color, out of Manhattan. I
20 believe that the issue of displacement is real. I
21 believe we need not look any further back into
22 history if we look at the black community of San
23 Juan that is currently Lincoln Center now, and we
24 see how Robert Moses and his theories pushed out
25 black people into Harlem, and now we see today

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2 that black and Latino people are being pushed out
3 of Harlem into the Bronx based on gentrification
4 and other decisions by this current mayor, who I
5 believe Mayor Bloomberg is a racist snob, and I
6 believe in his 12 years in office, has really,
7 really hurt black and Latino people. By license I
8 am a real estate broker, and so I understand
9 clearly what is going on in terms of the big
10 picture in our communities of color. Earlier
11 people on the Council talked about Section 8
12 vouchers and how they are open to the fair market,
13 and I can tell you that your source of income law,
14 real estate owners love your source of income law
15 because they totally ignore it. There is no teeth
16 to it, and the way they ignore it is the federal
17 government provides \$1800 for a three bedroom.
18 Well, the landlord says, I want all my three
19 bedrooms to be \$1900 and that ends the result of
20 source of income because as long as everybody is
21 treated equally he can deny the need for accepting
22 any Section 8 and in Manhattan in a very hot real
23 estate market that is all he needs to do. So
24 basically the federal government wants people with
25 Section 8 to live outside of Manhattan, and that

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2 is the only place that the market will allow them
3 to afford, so the source of income law is really
4 just nonsense in terms of just practical
5 application in Manhattan. I'd like to talk also
6 about the 80/20 rule. I work with tax credit
7 apartments, so I can tell you we can debate all
8 law all day long--should it be 50/50, 80/20, but I
9 can tell you exactly what the developers are going
10 to do. The overwhelming majority of people that
11 live in Douglas Houses will not get to participate
12 in this 80/20 deal because these developers would
13 rather keep an apartment vacant than take anybody
14 with bad credit because in their view, the margins
15 are so tight the last thing they want to do is be
16 in housing court, so they are going to make the
17 standards to get that 80/20 what they consider
18 normal, so they are going to ask you for a 700
19 plus credit score. They are going to ask you no
20 delinquencies on credit cards. Very few people in
21 Douglas are going to be able to get into those
22 apartments. Who is going to get into those
23 apartments is white, young, highly educated
24 professionals who for their commitment to the
25 community have taken poor paying jobs, so for

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2 instance, a lobbyist for a not for profit
3 organizations that only make like \$30,000 a year
4 or a school teachers maybe at private schools that
5 are poorly paid. You will see that most of the
6 people that are getting in that 20 percent are
7 going to be poorly paid, white, professionals,
8 with perfect credit from outside the city of New
9 York because they don't come from broken homes and
10 they have a clear understanding of financial
11 responsibility, and that is basically who gets
12 into these tax credit apartments. The second
13 thing that you have to understand the developers
14 are going to do, and I have asked repeatedly at
15 three or four NYCHA meetings, I have asked are you
16 going to use the allotment of bedrooms to restrict
17 black and Latino people out of these developments,
18 and this is how they do it. They take the
19 developments and they only provide studios as the
20 affordable housing, and they know that people of
21 color, we tend to have a higher ratio of children
22 than working white professionals, and so a lot of
23 these people at NYCHA and outside who are of color
24 won't even be able to get into these buildings
25 because they are in need of more than a studio.

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2 The reason why they do that is I think the Council
3 cancelled the rule of being able to build
4 affordable housing outside of the development that
5 is receiving the tax credits, so the reality is
6 they don't want these badass kids in the elevator
7 with the people on their way to their Wall Street
8 job talking about Tyrone is getting out of jail
9 next week and Shaniqua just had her fourth kid, so
10 they don't want this to damage their branding for
11 their luxury units, so you are going to see that
12 they are going to want to push studios to the
13 poor, low income folks. In terms of if the
14 project has no choice but to get approved, I
15 believe strongly as a person in the community--I
16 live two blocks from Douglas Houses. I have lived
17 there 15 years, and I walk around and I see the
18 young black and Latino men that are hanging
19 around, and two days ago I talked to a few of
20 them, and the sad reality is that with 40 percent
21 of black men dropping out of high school, these
22 young men that are in our communities, they are
23 going to be prey to stop and frisk. They are not
24 going to have jobs. They are not going to be able
25 to afford to participate in these low income

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2 housing, and I don't know how to say it any
3 plainer, they are not going to stop having sex.
4 So they are going to be producing children,
5 primarily out of wedlock and so their ability to
6 benefit from a community that is undergoing
7 gentrification is going to be limited. Their only
8 option is going to be either prison or death
9 because there was no place for them to live beyond
10 public housing. People are living longer and so
11 the seniors that would natural rotation are going
12 to be staying there longer and these young people
13 will have nowhere to go. I will end by saying
14 that I stand in support of the Council's
15 preconditioned resolution, and I want to thank you
16 and the other council members on the Housing
17 Committee for their leadership, and if for some
18 reason God blesses me with the opportunity to sit
19 with you on the Council, I look forward to working
20 aggressively to deal with the issues of affordable
21 housing and the needs of low income families in
22 our communities. Thank you.

23 CHAIRPERSON MENDEZ: Thank you very
24 much. Mr. Lopez Pierre, you said you work for
25 Harlem Family Eviction--

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2 THOMAS LOPEZ PIERRE: [interposing]
3 Prevention Fund.

4 CHAIRPERSON MENDEZ: Prevention
5 Department.

6 THOMAS LOPEZ PIERRE: Prevention
7 Fund. It's a new not for profit that I am the CEO
8 of and chairman of, and it basically is going to
9 give working between 30 and \$60,000 a year, up to
10 \$5,000 in rental assistance loans to help people
11 stay in their homes. What is happening in our
12 community is that you find because of the economy,
13 you find big banks getting bailed out, but you
14 find a working person who has lost their job for
15 four or five months with a \$700, two bedroom,
16 three bedroom apartment. They are three to four
17 months behind rent. The judge has to evict them
18 because the owner wants them out because he wants
19 that apartment while in the past he would give
20 them a payment plan, so what we want to do is step
21 in and help that person, that responsible person
22 stay in their home.

23 CHAIRPERSON MENDEZ: So do you see
24 mostly individuals in private housing or do you
25 see people in public housing as well?

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2 THOMAS LOPEZ PIERRE: We are going
3 to be working primarily with private. We believe
4 that NYCHA--just like NYCHA can't put in cameras
5 in their buildings as a capital project, they are
6 almost incompetent in terms of evicting tenants,
7 even those that need to be evicted.

8 CHAIRPERSON MENDEZ: Are you
9 seeing--I think it is important because they are
10 talking about building housing, affordable
11 housing, and so we need to know who are the people
12 who are getting evicted or need eviction
13 assistance because more likely than not they need
14 housing, but they are not going to be eligible for
15 this housing.

16 THOMAS LOPEZ PIERRE: Sadly, those
17 that need eviction are people who can't speak
18 English well, seniors. A lot of times you see
19 landlords say you don't have to pay me the back
20 rent just leave or in many cases they are being
21 bought out for 20 to \$30,000 and for low income
22 families, they think that is a lot of money until
23 they go back into the market into Bronx or Queens
24 and they realize that will last them a year, and
25 then they are just in a really bad place.

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2 CHAIRPERSON MENDEZ: Thank you, and
3 Ms. Nagy, your Citizens Committee for Children is
4 basically a policy organization, correct?

5 CAROLINE NAGY: Yes, that is
6 correct.

7 CHAIRPERSON MENDEZ: So you get the
8 data of distressed individuals and whether they
9 are in public housing or not, and then based on
10 that you are making these recommendations and you
11 are here today.

12 CAROLINE NAGY: That is correct.

13 CHAIRPERSON MENDEZ: Okay. Thank
14 you very much. Council Member James?

15 COUNCIL MEMBER JAMES: First
16 obviously I have been a long term supporter of CCC
17 - - because of your commitment to children, and
18 obviously, you and I and others in the City
19 Council and other advocacy groups are going to
20 continue to have to raise our voice unrelated to
21 this, but specifically as it relates to early
22 childhood education, which I know is a priority
23 for you and your organization, and I thank you for
24 all that you do. Thank you for your testimony
25 here today. Mr. Pierre, you and I go way back,

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2 but I really want to understand the practical
3 application or lack of application of this source
4 of income law and how landlords are getting around
5 it. I don't think I understand.

6 THOMAS LOPEZ PIERRE: It's based on
7 market forces. The federal government when they
8 provide Section 8 basically doesn't want you
9 living in Manhattan. A one bedroom apartment in
10 Harlem goes for about 14 to \$1600, non-luxury,
11 just a basic, and I think they are offering about
12 \$1200, \$1300, so if you are a landlord all you
13 have to do is price your apartment at the market,
14 and so you don't have to deal with Section 8.

15 COUNCIL MEMBER JAMES: So above the
16 Section 8 rate.

17 THOMAS LOPEZ PIERRE: Yes, and I
18 have had cases where the landlord says oh, I don't
19 want to be greedy, if the tenant is great, just
20 find me a good person, rent it for \$1300, and I'll
21 say, okay, great, that opens you up to Section 8,
22 and they go, oh, no, no, no, no. What is the
23 limit? I say \$1300. They say well, you have to
24 rent it for \$1400, and I say is that what you are
25 asking me to do, and they say you have to rent it

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2 for \$1400. If you rent this, you have to rent
3 this at this price for everyone. You can't now
4 lower the price once I advertise this because you
5 will get sued for discrimination.

6 COUNCIL MEMBER JAMES: Interesting,
7 and I was sitting here nodding my head because you
8 know what is happening in my district--the 20
9 percent for the most part eliminates a lot of
10 individuals because developers have put in these
11 arbitrary requirements, and primarily it relates
12 to credit, and most people, and not just low
13 income people, working class people because of the
14 recession that we just experienced have poor
15 credit. I don't know of anyone that has a 700
16 score except for individuals who graduated from
17 college or who are moving to New York City, and so
18 that limits the pool particularly to high income
19 individuals or individuals who obviously are
20 financially literate.

21 THOMAS LOPEZ PIERRE: Council
22 Member, if I could just jump in there. The way
23 that the landlords deal with the rich people with
24 bad credit, they just have them pay significantly
25 more security, and that solves that problem for

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them, but poor people, low income families cannot.

COUNCIL MEMBER JAMES: And thirdly, the request that all low income housing be built on site, which as I indicated earlier was my language because I abhor discrimination and I want everyone to live together because I recognize the benefits of it. HDC as you know, I criticized HDC recently dealing with a project in my district because the individuals who receive subsidies, there is no requirement that they build larger units. They get the same amount of money, and so this one developer, and it involves a very large project where you know I was very vocal against built all of these studios and reneged on their commitment to build larger units because in Brooklyn there is a significant number of individuals with families and they needed space, but he decided to renege on his commitment to the community and decided to build studios, but he got the same amount of subsidy because there is no current requirement that they tie the subsidy to larger units, and that is something that I have raised and am working with the City Council to address, but I am glad that you mentioned it as

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well.

THOMAS LOPEZ PIERRE: And if I could just say it's pure racism. They know that they do not want black families with their children 'cause they know if they go to housing court, a family with problems with children, the judge will be more lenient. They want individuals because housing court will play less sympathy for that individual.

COUNCIL MEMBER JAMES: I don't know if I necessarily agree with that statement, I just know that there is a problem in the housing law that needs to be corrected because again, it is - - to the benefit of primarily young professionals and not families who desperately need housing during this crisis, but I thank you for your testimony today, and I thank you for helping our the residents of Douglas Housing because they certainly need your expertise and your brilliance. Thank you

THOMAS LOPEZ PIERRE: Thank you.

CHAIRPERSON MENDEZ: I want to thank this panel for their testimony. We have also received written testimony from the

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2 Bricklayers and Allied Craft Workers Local 1 that
3 will be submitted into the record and we are going
4 to end this hearing, and written testimony can
5 still be submitted if anyone knows anyone who had
6 to leave and couldn't submit their testimony, but
7 I want to remind everyone that 70 off years ago
8 when we created public housing, it was to provide
9 low cost housing that was habitable for
10 individuals in the city. It was also to deal with
11 the new laws in the city about light and air and
12 space, which the old tenement buildings did not
13 have. That also meant a certain amount of open
14 space that would provide just air to breathe and
15 grass as well as things like playgrounds for the
16 children of public housing. So the Housing
17 Authority's proposal while they need to figure out
18 how they can start meeting their expense and
19 capital demands when it comes to repairs, they
20 can't forget that light, air and space is very
21 integral to the existing residents who are there.
22 With that, we are ending this hearing, and I want
23 to thank everyone who stayed to the bitter end.
24 Thank you.

25 [gavel]

C E R T I F I C A T E

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

Signature _____

*Kimberley Uhlig*Date 4/18/13