

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON PUBLIC HOUSING

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May 10, 2010
Start: 10:15am
Recess: 1:15pm

HELD AT: 250 Broadway Hearing Room
16th Floor

B E F O R E:
ROSIE MENDEZ
Chairperson

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

A P P E A R A N C E S

John B. Rhea
Chairman
New York City Housing Authority

Michelle Pinnock
Senior Advisor
Office of Resident Economic Empowerment and
Sustainability
New York City Housing Authority

Debra-Ellen Glickstein
Director of Resident Economic Initiatives and
Partnerships
New York City Housing Authority

Earl Andrews
Vice Chairman
New York City Housing Authority

Erik Crawford
Resident
Davidson Houses Residents

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2 CHAIRPERSON MENDEZ: Ready? We're
3 going to start this hearing. We're waiting for
4 NYCHA representatives to come, but we're already
5 running 15 minutes late, so we're going to get
6 this hearing started. This hearing has come to
7 order. My name is Councilwoman Rosie Mendez, and
8 I chair the Committee on Public Housing.

9 Today's hearing is to provide this
10 committee an update on Section 3 employment
11 opportunities for NYCHA residents, as well as to
12 hear testimony on Resolution number 207,
13 introduced by Council Member Diana Reyna, who is
14 to my right--sitting to my right, not politically
15 to my right, which calls upon the United States
16 Congress to enact H.R. 4224, the Together We Care
17 Act of 2009. H.R. 4224 would establish a three-
18 year pilot program to train public housing
19 residents as home healthcare aides, and create in-
20 home based healthcare services to enable residents
21 to provide covered home-based healthcare services
22 to residents of public housing and residents of
23 federally assisted rental housing who are elderly
24 or disabled.

25 On October 1st, 2009, the then

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2 subcommittee on Public Housing previously
3 conducted an oversight hearing on the Section 3
4 resident employment program. At that hearing,
5 residents and tenant advocates expressed concern
6 that the section 3 program has not been successful
7 and or as effective as it could be. Today's
8 hearing will focus on what, if any, changes NYCHA
9 has made to the program; to determine how many
10 residents have obtained Section 3 employment; to
11 determine how many of the Section 3 employment
12 opportunities was created by stimulus funding and
13 how much was created by NYCHA's capital program;
14 to determine how many Section 3 jobs NYCHA
15 anticipates in the near future through stimulus
16 and capital funded programs, and what if any
17 changes NYCHA will implement to maximize
18 participation and the availability of Section 3
19 jobs.

20 Reso number 207 calls upon the US
21 Congress to pass Together We Care Act of 2009,
22 sponsored by my congresswoman and Diana's
23 congresswoman, Nydia Velazquez. Under H.R. 4224,
24 a home-based health service pilot program will be
25 established throughout the country. The secretary

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2 of Housing and Urban Development would, in
3 consultation with the Secretary of Health and
4 Human Services, make grants available to public
5 housing agencies, community health centers,
6 homecare provider organizations, faith-based
7 organizations and labor organizations to train
8 public housing residents on how to provide home-
9 based healthcare. Public housing residents who
10 obtained said training would then provide home-
11 based health services to elderly and disabled
12 residents of federally assisted rental housing.

13 Furthermore, the legislation
14 provides that \$2.5 million would be awarded for
15 the federal fiscal years of 2010, 2011 and 2012
16 for the program's implementation.

17 Before I turn it over to Council
18 Member Reyna for a statement on her resolution, I
19 would like to take this opportunity to dedicate
20 this hearing to my former boss and dear friend
21 Allison Cordero. I ask that everyone keep Alison
22 in their prayers; she lays in a coma after
23 suffering a stroke, possibly from a brain
24 aneurism. She became the Director of Organizing
25 while I was employed at St. Nicholas Neighborhood

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2 Preservation, and she is now the Deputy Director
3 for Community Preservation. She worked tirelessly
4 for the resident of Greenpoint Williamsburg in
5 Brooklyn. She encouraged me to start organizing
6 in public housing, and she continued those efforts
7 after my departure.

8 When I returned to Williamsburg as
9 a fledgling attorney at Brooklyn Legal Services
10 Corp A, Alison, the Tenant Association and Legal
11 Services worked on providing Section 3 employment
12 to residents through the Williamsburg Houses
13 modernization program. So I ask you all to keep
14 her in your prayers.

15 We've been joined by Council Member
16 Halloran from Queens, Council Member Van Bramer
17 from Queens, and Council Member Chin from
18 Manhattan. And now I turn it over to Council
19 Member Reyna, who also has a long history with
20 Alison Cordero. Thank you.

21 COUNCIL MEMBER REYNA: Thank you,
22 Madam Chair. I'd like to thank you for those
23 wonderful, thoughtful words. We are all working
24 round the clock to visit with Alison, and we're
25 all making sure she's going to pull through this

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2 very trying time. As yourself had just mentioned,
3 she was a teacher to you as well as I, as far as
4 the organizing world is concerned. And I give her
5 all the credit for all the progress we have made
6 and continue to strive for in Greenpoint
7 Williamsburg.

8 Good morning. We are here today to
9 discuss Resolution 207, calling upon the United
10 States Congress to pass House Resolution 4224, the
11 Together We Care Act. This Act would establish a
12 pilot program to train public housing residents a
13 home health aides and as home-based health service
14 providers. It would enable these trained
15 residents to provide Medicaid eligible health
16 services to elderly and disabled residents of
17 public housing and federally assisted rental
18 housing. The bill would create desperately needed
19 jobs for low-income people, while simultaneously
20 providing vital home-based health services in our
21 city. The residents would be trained and employed
22 by state certified organizations, such as homecare
23 providers, community health centers, faith-based
24 groups, labor organizations and public housing
25 agencies.

1
2 House Resolution 4224 was
3 introduced in the United States House of
4 Representative by Congresswoman Nydia Velazquez,
5 who has been a strong advocate for both public
6 housing and public health services throughout her
7 career. Congresswoman Velazquez estimates that
8 the bill would create 6,000 jobs nationwide,
9 within a population that is severely under-
10 employed. At the same time in over a third of the
11 New York City Housing Authority, households are
12 headed by persons over 62 years of age, many of
13 whom need assistance to live independently in
14 NYCHA developments.

15 As we all know, NORCs are the
16 Naturally Occurring Retirement Communities. And
17 prior to becoming Chair of the Small Business
18 Committee, in my early tenure, I chaired the
19 Public Housing Committee. And it is important
20 that we continue to dedicate oversight on the
21 progress that New York City Housing Authority is
22 implementing in making sure that as many NORCs are
23 established within public housing, so that this
24 particular Together We Care act is implemented
25 with the most feverish behavior as possible, so

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2 that we can both attack the issues of the elderly,
3 aging in place in a healthy manner, as well as
4 providing job opportunities for public housing
5 residents.

6 The bill would help lift public
7 housing residents out of poverty and provide care
8 for those who need it most. I would like to thank
9 our Chairwoman, Chairwoman Mendez for the Public
10 Housing Committee, and my co-sponsors for their
11 help, and look forward to sending a message to
12 congress in support of Congresswoman Nydia
13 Velazquez's Together We Care act. Thank you.

14 CHAIRPERSON MENDEZ: Thank you. As
15 NYCHA is not here, anyone who is available to give
16 testimony I will call up, from the public. But
17 you must fill out one of these forms with the
18 Sergeant-of-Arms.

19 [Pause]

20 CHAIRPERSON MENDEZ: Anyone here to
21 give public testimony? You don't need to have
22 anything prepared. You can just come up to give
23 testimony. We've also been joined by Council
24 Member Maria del Carmen Arroyo, from the Bronx.

25 [Pause]

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2 CHAIRPERSON MENDEZ: Is Michelle
3 Pinnock here? She was seen earlier. Are you
4 ready?

5 [Pause]

6 CHAIRPERSON MENDEZ: Momentarily?
7 Can I get a better idea of what momentarily is?
8 We're going to take a ten-minute break.

9 [Pause]

10 CHAIRPERSON MENDEZ: Thank you
11 Sergeant. This hearing is coming to order once
12 again. If the panel could identify themselves for
13 the record and please give their testimony.

14 JOHN B. RHEA: John Rhea, Chairman
15 of the Housing Authority.

16 MICHELLE PINNOCK: Michelle
17 Pinnock, Senior Advisor, Resident Economic
18 Empowerment Sustainability, New York City Housing
19 Authority.

20 DEBRA-ELLEN GLICKSTEIN: Debra-
21 Ellen Glickstein, Director, Resident Economic
22 Initiatives and Partnerships, New York City
23 Housing Authority.

24 [Pause]

25 JOHN B. RHEA: Turn it on.

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2 [PAUSE]

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MICHELLE PINNOCK: Michelle

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Pinnock, Senior Advisor, Resident Economic

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Empowerment and Sustainability, New York City

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Housing Authority.

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DEBRA-ELLEN GLICKSTEIN: Debra-

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Ellen Glickstein, Director, Resident Economic

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Initiatives and Partnerships, New York City

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Housing Authority.

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EARL ANDREWS: Earl Andrews, Vice

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Chairman, New York City Housing Authority.

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CHAIRPERSON MENDEZ: Miss...? Ms.

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Glickstein, you'll need to sign one of these and

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hand it in to the Sergeant when you get a chance.

16

Okay. Good morning, Commissioner Lopez. It's

17

great to see you here.

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JOHN B. RHEA: Good morning. I

19

want to state for the record, just to acknowledge

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the presence of my distinguished colleagues, Vice

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Chairman Earl Andrews and Commissioner Margarita

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Lopez, in addition to myself. We represent the

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entire board of the New York City Housing

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Authority. We are here as a board, as a group,

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collectively to express how important this issue

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2 is of economic empowerment and employment for our
3 residents is to us as an organization, but also to
4 us personally and individually. I have and a
5 wonderful amount of support from both Vice
6 Chairman Andrews and from Commissioner Lopez on
7 this issue of how do we use every single economic
8 resource that we have at the authority and all our
9 creativity to improve the lives of our residents
10 by connecting them with opportunities that improve
11 their lives financially.

12 As we were talking, we've talked
13 about this many times, each of us are here today
14 and in the roles that we're in because we've been
15 given access to opportunity. I had my first job
16 for pay that made a huge difference in my life at
17 12 years old. Commissioner Lopez had her first
18 job, for pay, at 15. And Vice Chairman Andrews
19 had his first job, for pay, at 13. Because of
20 those early experiences in our lives, it put us on
21 a road to not only experiencing the empowerment
22 that one receives from putting their labor to work
23 and receiving compensation for it, but also making
24 a difference in our individual families. And so
25 we know very much from personal experience that

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2 without access to jobs, it's very difficult for
3 people to not only develop that sense of self-
4 esteem that we all need in order to pursue
5 meaningful careers, but to support our families
6 long term. So I really just wanted to acknowledge
7 that they are here to reflect NYCHA's commitment
8 from a board level to this very, very important
9 topic. So I would just like to state their
10 presence here for the record for that purpose, and
11 I appreciate their partnership in this effort.

12 Chairwoman Rosie Mendez,
13 distinguished members of the Public Housing
14 Committee and to all members of City Council, good
15 morning. I am John B. Rhea, Chairman of the New
16 York City Housing Authority. And joining me today
17 is Michelle Pinnock, Senior Advisor for the Office
18 of Resident Empowerment and Sustainability, and
19 Director of Resident Economic Initiatives and
20 Partnerships, Debra-Ellen Glickstein.

21 I am pleased to have this
22 opportunity to update the Committee on NCYHA's
23 Section 3 program, as well as discussion how
24 economic empowerment for NCYHA residents is a
25 critical component of strengthening NYCHA

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2 communities. In fact, empowering NYCHA residents
3 through educational opportunity, workforce
4 training and, ultimately, stable jobs that pay
5 livable wages benefits all of New York City. As I
6 have said before, NYCHA is one of our City's vital
7 economic engines, and our residents are at the
8 heart of what drive the authority.

9 As I approach my first anniversary
10 as NYCHA's Chairman, I am extremely grateful for
11 the support of NYCHA's board and the 12,000 men
12 and women who have dedicated their careers to
13 serving NYCHA families. To meet the charges Mayor
14 Michael R. Bloomberg outlined, as well as fulfill
15 my long-term vision for the Authority, we set an
16 ambitious first year agenda that I believed would
17 lay the foundation for achieving our ultimate
18 goal: ensuring that New York City public housing
19 doesn't simply survive--but that it thrives.

20 Soon after joining NYCHA, I
21 recognized that achieving financial stability for
22 the Authority was necessary if our other goals
23 were to succeed. Almost immediately, we marshaled
24 departments across the Authority, tapping the
25 resources and expertise of our partners in City,

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2 state and Federal government, as well as in the
3 non-profit and private sectors to both fully
4 obligate the \$423 million NYCHA received from the
5 2009 American Reinvestment and Recovery Act,
6 better known as Stimulus, and successfully
7 federalize the 21 State and City built
8 developments, bring additional funding for
9 desperately needed modernization work.

10 I also realized that more than just
11 a part of the work we do, workforce training and
12 economic empowerment was integral, not only in the
13 day to day lives of the people we serve, but also
14 to our mission to preserve, strengthen and secure
15 public housing for future generations. Economic
16 empowerment improves families' quality of life and
17 it boosts the overall health of NYCHA communities,
18 because when a resident is employed in work that
19 pays a good wage, he or she has a great ability to
20 care for their family--from providing better
21 access to child care, to nutrition, to internet
22 access. We also recognize that, as important as
23 it is to help more families achieve employment
24 stability, NYCHA is not an expert in workforce
25 training and job placement. So, recognizing this

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2 fact and acknowledging the skill of other
3 government and not-for-profit experts in this
4 field we began developing a full-scale plan for
5 how we can improve our efforts in this area s well
6 as partner with organizations who can help us
7 maximize NYCHA's workforce investment in our
8 residents.

9 Serving the more than 600,000
10 people who count on NYCHA demands that we develop
11 and implement initiatives that are both broad in
12 scope, but tailored in their execution.

13 Fulfilling the goals of Section 3, particularly as
14 the country emerges from one of the worst economic
15 recessions in generations is a principal example.

16 Section 3 is a provision within the
17 Department of Housing and Urban Development Act of
18 1968, which requires public housing authorities to
19 provide the greatest extent possible job training,
20 employment and contracting possibilities for
21 public housing and low-income residents in
22 connection with the creation of new job
23 opportunities on construction projects and
24 activities within their neighborhoods.

25 Because HUD mandates the program,

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2 but does not fund the mandate, meeting the goals
3 for Section 3 requires a substantial investment of
4 NYCHA's operating funds each year. Last year,
5 NYCHA spent \$5 million to administer Section 3.
6 But, as I will make clear, the plan NYCHA is
7 developing goes farther than HUD's requirements.
8 By partnering with our City agencies, such as the
9 Human Resources Administration, as well as non-
10 profit and philanthropic organizations, we will
11 leverage NYCHA's investment and focus, making our
12 workforce services more efficient while also
13 increasing their impact on residents' lives.

14 The Authority's commitment to
15 helping our residents gain career skills and find
16 jobs that pay livable wages with the opportunity
17 for advancement is not new. In fact, NYCHA formed
18 the Resident Employment Program, REP, in 2001 to
19 further the goals of Section 3, and since that
20 time has implemented several new policies and
21 program models, as well as instituted additional
22 mandates on its contractors. It is safe to say
23 that workforce development has been a learning
24 process in which NYCHA has evolved as the agency
25 has strived to get better in this vital arena.

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2 In 2007, NYCHA launched the Pre-
3 Apprentice Training Program, P-ATP, to create
4 permanent, highly skilled and highly paid trades
5 apprenticeship jobs for NYCHA residents. Between
6 2007 and 2009, 267 residents completed the P-ATP
7 training, and 252 of those graduates were
8 successfully placed in an apprenticeship. NYCHA
9 also stipulates that qualified construction
10 management firms be affiliated with a state-
11 approved apprenticeship program, providing another
12 potential pipeline for NYCHA residents.

13 But while our commitment to
14 workforce training is not new, making resident
15 economic empowerment a central part of the
16 Authority's mission is. As I said in my
17 introduction, helping residents create strong
18 futures for their families through workforce
19 development, asset building and entrepreneurship
20 makes NYCHA families and NYCHA neighborhoods much
21 stronger. That's why I created the Office of
22 Resident Economic Empowerment and Sustainability,
23 REES, in August of 2009, just two months after
24 assuming the role of Chairman.

25 REES now incorporates the efforts

1
2 of Resident Employment Services, reports directly
3 to the Board through the guidance of Vice Chairman
4 Earl Andrews, Jr., and leads NYCHA's outreach,
5 education and implementation of the Section 3
6 program. REES is charged with developing
7 programs, policies and collaborations to support
8 residents' increased economic opportunities in
9 three broad areas: workforce training and job
10 placement; financial literacy and empowerment; and
11 resident based entrepreneurship.

12 As with all that we do at NYCHA,
13 REES is committed to developing strong
14 partnership. For example, HUD sponsored Resident
15 Opportunities for Self-Sufficiency, ROSS grants,
16 allow NYCHA to partner with community and academic
17 organizations to train NYCHA residents for the
18 workplace. From August 2007 to February of this
19 year, in partnership with the College of Staten
20 Island and LaGuardia Community College, NYCHA
21 provided GE preparation, vocational training and
22 job search and job placement assistance to 150
23 residents. And ROSS grants are allowing us to
24 provide administrative assistant and information
25 technology training to 175 residents in

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2 cooperation with the City College of New York,
3 Year UP of Manhattan, and New York Career and
4 Employment Services of the Bronx; as well as
5 educational and employment training for 100
6 residents, working together with Year UP and CCNY.
7 We are continuing our work with HRA to service the
8 Back-to-Work program, which helps food stamp
9 recipients and non-custodial parents who are
10 unemployed and under-employed find work or advance
11 in the jobs they already have. This program is
12 particularly important for helping young fathers
13 contribute meaningfully to the economic well being
14 of their children and help break the cycle of
15 disengagement of many young men.

16 Furthermore, NYCHA is proud to
17 support Congresswoman Nydia Velazquez's proposed
18 legislation, the "Together We Can" Act that would
19 train tomorrow's corps of home healthcare aides.
20 And we are honored that the Congresswoman has
21 chosen to launch her pilot at the Lower East Side
22 I Community Center. "Together We Can" would allow
23 NYCHA to expand a program the Authority has
24 undertaken with LaGuardia Community College to
25 train residents as Home Health Aides. As we have

1
2 recently seen right here in New York, the rising
3 cost of care has forced hospitals to substantially
4 reduce intensive inpatient services. Home
5 healthcare addresses this gap and offers a more
6 personalized approach to healthcare services
7 delivery. We are pleased that NYCHA residents
8 will be among those trained to provide this care,
9 and we look forward to Together We Can joining the
10 historic Patient Protection and Affordable Care
11 Act of 2010, not only to ensure healthcare
12 equality in our country, but economic equality in
13 an evolving economy as well.

14 This year, in partnership with the
15 Mayor's Center for Economic Opportunity, CEO, HRA
16 and the City University of New York, NYCHA
17 implemented Jobs Plus, a community revitalization
18 initiative, at the Jefferson Houses to provide
19 targeted employment related services, as well as
20 financial incentives for residents, including
21 changed rent rules. We're particularly excited
22 about Jobs Plus, because it is both an example of
23 the innovated public-private partnerships that are
24 a focus of NYCHA's current agenda--50% of the
25 project capital comes from private sources through

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2 CEO--as well as an opportunity to bring a
3 nationally successful model to New York City that
4 emphasizes a neighbor-to-neighbor information
5 sharing strategy called "Community Support for
6 Work."

7 And we are strengthening our
8 partnerships with established community-based non-
9 profits such as Union Settlement, the East River
10 Development Alliance, and the Ocean Bay Community
11 Development Corporation, just to name a few.

12 Recently we have seen much of our
13 hard work pay dividends in the lives of NYCHA
14 residents. In 2008, only 41 low income New
15 Yorkers were placed in job with contractors at an
16 average wage of \$40.14 an hour. We improved upon
17 that figure significantly last year. In 2009,
18 NYCHA placed 265 low income workers, a 65%
19 increase, including 236 residents in construction
20 jobs at an average wage of \$31.64. Historically,
21 we have also looked to our residents to fill
22 seasonal, part-time and full-time positions.
23 NYCHA residents are hired seasonally to perform
24 work in the areas of grounds and janitorial
25 maintenance from June through October, and to work

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2 with children attending NYCHA's community center
3 summer programs. In 2009, NYCHA hired 1,398 full
4 and part time staff, including 738, or 53%, who
5 were Section 3 NYCHA residents. Our current
6 forecasts project that we will hire 329 full time
7 residents to fill a range of positions this year.

8 NYCHA's greatest economic
9 empowerment and workforce development success is
10 that the Authority employs almost 3,016 residents
11 as full-time employees, which constitutes more
12 than 25% of NYCHA's total workforce and an even
13 greater percentage of its recent hires. Each of
14 these employees represents a success for the
15 Section 3 program. These residents hold a wide
16 range of positions from central office to field
17 operations at the developments. They include
18 community service workers, clerical and
19 administrative staff, caretakers, groundskeepers,
20 housing assistants and trades personnel. Most
21 importantly, they represent real career paths--not
22 just a job--with ongoing access to skill
23 development. Many of the Authority's senior
24 managers grew up in public housing and started
25 their careers at NYCHA in entry level positions.

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2 The Section 3 program is also
3 subject to provisions of the 2009 Stimulus Act.
4 In March of last year, NYCHA was awarded \$423
5 million in federal stimulus funds for capital
6 modernization work and systems upgrades for NYCHA
7 elevators, heating systems, roofs, brickwork and
8 the installation of energy efficient appliances.
9 While all Stimulus-funded projects have been
10 obligated, work is ongoing over a three-year
11 period, with all work to be completed by March of
12 2010.

13 According to NYCHA's most
14 experienced construction professionals, 40% of a
15 contract's total value goes to pay workers.
16 Subject to Section 3 requirements, NYCHA estimates
17 that 303 residents will be hired on Stimulus-
18 funded contracts--to date 103 workers have been
19 placed and more are gaining employment daily.

20 Additionally, we required that
21 contractors report the number of jobs saved and
22 created with Stimulus funds. From those reports,
23 we estimate that NYCHA saved and created a full-
24 time equivalent of 147 jobs in the first quarter
25 of 2010 alone.

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2 In addition to funding desperately
3 needed modernization work, the Stimulus funds also
4 provided a one-time opportunity to provide on-
5 going operating and capital subsidies for the 21
6 State and City built developments by bringing them
7 within NYCHA's federal public housing portfolio.
8 Not only will NYCHA have more funding to support
9 the more than 45,000 families who make the 21
10 newly federalized developments home, but we will
11 also create and save an additional 371 jobs--
12 including 170 new jobs, of which 98 or 58% will go
13 to directly to NYCHA residents.

14 Even though we are improving
15 service to residents by meeting the goals of
16 Section 3, we know that this is just the
17 beginning. The work we do today lays the
18 groundwork for safer and more financially secure
19 future for public housing in New York City.
20 That's why Vice Chairman Andrews, Ms. Pinnock, Ms.
21 Glickstein, and the team in the Office of Resident
22 Economic Empowerment and Sustainability have
23 developed an integrated plan for improving NYCHA's
24 implementation, supervision and enforcement of
25 Section 3.

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2 For the first time, Resident
3 Employment Services is reviewing and approving all
4 contracts submitted for Board consideration with
5 respect to Section 3 hires. REES is working with
6 construction contractors to diversify employment
7 opportunities to include administrative and other
8 non-construction workforce needs. And NYCHA is
9 expanding the scope of Section 3 to further
10 include non-construction employment opportunities.

11 We are also partnering with Local
12 79 Laborers Union to provide NYCHA residents entry
13 into Local 70 as journeypersons and ensuring they
14 are given union status through NYCHA's section 3
15 program. NYCHA is providing referrals for
16 qualified residents to Local 3 Elevator Mechanics
17 Union and RES is now recognized as a direct entry
18 provider for the Elevator Mechanics Apprenticeship
19 Training program.

20 Collaboration with organized labor
21 needs additional work. Last year, NYCHA worked
22 hard to negotiate acceptable Section 3 terms in a
23 project labor agreement with the BCTC. Despite
24 some progress, we were not successful in resolving
25 all of the legitimate concerns on both sides. As

1
2 a result, we still have an opportunity to revisit
3 a potential agreement that could be beneficial to
4 both parties, but only if NYCHA residents will
5 share in those benefits.

6 Finally, NYCHA's partnering and
7 contracting with various non-profit, private and
8 academic organizations, including CUNY, to
9 increase access to construction-related training
10 in order to create a pipeline of qualified
11 candidates for jobs created through those
12 institutions' Section 3 programs.

13 To state it simply: NYCHA is
14 committed to Section 3. The work we do today will
15 help ensure that the new foundation we've created
16 has a multiplier effect to generate even greater
17 returns for the future. That, in a nutshell, is
18 why NYCHA cares so deeply about the partnership
19 and forging coalitions with outcome drive
20 organizations--like HRA, CEO, and SBS--who know
21 how to identify impediments to work and remove
22 them; who have demonstrated expertise in outreach
23 to targeted groups and providing literacy and
24 adult education services; and who have a history
25 of measurable results in getting low income people

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2 jobs with livable wages, reducing poverty and
3 rebuilding communities.

4 One premiere example of a new
5 partnership with a proven difference in
6 alleviating poverty for New York City families is
7 the Robin Hood Foundation. With Robin Hood, NYCHA
8 is developing a privately funded Training Academy
9 that will not only prepare residents for work, but
10 will track their progress so that we can use that
11 data to further improve the classroom-to-job
12 pipeline. Phase I of the program will train
13 residents for Section 3 jobs within NYCHA for
14 construction-related jobs with NYCHA contractors.
15 Later phases will help move qualified graduates
16 into jobs in the private sector as well.

17 We are also working to improve our
18 internal planning process to better match Section
19 3 related workforce development needs and training
20 resources to upcoming contracts. And we will
21 negotiate with additional unions to gain direct
22 access for NYCHA residents into their
23 apprenticeship programs. And finally, we are
24 currently developing a plan to engage and track
25 Section 3 business concerns--which are businesses

1
2 that are majority-owned by NYCHA residents;
3 businesses whose workforce is formed with at least
4 30% Section 3 residents; and contractors who
5 subcontract at least 25% of their award to either
6 of those groups.

7 In conclusion, last week we saw
8 that the American economy added a surprisingly
9 strong 290,000 jobs in April--the fourth
10 consecutive month that the economy added workers.
11 We must ensure that this recovery touches many of
12 the most impacted by the economic recession.
13 Section 3 is a critical tool to ensure that our
14 residents, to paraphrase the famous saying, have
15 boats and are on the job market sea, so that they
16 will realize the Recovery's benefits in their
17 lives. With Mayor Bloomberg's leadership and with
18 the support of the City Council, NYCHA is making
19 that happen--one new worker at a time--
20 programmatically and comprehensively, with new and
21 exciting partnerships.

22 Thank you and I look forward to
23 your questions.

24 CHAIRPERSON MENDEZ: Thank you,
25 Chairman Rhea. Mr. Chairman, if you can tell me

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2 how much of the Stimulus funding was used,
3 actually used, not just obligated but actually
4 used in 2009, and how much has been used in 2010?
5 And then, what were the jobs as a result of just
6 stimulus funding? And then the same for your
7 capital funding.

8 JOHN B. RHEA: I can give you the
9 numbers for stimulus. The numbers separated for
10 capital funding, I'm not sure we can give you the
11 exact ones, but we'll give you some additional
12 breakdowns.

13 So all \$423 million of stimulus was
14 obligated, and it was obligated on 75 different
15 projects, individual projects.

16 CHAIRPERSON MENDEZ: By what time
17 was that all obligated?

18 JOHN B. RHEA: It was all obligated
19 by the deadline. So we met the required deadline,
20 which was March 17th of this year. And we met
21 that deadline, in addition to meeting that
22 deadline, as I mentioned in my testimony, we also
23 met the same deadline for the federalization.

24 So all \$423 million was obligated.
25 Of that amount we awarded--many of those projects

1
2 will not be completed until, you know, multiple
3 periods between now and 2012. We have completed
4 though about 14 stimulus contracts of the 75
5 contracts that are greater than 90%, up to or
6 greater than 90% of completion. So that would be
7 a reflection of, you know, when you ask how much
8 has actually been not just obligated but expended
9 and completed. There are others that are at 20%,
10 30%, 40% completion, but when you really look at
11 what's close to completion, 14 of the 75 projects
12 are 90% or greater of completion.

13 We think that's a good number to
14 look at because obviously, ones that are in early
15 stages of either mobilizing their workforce or are
16 only 20 or 30% into the construction. They will
17 continue to add labor as that project progresses.

18 CHAIRPERSON MENDEZ: Now--

19 JOHN B. RHEA: [Interposing] So of
20 the 14 contracts--

21 CHAIRPERSON MENDEZ: [Interposing]
22 Okay. Can I just ask you--

23 JOHN B. RHEA: [Interposing] Yeah.

24 CHAIRPERSON MENDEZ: --of the
25 remainder that has not been started yet, so 14--

1

JOHN B. RHEA: [Interposing] 61.

2

Well, they've all started.

3

CHAIRPERSON MENDEZ: They've all

4

started.

5

JOHN B. RHEA: To some level.

6

CHAIRPERSON MENDEZ: Okay.

7

JOHN B. RHEA: Okay.

8

CHAIRPERSON MENDEZ: Okay.

9

JOHN B. RHEA: You know, the

10

contract has been awarded. You know, they are

11

either mobilizing their labor team, you know,

12

doing pre-site work.

13

CHAIRPERSON MENDEZ: I won't make

14

you go through the other 61, but if you could

15

provide that to this Committee and let us know at

16

what stages of completion they're at, whether it's

17

5, 25, 40%, whatever.

18

JOHN B. RHEA: For every single

19

one?

20

CHAIRPERSON MENDEZ: Yes.

21

JOHN B. RHEA: All 61 of them.

22

CHAIRPERSON MENDEZ: Yes. You

23

don't have to do it today.

24

JOHN B. RHEA: Okay.

25

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CHAIRPERSON MENDEZ: But in the
future.

3

4

JOHN B. RHEA: Okay.

5

CHAIRPERSON MENDEZ: You can send
it to us.

6

7

JOHN B. RHEA: Okay.

8

CHAIRPERSON MENDEZ: I'd like to
keep track of that.

9

10

JOHN B. RHEA: Got it.

11

CHAIRPERSON MENDEZ: Okay. Of the
14 that are 90% completed, how much money is that
so far?

12

13

14

JOHN B. RHEA: In terms of actual
dollars. Somebody get that number for me? Can
you get that number for me? Let me tell you where
we are with respect to the goals that we set on
those 14 projects for hiring, and we'll give you
the exact dollar amounts of the--you're asking for
the dollar amounts of the contracts, right?

15

16

17

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CHAIRPERSON MENDEZ: Expended. How
much--if it's \$423 that have been obligated--

22

23

JOHN B. RHEA: [Interposing] Right,
you want the dollar amount.

24

25

CHAIRPERSON MENDEZ: 14 equals I

1
2 don't know how much of that, and how much of that
3 has been expended.

4 JOHN B. RHEA: When we say, well,
5 we'll give you the number--14 equals X million
6 dollars and 90% of that plus has been expended.
7 So we can get you the exact numbers, but whatever
8 number we tell you, over 90% of it has been
9 expended. That's how we measure 90% or greater of
10 completion, meaning that the contract, the actual
11 dollars have been paid to the contractor for
12 completion of services rendered. Of the 14
13 contracts, we break them into both what we call
14 REP contracts and Section 3 contracts. Six of
15 them were REP contracts of the 14, and eight were
16 Section 3.

17 We had goals on the REP side which
18 says the labor costs totaled \$118,000. And we set
19 15% of actual labor costs that needs to go to
20 NYCHA residents. And then on the Section 3
21 contracts we had goals of hiring ten workers. So
22 what we've successfully completed is that seven
23 workers have been hired on those ten contracts.
24 So we did not complete our full objective. Two
25 out of the eight did not meet their goals, so

1
2 there were actual eight contractors on these
3 actual 14 projects. Two out of the eight did meet
4 their goals. Five met it and one exceeded the
5 goal. So we anticipated that we would hire ten
6 workers, and we only hired seven.

7 MICHELLE PINNOCK: But
8 Councilwoman, also to--the 14 projects, it totals
9 about \$12.1 million. And then also--

10 CHAIRPERSON MENDEZ: [Interposing]
11 Excuse me. \$12.1 million is the total amount
12 obligated and then 90% of that was spent?

13 MICHELLE PINNOCK: Yes.

14 JOHN B. RHEA: Correct.

15 CHAIRPERSON MENDEZ: And that lead
16 to seven full-time worker positions?

17 MICHELLE PINNOCK: Yes. But also
18 remember that the requirement is based off the
19 labor costs. So labor costs out of that \$12.1
20 million, came to--I'm sorry, 15% of the labor
21 costs comes to \$118,000. So just to clarify, the
22 requirement that NYCHA has put in place on our
23 contractors that are receiving contracts over
24 \$500,000, 15% off their labor costs are to go
25 towards hiring residents. And so, again, if you

1
2 want to look to what they were required to hire
3 on, that would be out of those 14 projects, 15% of
4 the actual labor costs came to \$118,000. So seven
5 people were hired, equating the goal or the
6 requirement was to spend \$118,000 towards NYCHA
7 residents.

8 JOHN B. RHEA: And this is an
9 important point. You know, people see big
10 headline numbers. They hear \$12 million, and they
11 think that means \$12 million is going into
12 peoples' pockets as actual wages, and that's
13 obviously just inaccurate. A substantial amount
14 of the \$12 million that goes on any project is for
15 capital costs--you know, putting a backhoe or
16 whatever it is on a site, you know to construct;
17 it is purchasing of all the materials, the bricks-
18 -whatever goes into the actual construction
19 project itself. So a minority of the actual
20 dollars on any construction project is actually
21 for labor. It's less than--more than 60% is for
22 non-labor related costs. So then you're talking
23 about smaller percentages for labor. And then the
24 Section 3 requirements are that a percentage of
25 the new jobs that are created go to NYCHA

1
2 residents. And obviously in any construction
3 contract, you know, we have to negotiate very hard
4 with contractors around the mobilization of their
5 existing workforce versus new jobs that are going
6 to be created. And so, we've worked very hard to
7 come up with the formula that basically says that
8 at least 15% of the labor cost must go directly to
9 NYCHA residents. And then you have to calculate
10 what types of jobs or what average wage you
11 believe those jobs will be at, and therefore we
12 derive a certain targeted number of actual hires.

13 Based upon this, the \$118,000 that
14 would have been the 15% of the labor costs, we
15 targeted ten jobs. Depending on other sites, you
16 may have a different set of jobs. There may only
17 be five jobs depending on the average wage of the
18 job. And on this job we achieved seven workers
19 out of the targeted ten. And as I said, because
20 two out of the eight contractors actually did not
21 meet their goals, five met it, one exceeded it.
22 And, you know, we can come back to you on
23 specifics about any of those contractors, but
24 that's where we are on the 14 stimulus contracts
25 that are 90% or greater completion.

1
2 CHAIRPERSON MENDEZ: Mr. Chairman,
3 if you can tell me what happens when a contractor
4 does not meet their goals on Section 3?

5 MICHELLE PINNOCK: We have a few
6 different options, that the Section 3 requirement
7 and rep are conditions of the contract. And so
8 there's a few different things that we're able to
9 do. So it includes finding individuals in breach
10 of contract--in essence could stop the work. It
11 can result in withholding payment, and it also can
12 result in not awarding future work. And so, what
13 we will need to do at this time is to go back,
14 look at those particular contractors that did not
15 meet their goal, and provide the Board with some
16 options that meet our various priorities. So,
17 resident hiring, but also making sure that we're
18 getting our capital work done. Because in most
19 cases these are very critical jobs that impact
20 people's lives and their homes.

21 JOHN B. RHEA: This is an important
22 point. Obviously the first one, which is, you
23 know not proceeding and, quote unquote, you know,
24 slowing down jobs, is very problematic for the
25 Authority. We have to get these jobs completed,

1
2 any job, any capital project job needs to be
3 completed on a pretty aggressive timeline. But
4 also, but particularly stimulus jobs would have to
5 be completed by a certain time or you lose the
6 money. It makes it very difficult for us to have
7 the hammer and slowing down the work at a
8 worksite.

9 We've been tracking these projects
10 real time so that we understand which contractors
11 are or are not meeting their goals, and RES is
12 working very closely with their labor and their
13 Human Resources department at these contractors,
14 at these large contractors or with the contractor
15 himself or herself if they're smaller contractors,
16 to ensure that they meet their objectives--and
17 then course correct during the term as opposed to
18 waiting until the end and measuring whether or not
19 they met the goals or not.

20 CHAIRPERSON MENDEZ: There's a
21 whole bunch of questions I laid out. There were
22 parts of it. I'm just going to ask this and then
23 I'm going to turn it over to my colleagues so they
24 can ask questions, and then I'll come back at the
25 end.

1
2 Of the \$23 million that's been
3 obligated under stimulus funding, since it's all
4 been obligated, how much of that is labor costs?
5 Or how much of that 15% will lead to jobs, and
6 what do you anticipate that number to be?

7 JOHN B. RHEA: Okay. We anticipate
8 that of the--again, of the \$423 million--let me
9 back up. Only \$343 million of it is actually in
10 the form of direct construction work at NYCHA
11 developments. There's money being spent on
12 various other aspects to support that construction
13 work, whether it be administrative work, whether
14 it be other capital projects, capital items that
15 are non-construction related. So for example, we
16 could have--NYCHA could be investing in computer
17 systems that are capital eligible, as an example.
18 So of the \$423, \$343 million of it is construction
19 related projects. Okay? And of the \$343 million
20 we projected 407 Section 3 jobs will be created.

21 CHAIRPERSON MENDEZ: Let me just
22 clarify. \$343 you said is construction related.
23 Does that mean it's labor and the other \$100 or
24 less that \$100 something million is bricks and
25 mortars and equipment or whatever?

1
2 JOHN B. RHEA: No. The \$343 is the
3 total amount of it. So if we're putting a new
4 roof on a building and it costs \$5 million, you
5 know, imagine these are all roofs. There's \$343
6 million of roof work--

7 CHAIRPERSON MENDEZ: [Interposing]
8 How much of that is labor?

9 JOHN B. RHEA: And of that, of that
10 less than 40% would be labor.

11 MICHELLE PINNOCK: [Off Mic] I'm
12 sorry, I turned it off by mistake. \$116.4 million
13 would be labor, and then 15% of that should be
14 \$17.8 million for resident hires.

15 CHAIRPERSON MENDEZ: 15% of that
16 would be?

17 JOHN B. RHEA: \$17.8 million.

18 MICHELLE PINNOCK: \$17.8 million.

19 CHAIRPERSON MENDEZ: \$17.8 million.
20 And then you expect that to lead to how many jobs?

21 MICHELLE PINNOCK: About 407.

22 CHAIRPERSON MENDEZ: And those are
23 full-time jobs.

24 MICHELLE PINNOCK: Really depending
25 on the needs of the contractor, the phase, the

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type of work. It really varies.

JOHN B. RHEA: Yeah, again, full-time job is a misnomer. It's a job that is, you know, going to pay X amount in actual wages over some period of time. Most contracting jobs are not full-time jobs by definition; they are jobs that you're hired to complete the contract. Our hope would be, obviously, that in performing that function and doing it well that residents are building up not only a work history and a résumé but also building up a track record with a particular contractor--

CHAIRPERSON MENDEZ: [Interposing]

But...

JOHN B. RHEA: --who will mobilize them on other jobs.

CHAIRPERSON MENDEZ: But whether they're temp jobs, as most construction jobs are temp until the project is completed, it's usually full-time jobs unless you're doing some part-time work.

JOHN B. RHEA: Oh, if you mean full-time described as kind of, you know, 35, 40 hours a week, the answer is yes.

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2 CHAIRPERSON MENDEZ: They're all
3 full time jobs.

4 JOHN B. RHEA: Yes.

5 CHAIRPERSON MENDEZ: Thank you very
6 much. Council Member Arroyo.

7 COUNCIL MEMBER ARROYO: Thank you,
8 Madam Chair. I just want to follow up on that
9 line of questioning. Are these permanent jobs?

10 JOHN B. RHEA: I'm not sure what
11 you mean by permanent jobs.

12 COUNCIL MEMBER ARROYO: They will
13 work from now until they retire.

14 JOHN B. RHEA: No.

15 COUNCIL MEMBER ARROYO: So what is
16 the term of the employment of the residents?

17 JOHN B. RHEA: The term of the
18 contract.

19 COUNCIL MEMBER ARROYO: And that
20 could be what?

21 JOHN B. RHEA: I mean, I guess it
22 could go as short as a day and as long as the full
23 term of the stimulus funding.

24 MICHELLE PINNOCK: It also depends
25 on--

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2

COUNCIL MEMBER ARROYO:

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[Interposing] Speak into the mic otherwise Nick is going to yell at us.

4

5

CHAIRPERSON MENDEZ: Just pull it up closer. Yes.

6

7

MICHELLE PINNOCK: It really

8

depends on the type of work, the length of

9

contract and also the phase. Different jobs have

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different phases. For example, putting up the

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scaffolding, doing the asbestos abatement,

12

etcetera. So really, it depends on that and

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really, some of the things that we're doing is

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monitoring that and actually asking contractors

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for some of that more detailed information on how

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long do they anticipate hiring a laborer for this

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phase, so then this way we can--also one of our

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goals and one of the things we're focusing more on

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now is the opportunity for career advancement and

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longer term opportunities. So then this way if we

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know that a phase is phasing out or a job is about

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to end, to try connect individuals and residents

23

to other opportunities.

24

COUNCIL MEMBER ARROYO: Do you have

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any examples of individuals whose employment was

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2 completed because a contract was fulfilled and
3 then were connected to other opportunities? Does
4 this office that was created upon the Chairman's
5 appointment, or shortly thereafter, track the
6 experience that residents are having when you
7 connect them to a job? It's a short term job--two
8 three weeks, whatever the case may be--but then
9 they get connected to something else and etcetera,
10 etcetera?

11 MICHELLE PINNOCK: That's--it's a
12 mixed answer. So, yes, because we have some
13 examples also of contractors that have actually
14 taken residents with them to future works and not
15 just NYCHA work. But, the only reason why I say
16 it's a mixed answer, because it's something that
17 we are looking to enhance in our current operation
18 so that we can do it really standardized across
19 the board and to improve our efforts by which
20 we're matching people to future opportunities
21 where a contractor may not have brought something
22 along. And so we're just putting in place, so
23 it's really uniformed and part of our overall
24 practice.

25 JOHN B. RHEA: So, I mean, to

1
2 answer your question direction, it is one of the
3 things that we have incorporated into the new
4 office, which is to actually track the outcomes of
5 residents who get jobs. We had not been tracking
6 outcomes. It had not been something that was, you
7 know, part of the measurement systems within
8 NYCHA.

9 And again, as I said in my
10 testimony, this whole Resident Employment
11 Services, REP as well as Section 3 has been
12 evolving at NYCHA. There was no requirement to
13 track it. That's not something that's within
14 Section 3's mandate that housing authorities must
15 track the actual outcomes of residents that
16 achieve employment and to decide whether or not
17 it's a successful program, what worked, what
18 didn't work, how do you maintain active dialogue
19 with residents beyond the initial procurement of
20 the job, how do we interact with SBS, Small
21 Business Services to understand what NYCHA
22 residents achieve employment through SBS and
23 achieve, you know other skills that we can take
24 and use and implement then into our Section 3
25 program. So we've had to--this has all been a

1
2 real massive effort to not only put what are the
3 measurements that we want to put in place and
4 track, but then how are we going to set outcomes
5 based upon those metrics. So it's an evolving
6 piece of what we do at the Housing Authority. And
7 as I said in my testimony, it's a piece that we
8 are partnering with others who do this for a
9 living. We are not an employment agency. At the
10 end of the day, as much as this is critically
11 important to us--and we're investing huge
12 resources in terms of hiring people with actual
13 expertise and skill in having done it outside of
14 NYCHA and finding new partners--it's critical that
15 we recognize that at the end of the day, you know,
16 NYCHA did not build up employment training,
17 placement and measurement of outcomes as part of
18 its core competencies as a housing authority. And
19 that's something that we have to develop.

20 COUNCIL MEMBER ARROYO: Well, I
21 commend you for at least getting it started. How
22 do residents learn of the opportunities that may
23 available? Because the folks that live in the
24 developments in my district don't know about
25 these. This is news to me. I mean, I'm happy to

1
2 hear it, but then the question is how can we be
3 helpful in getting the word out and making sure
4 that we can provide residents with the information
5 so that they can connect to the program and be put
6 on a list for consideration or whatever the
7 process is so that we can educate as many of the
8 residents as possible?

9 JOHN B. RHEA: Right. So this is
10 an area where we're stepping up our activities.
11 And part of it is what we do directly, and then
12 part of it, again, is what we do through our
13 partners. And our partners are both, you know,
14 clearly other government agencies like SBS and
15 like CEO, who we have recent expanded partnerships
16 with; and it's also with the not-for-profit world
17 and community-based organizations who do this work
18 and have real legitimacy in the community.

19 But one of the things NYCHA does
20 directly, you know, just to highlight some, and I
21 would ask Michelle and Debra-Ellen to comment more
22 specifically on how they manifest themselves; we
23 send notices to our management offices and to our
24 tenant association presidents about job
25 opportunities with specific contracts that are

1
2 either NYCHA contracts--through our Section 3
3 effort--or that are significant private sector job
4 opportunities in which we've established a
5 relationship either through SBS, as an example, or
6 directly with a private employer to NYCHA. And we
7 provide the information directly to the management
8 offices, which residents can go into and request
9 information on, and we provide it to the TA
10 presidents who do outreach with their residents
11 around the type of jobs that NYCHA has access to.

12 We post this on NYCHA's website.
13 All this is posted on our website. If you go to
14 our website and you go under our residential
15 employment program and our office of Residential
16 Economic Empowerment and Sustainability, you can
17 find access to these opportunities. We post
18 fliers in the developments. Particularly around
19 the stimulus work we're doing and others, we post
20 the fliers about jobs.

21 We do presentations at the TA, with
22 TA presidents, at TA meetings. Debra-Ellen,
23 Michelle, Q. Spence [phonetic] and others who have
24 community operations responsibilities, work with
25 both, you now, the TA leaders as well as with

1
2 other duly elected organizations within public
3 housing. And then we do general outreach through
4 our resident newsletters. We send out--the NYCHA
5 newsletter goes out. There's a section in there
6 that talks about jobs and job opportunities in the
7 NYCHA newsletter. And we've done targeted things
8 like when we opened the Ingersoll Whitman Center.
9 The first thing we did in downtown Brooklyn was a
10 job fair in which we had over 100--no, I'm sorry.
11 How many employers?

12 MICHELLE PINNOCK: We had about 50.

13 JOHN B. RHEA: About 50 employers
14 and over--a couple hundred people attended, NYCHA
15 residents, to connect them with both our
16 contractors as well as with private employers in
17 the downtown and greater Brooklyn area. So it's a
18 number of things. Do you guys want to comment?

19 MICHELLE PINNOCK: And also--

20 COUNCIL MEMBER ARROYO:

21 [Interposing] I don't want to take too much time
22 with it. But, I'll reach out to the office and
23 see if we can do some targeted presentations in
24 the community that I represent.

25 JOHN B. RHEA: We would--

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COUNCIL MEMBER ARROYO:

[Interposing] Some of us have more housing developments than other types of housing in the community. And I think it would be worthwhile for us to focus some energy on certain developments.

Are we concerned that as we go through this training and making the connections with residents and jobs that they may no longer be eligible for housing because they're making too much money?

JOHN B. RHEA: Well, no. We don't have--

COUNCIL MEMBER ARROYO:

[Interposing] I mean, you reported \$40.14 an hour as an average rate for one of the programs and \$30.31--

JOHN B. RHEA: [Interposing] Yeah. That was 2007 or 08 I think it was \$40, and then '09 it came down to \$30. But obviously we had 650% increase in the numbers of placements. If you look at the \$17.8 million that Michelle referenced as the labor component for Section 3, that equates, of the 407 jobs, that equates to \$22 an hour.

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COUNCIL MEMBER ARROYO: Okay.

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JOHN B. RHEA: So that gives you a

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sense of the range of jobs and the economic

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impact. And the short answer to your question is

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no. NYCHA does not have a policy that once your

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income reaches a certain level you have to leave

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public housing, it's just on entering public

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housing that the income test is an important

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factor. We would love to see all of our residents

11

achieve real economic growth.

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COUNCIL MEMBER ARROYO: Okay.

13

Thank you.

14

CHAIRPERSON MENDEZ: Before I turn

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it over to Council Member Chin, I just want to

16

follow up with Council Member Arroyo's question,

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because Section 3 also applies to any federal

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subsidies, federally assisted. So has this been a

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problem for Section 8 tenants who've then had an

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income problem?

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JOHN B. RHEA: So one of the things

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that we have not even scratched the surface on is

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what we're calling and what HUD refers to as

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economic self-sufficiency for Section 8 residents.

25

It's one of my pet peeves and I've been pushing

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2 the organization--that we are now approaching, you
3 know, a housing authority that has over 100,000
4 Section 8 resident--households, sorry--and over
5 250,000 plus residents in 101,000 households. So
6 pretty quickly with the growth of Section 8, you
7 know, NYCHA will be as large or larger providing
8 housing, subsidized and low income housing, to
9 Section 8 residents as it is to public housing
10 residents directly. Yet Section 3 as we've
11 implemented it at NYCHA has only historically
12 applied to public housing residents. And clearly
13 the Section 13 mandates say that all low income
14 communities and those who are receiving housing
15 assistance have the same kind of rights under
16 Section 3, with some nuances in terms of, you
17 know, you start with the development where the
18 work takes place first, then in the surrounding
19 community, and then the borough and then citywide.

20 But the bottom line is as we grow
21 our importance, or the percentage of the
22 population that we serve in non-direct housing
23 through Section 8, we have to implement these same
24 kind of programs for that population as well.

25 Short answer, Council Member Mendez, is we have

1
2 not implemented any of these programs directly to
3 assist and enhance the lives of Section 8
4 residents.

5 CHAIRPERSON MENDEZ: Thank you.
6 Council Member Chin?

7 COUNCIL MEMBER CHIN: Thank you,
8 Madam Chair. Yes, I wanted to follow up on the
9 same line of questioning in terms of outreach.
10 For the residents, especially new immigrants or
11 limited proficiency English-speakers, so how do
12 you--do you have programs targeting them or
13 partners that you work with that also create
14 opportunities for some of the NYCHA residents who
15 don't speak English very well?

16 MICHELLE PINNOCK: That's an area
17 where we will need to make additional
18 enhancements. We do tap into Language Line when
19 individuals call for more information. We try
20 when we're partnering with different community-
21 based organizations to also diversify the type of
22 organizations that we work with. But in terms of,
23 again, ensuring that we're getting information out
24 in connection to the jobs with our contractors,
25 that is something that we need to explore further,

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and how we implement that.

COUNCIL MEMBER CHIN: Does NYCHA have a budget where you do your own, like ESL programs, educational programs, literacy program?

MICHELLE PINNOCK: The Chairman actually just said that. I mean we do partner with other agencies as well as community-based organizations to try to gain access to ESL classes, also literacy, adult literacy classes, education--so things that try to remove barriers across the boards to gaining employment.

JOHN B. RHEA: It's an area where, to answer your other part of your question, no, we don't have any separate funding that we receive to provide those types of programs. NYCHA does have a substantial amount that we invest though in Language Line and Access. We obviously have a federal mandate that we have to make sure that the programs that we offer are made--that residents are made aware of them. And obviously if English is an impediment that we actually provide them with the translation services that are required in order for them to access those programs. So we spend a lot of time and energy and money on

1
2 providing not only the written translation, but
3 having a language hotline that's available, and
4 doing outreach in our developments around, you
5 know, particularly Spanish, but obviously in a
6 number of other languages as well--as the
7 diversity of public housing languages has
8 continued to increase.

9 But this is an area where we don't
10 receive any particular funding for, and so we are
11 working with other not-for-profits and other
12 organizations that do have access to English as a
13 Second Language to try and bring that in to what
14 we're doing here. But we could do a much better
15 job of that.

16 COUNCIL MEMBER CHIN: So part of
17 like, you do refer students--

18 JOHN B. RHEA: [Interposing] Yes.

19 COUNCIL MEMBER CHIN: If they want
20 to take advantage of those opportunities they
21 have--I guess, what is the requirement for a NYCHA
22 resident to be able to access those jobs? I mean,
23 skill levels or just whatever jobs that are
24 available they have?

25 JOHN B. RHEA: Well, go ahead.

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2 MICHELLE PINNOCK: So there isn't--
3 I mean there are basic requirements. Well, no,
4 there isn't really, because the jobs vary. And so
5 Section 3 we see oftentimes the opportunity to get
6 that first experience, to build experience, to be
7 able to position you for higher wage or more
8 advanced positions. So it really varies. But
9 what we do do, when someone expresses interest, we
10 invite them in to our resident employment services
11 office. They hear about all the opportunities
12 available through NYCHA. So whether it's with our
13 contractors or--because we actually are more
14 successful in placing or having greater placements
15 even outside of our contractors. So we really do
16 both. In looking to expand economic opportunities
17 we don't only rely on jobs with our contractors.

18 JOHN B. RHEA: So we work directly
19 with the employer. So whether it's a NYCHA
20 contractor or whether it's a private sector
21 employer, to understand what job are they trying
22 to fill, okay, and what is the skill requirement
23 for that job. And then obviously on the other
24 end, we're working with our residents in our
25 residential employment offices. You know,

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2 obviously we just opened a new one on Atlantic
3 Avenue. And residents come in, they do diagnostic
4 work around what their skills are, what their work
5 history is, and through that there's a matching
6 process. We also offer programs to help residents
7 enhance their skills. And I mentioned the job
8 training program that we're launching today, that
9 we're going to go public with that we're launching
10 with Robin Hood. And that is all about taking
11 residents and investing millions of dollars
12 against enhancing their skills, so that they will
13 be more attractive to construction employers as
14 well as in the areas of extermination and some
15 other jobs that we know will be prevalent at NYCHA
16 as well as our contractors and in the private
17 sector. And we're going to invest substantially
18 in our residents to give them those enhanced
19 skills.

20 So we do both. We understand the
21 specifics of the job. We understand the skills
22 that residents currently have and we try to make
23 matches where there is a match, and we try to
24 enhance NYCHA residents' skills in order to ensure
25 that they have access to at least an entry-level

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2 job and hopefully over time to higher paying jobs.

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4 COUNCIL MEMBER CHIN: Okay. One
5 last question is, do you track residents that's
6 gotten jobs by developments?

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7 MICHELLE PINNOCK: Yes.

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9 COUNCIL MEMBER CHIN: Can you share
10 that information with us? I would love to find
11 out how the residents in my district are doing,
12 whether they're actively participating or not.

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12 MICHELLE PINNOCK: Yes, we could
13 provide that.

12

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14 COUNCIL MEMBER CHIN: Thank you.

14

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16 CHAIRPERSON MENDEZ: Yeah, if you
17 could provide us a by development breakdown and I
18 can get it to all the Council Members. I'm sure
19 they would all like to see those numbers. Council
20 Member Halloran followed by Council Member Melissa
21 Mark-Viverito.

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21 COUNCIL MEMBER HALLORAN: Good
22 morning, Mr. Chairman.

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23 JOHN B. RHEA: Good morning.

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25 COUNCIL MEMBER HALLORAN: I'd like
26 to ask you a couple of questions. The first
27 relates to the stimulus money and its application

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in the program you were just describing. Had there not been stimulus money, the unfunded mandates would have cost the City several million dollars. Would that be accurate to say, in terms of the construction projects and the work projects that NYCHA does need to get done? And but for the stimulus money, you would have still had the Section 3 requirements and you would not have had funds to produce those works. Is that accurate?

JOHN B. RHEA: So I think the accurate way to look at it is that the entire Section 3 program is an unfunded mandate. We don't receive any money to administer Section 3. So all the work that these women do and all of the people who are in either REP or Residential Economic Empowerment and Sustainability do, the stuff I just described in terms of the metrics we want to put in place to track the impact, to place people, to actually train and provide job training and workforce development--we receive zero dollars and zero cents to do that work.

So the entire program, even at its most basic level, to just try and ensure that NYCHA residents have access to jobs and to track

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2 whether or not they did or didn't get it, even if
3 we didn't do zero outreach, that piece isn't
4 funded. And we're trying to expand the work that
5 we're doing. And so part of what we're trying to
6 do is expand that smartly; that's why I talked
7 about the partnerships with not-for-profits and
8 the private sector, and their funding the
9 programs. NYCHA's working with them jointly to
10 develop the programs and to apply them
11 specifically to public housing residents, but
12 NYCHA doesn't have the millions of dollars that it
13 needs to be invested in that programmatic work.
14 So we're working with others who believe workforce
15 development job training and eradicating poverty
16 is their job, and they're using their funds to do
17 it.

18 So, whether it's our normal capital
19 program or the stimulus funded capital programs,
20 we didn't receive any money to do that work.
21 There are more jobs to be had because of the
22 stimulus projects; but it just means now we have
23 to do even more matching and more training and
24 more outreach to try and ensure that because of
25 these additional projects and additional capital

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2 that's being spent, NYCHA residents have
3 opportunity to do that. So the whole program is
4 an unfunded mandate, and more capital work is a
5 great thing for NYCHA, because we need to do these
6 projects in our developments to maintain them and
7 to enhance the buildings themselves. But as that
8 grows, our ability to keep up with that without
9 any funding just actually makes it even more
10 difficult for us to actually finance our
11 residential economic empowerment and
12 sustainability initiatives.

13 COUNCIL MEMBER HALLORAN: Okay. I
14 think you went a long road to not answer a very
15 simple question, and I say that with all due
16 respect to you, sir. My question was very simply,
17 you're engaging in \$400 plus million worth of
18 work.

19 JOHN B. RHEA: Right.

20 COUNCIL MEMBER HALLORAN: Okay.
21 Which is coming solely through federal stimulus
22 money. Correct?

23 JOHN B. RHEA: Correct.

24 COUNCIL MEMBER HALLORAN: Okay.
25 And you're going to be able to put X number of

1
2 people to work, some percentage of which will be
3 NYCHA residents.

4 JOHN B. RHEA: Correct.

5 COUNCIL MEMBER HALLORAN: And those
6 projects that are funded will be NYCHA projects.
7 Meaning, they will be capital improvements made to
8 NYCHA housing facilities.

9 JOHN B. RHEA: True. Correct.

10 COUNCIL MEMBER HALLORAN: Okay.
11 So, if we did not have this stimulus money, those
12 projects would not be funded.

13 JOHN B. RHEA: Correct.

14 COUNCIL MEMBER HALLORAN: Okay.
15 And--

16 JOHN B. RHEA: [Interposing] Some
17 of them wouldn't be.

18 COUNCIL MEMBER HALLORAN: Some of
19 them wouldn't be. And \$400 million is a very
20 large amount of money.

21 JOHN B. RHEA: Correct.

22 COUNCIL MEMBER HALLORAN: You'd
23 agree with me, that even in these tough economic
24 times half a billion dollars is a lot of money?

25 JOHN B. RHEA: Yeah, correct.

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COUNCIL MEMBER HALLORAN: Okay.

So, my question to you, back then, was simply you have a lot of capital projects which obviously need to be done. You're doing some of them thankfully because we've got this stimulus money. We would not be able to engage in these necessary projects, nor put these people to work, but for the stimulus money. Would that be a fair statement?

JOHN B. RHEA: That's a fair statement. That's not what you asked me. You asked me about was it an unfunded mandated.

COUNCIL MEMBER HALLORAN: Well, that's the next part.

JOHN B. RHEA: So those are two different questions.

COUNCIL MEMBER HALLORAN: And we have an unfunded mandate to administer a program to put people to work within the NYCHA system. Is that correct?

JOHN B. RHEA: That's correct, and that's what I answered.

COUNCIL MEMBER HALLORAN: And with regards to that unfunded mandate the component of

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that will shrink or increase based on how much capital projects you're working on. Would that be fair to say?

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JOHN B. RHEA: That's fair to say.

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COUNCIL MEMBER HALLORAN: Okay.

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JOHN B. RHEA: Which is why I said, it grew. You characterized the question that by receiving these stimulus monies did I actually now have some funding on an unfunded mandate. And I'm telling you just the opposite. I'm telling you, as we get more capital projects, to administer a program to put more people to work in those projects is actually more onerous on NYCHA, not less. So I was very clear in my statement. If you didn't understand it, I apologize.

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COUNCIL MEMBER HALLORAN: Okay.

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JOHN B. RHEA: But that's what I answered.

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COUNCIL MEMBER HALLORAN: All right. With regards to the stimulus money, when did we become aware that we would actually receive that funding?

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JOHN B. RHEA: All housing

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authorizes were made aware that the stimulus

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2 program would apply to public housing in February
3 of 2008--sorry, 2009.

4 COUNCIL MEMBER HALLORAN: And when
5 did we become aware of how much money we would
6 actually receive from that stimulus package?

7 JOHN B. RHEA: Same time, same
8 time.

9 COUNCIL MEMBER HALLORAN: Okay.
10 And in your testimony, page 15, you indicate in
11 2009 NYCHA hired 1,398 full and part-time staff
12 including 738, 53%, Section 3 NYCHA residents. Do
13 you mean to say there that you hired an additional
14 1,398? Because on the next page you go on to say
15 that the workforce of the Authority employs 3,000
16 residents, which represents roughly 25% of the
17 workforce.

18 JOHN B. RHEA: Yeah. So what it
19 was saying is that we count within our overall
20 Section 3 envelope residents that we hire directly
21 at the Authority. And so, I gave you the numbers
22 that we hired in 2009, that I quoted, which is
23 part of the overall almost 3,000. Remember, some
24 of those residents that I quoted of the 1,300,
25 some are part-time, some are full-time. Right?

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2 The 3,000 that I quote is actually full-time NYCHA
3 employees. So a significant number of that 1,300
4 that we hired last year would have been seasonal
5 part-time that, you know, are no longer still
6 employed with the Authority.

7 COUNCIL MEMBER HALLORAN: Okay.

8 And do those numbers include or account for the
9 construction jobs generated in the course of
10 applying the stimulus money vis-à-vis the Section
11 3 program?

12 JOHN B. RHEA: No, those were the
13 separate numbers that I gave you.

14 COUNCIL MEMBER HALLORAN: Okay.

15 All right. So in that, is there a particular
16 reason for a 1,300 person increase in personnel in
17 NYCHA last year?

18 JOHN B. RHEA: It's not a 1,300
19 person increase in personnel. Remember we have
20 attrition at NYCHA, so--

21 COUNCIL MEMBER HALLORAN:

22 [Interposing] What's the attrition rate?

23 JOHN B. RHEA: I'd have to get back
24 to you with that.

25 COUNCIL MEMBER HALLORAN: Okay.

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2 JOHN B. RHEA: But there's
3 attrition at NYCHA. And, as I said, some of those
4 jobs are full-time and some of those jobs are
5 part-time, meaning part-time i.e. seasonal. NYCHA
6 always has a seasonal program, and so many of
7 those jobs reflect that, so they're not permanent.

8 COUNCIL MEMBER HALLORAN: Okay.
9 I'd just ask that you get back to me with just the
10 data on your attrition rates in response to my
11 question of how much are actually new creations
12 versus--well, let me ask it another way.

13 CHAIRPERSON MENDEZ: Mr. Chairman,
14 that will be part of the executive budget hearings
15 next months, so you can provide that information
16 at the next hearing about attrition, reduction in
17 headcounts, as you do at every executive and
18 preliminary budget. Okay?

19 JOHN B. RHEA: Okay. Sounds good.

20 CHAIRPERSON MENDEZ: Thank you.

21 COUNCIL MEMBER HALLORAN: And
22 finally, Mr. Chairman, just with regards to the
23 costs for the unfunded mandate, assuming we hadn't
24 received the stimulus, can you estimate what that
25 office that was created costs you administratively

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on average?

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JOHN B. RHEA: So the total Section 3 works costs NYCHA about \$5 million a year.

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COUNCIL MEMBER HALLORAN: Okay.

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Thank you very much, Mr. Chairman.

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CHAIRPERSON MENDEZ: Thank you,

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Council Member Halloran. Council Member Melissa

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Mark-Viverito will defer to Council Member Reyna

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who was next but stepped out of the room. So if

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you're ready, Council Member Reyna?

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COUNCIL MEMBER REYNA: Thank you so

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much, Madam Chair and thank you, Council Member

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Mark-Viverito. I just wanted to take a moment to

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say how we're making progress, Mr. Chair, on the

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resident employment. I believe in the month of

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the preliminary budget season you had mentioned

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very shyly that you were not happy with the

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numbers from previous years and that you're making

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sure that the Section 3 program is going to be

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better than ever, successful in execution. And

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so, for the first quarter to know that you're

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already hitting a target that is a third of what

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you were able to accomplish in two years, in one

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quarter. Do you--what is the projected number for

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2 the full year, calendar year?

3 JOHN B. RHEA: That's a good
4 question.

5 [Pause]

6 JOHN B. RHEA: And the reason why
7 I'm saying that's a good question--for example,
8 the 407 jobs that we will create through the
9 stimulus work, right, they come online at
10 different times. And so when you say for the full
11 year, you have some jobs that will come on in
12 2010, some in '11, some that will expire before
13 the year is out. So that's why it's not the
14 easiest way to answer the question.

15 [Pause]

16 MICHELLE PINNOCK: Yes, we'll get
17 back to you in terms of the full annual
18 projection. Because what we would want to do is
19 to take some of those things into consideration
20 that the Chairman mentioned, to see how many more
21 we'll start hiring the rest of this year. Because
22 you've got to remember, related to stimulus they
23 have until 2012 for all the funds to be expended.
24 So some jobs are coming online, some are going
25 off, federalization is going to kick in, and then

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2 that doesn't include our other capital jobs as
3 well. So we would want to be able to provide you
4 with a more accurate number specific to 2010.

5 COUNCIL MEMBER REYNA: I can
6 appreciate that. I just, you know, I'm trying to
7 have a positive outlook here as far as the 2010
8 for NYCHA is concerned regarding Section 3. And
9 so there must have been a plan of action where a
10 projected number was expected in order to achieve
11 certain goals. And so, if you're telling me that
12 you were going to achieve for the first quarter in
13 2010 150, and now you're far exceeding that goal;
14 we're on target, right? And so what was the
15 projected annual.

16 JOHN B. RHEA: I'm being very
17 direct; it was not calculated that way. It's not
18 calculated as an, you know, an annual goal. It's
19 calculated as how much construction work will we
20 be administering in a period of time. What kind
21 of dollars does that equate to in terms of wages
22 that will be derived from those projects? And
23 therefore, how do we ensure that NYCHA residents
24 receive, quote unquote, their fare share, X
25 percent, 15% of those wages, over that prescribed

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2 period of time. Right? Some contracts, again,
3 they're not annualized. A contract could start in
4 November of 2009 and go through, you know December
5 of 2011.

6 COUNCIL MEMBER REYNA: Correct.

7 JOHN B. RHEA: And some jobs come
8 on and some jobs go off. So we really don't look
9 at it as--it's not an annualized number. And to
10 be honest with you, that number will bounce around
11 too, because, you know, we're going to have a lot--
12 -we have a \$2.5 billion dollar capital program now
13 that's being driven, you know, largely by both the
14 stimulus and the federalization that will
15 disappear in a couple of years. Right? And so if
16 you were to just compare it as the annual goal
17 you'd say, well, NYCHA achieved these numbers in
18 2011, 2010, 2011. These numbers are less in 2012
19 and '12. What happened?

20 COUNCIL MEMBER REYNA: Right.

21 JOHN B. RHEA: Well, we'd have a
22 lot less construction work. So.

23 COUNCIL MEMBER REYNA: I
24 understand. It's just as far as equating for the
25 sake of oversight, what are the--I won't use the

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projected number, but the equation of the number of contracts, you know, for the second quarter?

MICHELLE PINNOCK: Councilwoman, we would need to come back to you with that information.

JOHN B. RHEA: Yeah. If you want us to calendarize when construction--which was similar to the question that Council Member Mendez asked, you know, kind of what level of completion is each contract--I mean that's literally what we'd have to do. We'd have to go contract by contract, when did it start, what months does it fall into, when do we believe 10%, 50%, 75%, 90% completion will take place. And we'd have to calendar it--put that in months, put that in quarters and then talk to you about it like that. I'm not really sure that that tells you a whole lot. It's a lot of work to kind of convert that to, you know, a calendar. But I'm not sure what you can really derive from that in terms of benchmarks, metrics or--I'm not managing the business that way. I'm not focused on what do we do this quarter versus last quarters. I'm focused on what are we achieving versus the actual money

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and economic activity that's taking place.

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CHAIRPERSON MENDEZ: But Mr.

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Chairman, in regards to stimulus funding, that's a

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very specific time clock and you have these

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contractors, and they have to do the work by a

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certain time, otherwise even if the money has been

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obligated, you're not going to get it. So I'm

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assuming at least for the stimulus funding, you

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have that, you know, you would have that for at

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least several quarters. You know, you may not

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have it for your regular capital funding because

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you'll have more time to obligate and spend that

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money. Am I...?

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JOHN B. RHEA: No. If you're

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asking can I go to Capital Projects and have them

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take each one of our capital projects, right, and

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lay out for us the construction schedule, right,

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and then convert the construction schedule into

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what is the labor component of that and when does

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it come online, and then how will NYCHA's resident

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employment piece of that come online--that can be

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done. It's not a question of whether we can do

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it. We can go back and do the work. It's not

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something that I measure and track that way.

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Right?

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What I'm focused on is if we say ten jobs for \$118,000 are going to be created on these 14 projects over this period of time, where are we, you know, month-by-month, quarter-by-quarter against those 14 projects and that \$118,000 dollars and those ten jobs. That's what I'm focused on, not, you know, how does that calendarize into first quarter, second quarter, third quarter, fourth quarter of 2010; and how does that compare to first quarter, second quarter, third quarter, fourth quarter of 2009. It's just not a way that we measure it. And I'm not saying we can't give you a number, I'm just not really sure what it tells you.

COUNCIL MEMBER REYNA: Madam Chair, if I may? Chairman, I'm not looking for a calendar comparison, but what I am looking for is what you just mentioned as far as metrics concerning how many jobs per month.

CHAIRPERSON MENDEZ: If I may--

JOHN B. RHEA: [Interposing] But again I'm not sure what per month--you keep converting it into--you're converting, you're

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2 using a monthly denominator. I don't understand
3 what that means.

4 CHAIRPERSON MENDEZ: Can I
5 interrupt for a second? Just for me, if you think
6 at the end of the day the \$423 million stimulus
7 funding is going to get us 407 jobs, and if we
8 have used up half of that stimulus funding and
9 we're not near the 200 jobs, which would be the
10 halfway mark, that would tell me that something's
11 going wrong with your contractors and--

12 JOHN B. RHEA: [Interposing]
13 Couldn't agree with you more, and that's what we
14 measure. That's not a quarterly or a monthly or
15 an annual calendarization. That's looking at when
16 the jobs are deploying, when the money is being
17 let to the contractor for substantial completion,
18 and whether or not work is actually going to our
19 residents as part of that process. And so like I
20 said, I couldn't agree--that's how we look at it.
21 What you just said, Council Member Mendez, is
22 exactly how we look at it.

23 CHAIRPERSON MENDEZ: Yes, but I
24 don't see--if you only have two years to use this
25 money, I don't see why you're not looking at it--

JOHN B. RHEA: [Interposing]

Because it doesn't happen--you're describing it as a linear function; it's not a linear function, meaning it's a chunky function. For example, you know, on the first half of a job, let's say a job lasts two years an elevator job. The first 12 months of the job may have nobody, almost, going to a construction site that would be a Section 3 eligible type of a job. Right? It could be highly technical people going to that job performing a set of functions, while you're ordering the elevator cabs and waiting for the construction and manufacturing of the cab to be completed for that cab to then be delivered to the construction site, and then for the elevator to be installed, which you then would need, you know, security guards on the site. You would need a laborer; you would need someone in an administrative office.

So the job might actually only happen for NYCHA employees on the back half of that project. Measuring it for the first 12 months might not tell you anything. So I don't understand with where you guys are going with the

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2 kind of calendar piece of it. I understand where
3 you're going with the expenditures and analyzing
4 whether or not you believe based upon the jobs
5 that you're creating, those 10 jobs on those 14
6 projects, when you believe they're supposed to
7 mobilize, is the contractor achieving the outcomes
8 and what is NYCHA doing to measure that and try to
9 course correct when they're not achieving it.

10 But I am being very upfront,
11 because I'm not going to tell you we're going to
12 bring you something that is going to give you data
13 to help you, you know, measure what we're doing if
14 it's not how we manage and measure our own
15 program.

16 CHAIRPERSON MENDEZ: Well, you've
17 certainly explained it. If Diana still wants the
18 information, I would ask you to provide it to the
19 Committee.

20 COUNCIL MEMBER REYNA: And Mr.
21 Chair, just for clarification, you mentioned
22 quarter in your report, that's why I mentioned
23 quarter. Correct me if I'm wrong?

24 [Pause]

25 JOHN B. RHEA: I'm sorry, in one of

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my answers or in my testimony?

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COUNCIL MEMBER REYNA: Your

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testimony.

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JOHN B. RHEA: Could you point me

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to it?

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COUNCIL MEMBER REYNA: I'm trying

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to look for that right now.

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JOHN B. RHEA: Okay.

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CHAIRPERSON MENDEZ: When he

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mentioned several months? Because I'm looking at

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something here that says, on page 15, janitorial

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maintenance from June through October.

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JOHN B. RHEA: Right. So that's

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just our seasonal--yes, so that's the direct NYCHA

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hires for our seasonal employment efforts. And I

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mean that, again, if you wanted to kind of know

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what our--and you mentioned that we could do that

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in our normal testimony. But if the question

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would be, you know, how is NYCHA's seasonal

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program this year compared to historical years, I

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mean that is something we would be happy to

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provide and we can provide.

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CHAIRPERSON MENDEZ: I'd like to

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hear about it the next hearing. That would be

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very helpful.

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JOHN B. RHEA: Okay. But that was not with respect to Section 3. I mean, sorry, with construction related jobs.

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CHAIRPERSON MENDEZ: Council Member Reyna, do you want Melissa to ask a few questions while you look for that stuff and we can get back to you?

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COUNCIL MEMBER REYNA: No, I actually wanted to move forward with--

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CHAIRPERSON MENDEZ: [Interposing] Okay.

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COUNCIL MEMBER REYNA: --just the issue on my resolution, Resolution number 207 concerning the Together We Care Act of 2009. This particular resolution supporting what is going to be implemented on the Lower East Side is part of the attempt to fulfill Section 3 requirements. Do you find that this is an attainable goal as far as what number of jobs you plan to be able to create and how many household residents may qualify?

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JOHN B. RHEA: So a couple of things. One, I would refer the Council to my specific testimony regarding the Together We Can

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2 Act in 2009. I don't have the exact month when I
3 provided my testimony to--it was congressional
4 testimony actually, not City Council Testimony.
5 July of last year. July of 2009. So I would
6 actually like that to be my principal answer for
7 the record. Additionally though, what I said
8 there was we strongly supported the Together We
9 Can Act. And as I referenced in this testimony,
10 my formal testimony remarks today, we believe that
11 obviously the healthcare arena is a growing field.
12 We believe that the trend away from--it's not
13 outsourcing, but intensive patient care outside of
14 traditional hospital settings will only continue
15 to grow, particularly being able to provide that
16 care to our communities within public housing and
17 low income communities, which have historically
18 been underserved by both primary care and by
19 healthcare facilities. We think that this is a
20 real industry with growth and with unmet demand
21 that our residents can qualify for.

22 We feel strongly though that our
23 residents are going to need extensive training in
24 order to take advantage of these jobs, and it's
25 one of the areas where we will need to work to

1
2 ensure that there's training provided and funding
3 provided for it. We expressed some concerns in
4 the Together We Can Act, in terms of, again, about
5 additional unfunded mandates by strengthening
6 Section 3. Which, you know, we share the
7 objections of strengthening Section 3, at the same
8 time I think the proposal was either \$25 or \$50
9 million nationally when, again, NYCHA spends
10 roughly \$5 million today already. And that amount
11 of money, you know, would be insufficient to deal
12 with all of the increased administration work that
13 it would require.

14 COUNCIL MEMBER REYNA: And Mr.
15 Rhea, is there an assessment that is currently
16 taking place or has taken place concerning the
17 number of households over the age of 62 and the
18 possibilities of trying to assess where there's
19 the need to concentrate, prioritize certain
20 developments because they have greater than 50%,
21 you know, aging in place residents that would need
22 a very focused effort to concentrate on making
23 sure that this opportunity with the Together We
24 Care Act would be implemented at those particular
25 developments?

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2 JOHN B. RHEA: So, a couple
3 answers. The first one is, yes, we are doing an
4 extensive amount of work at NYCHA, in partnership
5 actually with the Department of Health on a pretty
6 groundbreaking piece of research that looks at the
7 quality in health disparities in public housing
8 for seniors. Richard Green, who is a member of
9 our community operations, in partnership with
10 Social Services--it's run by Nora Resick Lazzarro
11 [phonetic], and then as I said, in partnership
12 with the Department of Health and others. And
13 it's very impressive work in terms of having a
14 deep dive understanding of the disparities and how
15 we can address them. So the short answer is yes,
16 we're doing a lot of work on seniors and on
17 seniors' healthcare needs in NYCHA developments.

18 That is also overlaid by a side by
19 side piece of work to really understand how we can
20 produce additional housing to serve our residents,
21 senior residents, as 202 is being deemphasized at
22 a federal level, how we can have new programs to
23 create new senior housing that would allow us to
24 move many NYCHA residents that are in under
25 occupied apartments into new senior housing at

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2 NYCHA developments that actually have strengthened
3 types of care that can be provided to them, not
4 just the physical needs of the apartment, but also
5 obviously the services.

6 COUNCIL MEMBER REYNA:

7 [Interposing] Social.

8 JOHN B. RHEA: The services
9 component. It's obviously difficult in this
10 environment. I mean we know what's happening with
11 DFTA and with others that we rely on to be our
12 partners in some of that. So we're going to need
13 to find new models to deliver this and new funding
14 streams, but the work is being done. How we're
15 going to pay for it is a different question.

16 COUNCIL MEMBER REYNA: And I just
17 wanted to remind you, we are still waiting for the
18 points of agreement that was laid out by this
19 administration in the 2005 Greenpoint Williamsburg
20 Rezoning where Cooper Park was one of the
21 suggested sites for such housing. And we've yet
22 to have a reconvening of a discussion on that
23 particular site. If you can indulge me and answer
24 our calls when we call your office to meet and
25 discuss this, it would be wonderful. But the

1
2 findings of the collaboration that you just
3 mentioned, will there be a report that will be
4 published concerning these particular
5 recommendations or, you know, as far as the number
6 of households in reference to the number of home
7 health aides or home attendants that can possibly
8 be trained to care for the elderly?

9 JOHN B. RHEA: So we will need to
10 connect these dots. Right? So you know on one
11 end we're doing the work on the disparities and
12 what that means in terms of needs, right? We will
13 need to then take that in to--with other partners--
14 -in to what does that really mean for jobs, which
15 is where you were going with this.

16 The first part of the report will
17 absolutely be made public in terms of the research
18 and the work that we're doing around healthcare
19 needs and the health status of NYCHA seniors.
20 That will be made public. We will then need to
21 convert that work into the job component, because
22 as I said it also means--there's the demand side
23 of the equation but then there's the supply side,
24 you know, trying to understand what would you need
25 to do for NYCHA residents to put them in a

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2 position to actually access those jobs. So that's
3 another piece of the work that you have to do.

4 And then the third piece is, as I
5 was discussing, in terms of the housing component,
6 right? Which is, as we think about NYCHA
7 households that's work we're addressing in the
8 plan to preserve public housing, which is how do
9 we ensure that there's sufficient housing
10 resources and where and how do we develop those to
11 deliver some of those additional services to the
12 newly located housing.

13 COUNCIL MEMBER REYNA: And there's
14 no set timeline right now for each of those
15 categories?

16 JOHN B. RHEA: Well, the first
17 piece, you know, is there is a timeline. I can
18 get it to you in terms of when we would have the,
19 kind of, the healthcare disparity piece completed.

20 COUNCIL MEMBER REYNA: Much
21 appreciate it.

22 JOHN B. RHEA: And there's a first
23 piece that's already been completed and we're
24 continuing some additional work with the
25 Department of Health so we can get you that

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2 information. The second piece I'm not going to
3 proffer a date, but it's coming upon this very
4 large team you see here to really try to put that
5 in a priority along with many of the other things
6 I described that we're doing in terms of the
7 partnerships we're striking to provide employment
8 opportunities for residents. So we'll have to get
9 back to you with a date on that one.

10 And then the housing side of the
11 equation we will be working on--we are working on
12 it now and, you know, I'll be talking to the
13 Council with some more specificity in coming
14 months around the timeline of that work.

15 COUNCIL MEMBER REYNA: And while I
16 do appreciate those efforts, and you know, on a
17 personal note as far as a story--it's very short--
18 at Cooper Park during the summer last year, I
19 happened to just call one of my residents, a dear
20 friend, Ms. Allen, and she just happens to be
21 suffering from a shortness of breath. She thought
22 she was having a heart attack. And while I had
23 her on one line I called 911 for her. She's
24 elderly living in, you know, a two-bedroom
25 apartment, would love to downsize but doesn't want

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to just conform to living in another multi-dwelling. She hopes to go into what would be a senior residence, but Cooper Park lacks that.

And the good news is that she wasn't suffering a heart attack; she is doing well. But her needs are not being met at Cooper Park and I hope that we can continue to discuss Cooper Park at a macro level. And just to answer the question--

JOHN B. RHEA: [Interposing] And--

MICHELLE PINNOCK: [Interposing] Council--I'm sorry.

JOHN B. RHEA: Go ahead.

MICHELLE PINNOCK: I just wanted to jump and let you know just some of the things that we are doing in line with healthcare. I mean we're partnering with, the Chairman Mentioned, ROSS grants. So we've subcontracted with groups, and one of the areas we've done some training in is around certified nurse assistants. We're looking at other healthcare possible training. We, you know, are talking with and working with small business services and, you know, working with La Guardia College, they opened up a

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2 Workforce One Center focused on healthcare. So it
3 gets to, again, establishing partnerships and
4 looking where we can leverage training across
5 different sectors.

6 But even looking at our job
7 placement so far this year, I think it shows also
8 that there is a demand, because about eight
9 percent of our placements in four months have been
10 related to the healthcare industry. So it is
11 something that we are aware of, on top of, and are
12 trying to prepare beforehand, so this way we can
13 begin to access and place people into training.

14 JOHN B. RHEA: And the partnerships
15 that I described with the not-for-profits and the
16 philanthropic sector, we've already started it by
17 looking first at NYCHA and our contractors, but as
18 I mentioned, we're going to expand that to the
19 private sector. One of the core areas that we're
20 focused on with that platform is with the area of
21 healthcare. So we would be looking to leverage a
22 partnership with philanthropic organizations that
23 would train NYCHA residents for evolving and
24 emerging healthcare jobs that NYCHA wouldn't
25 actually--we would be raising additional dollars

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2 to the work that we're already doing to provide
3 those kinds of services to our residents.

4 COUNCIL MEMBER REYNA: Sure.

5 JOHN B. RHEA: So, we have the
6 platforms to do it, but we're ramping them up.

7 COUNCIL MEMBER REYNA: Well, I
8 appreciate that. And thank you, Madam Chair. I
9 just wanted to make sure that on page 18, I quote
10 from those reports, we estimate that NYCHA saved
11 and created the full-time equivalent of 147 jobs
12 in the first quarter of 2010 alone, which is where
13 I got the quarter from.

14 JOHN B. RHEA: So here's the
15 complicating factor. We report that information
16 because that's how the federal government requires
17 that we report money from the stimulus funds. It
18 is not--so I want to be very clear about this,
19 when the stimulus bill was passed, obviously
20 congress needed to use a certain set of metrics to
21 project what types of jobs they either thought
22 would be saved or created from this massive
23 stimulus exercise. They had an input/output model
24 that is not a model that NYCHA uses or that many
25 other agencies use in terms of calculating job

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2 creation from capital projects or other forms of
3 spending. That model said that there were going
4 to be 3,000 jobs or something created from
5 stimulus as it related to public housing in New
6 York. That number is not something that is
7 actually in fact related to the way we calculate
8 numbers in our experience.

9 So for example, the federal
10 government requires us to basically say how many--
11 irrespective of the number of hours worked or the
12 wages paid--you know, how many jobs were either
13 created or saved. So, a person who receives, you
14 know, eight dollars an hour for two days is a job
15 that either was saved or created. Then we have to
16 convert that number by the government's formula to
17 what they call full-time equivalents. And so what
18 we are tracking every month to be in compliance
19 with the federal government's requirements, are
20 the number of jobs either created or saved as it
21 relates to the stimulus money we're spending. And
22 what I said is that 630 jobs were created or
23 retained in the last quarter of 2009, which
24 converts to 187 FTE, full-time equivalents. And
25 800 jobs have been created or retained in the

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2 first quarter of 2010, which equated to 148 full-
3 time equivalents. So, again, these are--a job is
4 not a job is a--you know. Anybody who had some
5 form of employment with some form of pay for at
6 least a day, and then you've got to convert that
7 through the federal government's calculations into
8 a full-time equivalent, which is not something
9 that I think we want to have, in terms of how that
10 math works, at this hearing. But it is not really
11 reflective of the way NYCHA measures our Section 3
12 and our REP jobs that we secure for our residents.

13 COUNCIL MEMBER REYNA: Understood.

14 I just wanted to reference your language. Thank
15 you.

16 JOHN B. RHEA: Okay.

17 CHAIRPERSON MENDEZ: Council Member
18 Melissa Mark-Viverito.

19 COUNCIL MEMBER MARK-VIVERITO:

20 Thank you, Madam Chair. And thank you all for
21 being here. And You know, I really want to just
22 echo the sentiments that Diana Reyna started off
23 with, just talking about, you know, obviously any
24 attention and focus that is being put on trying to
25 improve the Section 3 program is obviously very

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2 much appreciated, because it really, truly
3 benefits our public housing residents by affording
4 them opportunities, and I think that that should
5 be really one of the, you know, a real focus of
6 NYCHA as well--not just providing housing and
7 managing housing--it's figuring out and I think
8 you allude to it in your testimony, how we really
9 can work with our residents to really have them
10 move one step forward.

11 So, you know, when we have these
12 hearings, and I hope that you can appreciate, Mr.
13 Chairman, we're doing it in the spirit of
14 cooperation, not adversity. And I think we have a
15 lot to contribute. We have been a very, very
16 strong partner on behalf of NYCHA to advocate on
17 behalf of NYCHA, even before you were chairman.
18 And, you know, we, I think take a lot of credit
19 for a lot of the attention that has been focused
20 on NYCHA and a lot of the attention that has been
21 focused on public housing in general, that it is
22 the cornerstone of affordable housing in the City
23 of New York. And I hope that when you come here
24 it is also in that spirit of cooperation to hear
25 what we have to say. Because I believe that the

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2 people right here on this panel, at least the
3 elected officials that are here, have a real
4 strong pulse of what's happening in the community.
5 We have a strong partnership with our public
6 housing developments, and there's a lot of
7 constructive criticism that we can provide. So I
8 just wanted to kind of state that.

9 But I have a couple of questions
10 with regards to some of the information. You
11 know, obviously, great concern whenever there's
12 these unfunded mandates. That really poses a
13 hardship, understood, on any agency. And that
14 really is a problem. Do you believe that there is
15 a change in the sentiment at the federal level
16 that maybe there has to be some attention, maybe
17 from HUD and others, as some additional monies
18 have to come in for this type of work in terms of
19 the workforce development, some of the job
20 training, some of the placement? Do you think
21 that that's something that maybe down the line
22 there will be some attention to and additional
23 resources provided based on what you're hearing at
24 the national level?

25 JOHN B. RHEA: So first, let me

1
2 just acknowledge that we are here in the spirit of
3 partnership. We appreciate the Council having
4 this hearing to not only understand what NYCHA is
5 doing but for us to understand how the City
6 Council Members can continue to support us as you
7 have in the past. So we're very appreciative of
8 that.

9 And we recognize, although we've
10 been doing this since 2001, as I said, it's an
11 evolving program. And many of the changes that
12 we've implemented in the program are direct
13 results of suggestions and recommendations by
14 members of the Council. And I'm working with many
15 of you right now on specific programs in your
16 district with not-for-profits and with NYCHA's
17 resident employment services team. So we
18 appreciate that, and we still will continue to
19 look for your strong support and partnership.

20 Secondly, the spirit in Washington
21 obviously is positive. The fact that they make
22 stimulus funding available, as Councilman Halloran
23 suggested, means that there's more money going to
24 public housing, which even creates the opportunity
25 for jobs. So on one hand, yes, what's happening

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2 in Washington is positive. There are also other
3 programs, like the Choice Neighborhood Initiative,
4 which they're looking to fund, which is about
5 reinvesting in communities, particularly in low
6 income and public housing communities, in other
7 services--housing and other non-housing services--
8 that create jobs.

9 COUNCIL MEMBER MARK-VIVERITO: Is
10 that through HUD?

11 JOHN B. RHEA: That's through HUD.

12 COUNCIL MEMBER MARK-VIVERITO:
13 Okay.

14 JOHN B. RHEA: Though Choice
15 Neighborhood Initiative, CNI. There's also other
16 ones through the Department of Education and
17 Promise Neighborhoods. And a lot of these lead to
18 jobs within these communities. So the short
19 answer is, yes, the push in Washington to refocus
20 on urban America, on low income communities, on
21 housing and public housing agencies as a platform
22 to help achieve some of this employment, is very
23 positive.

24 Having said that, I was just down
25 two weeks ago testifying on our--excuse me, not

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2 testifying--but on our annual legislative
3 breakfast, where we laid our priorities, asking
4 our delegation in Washington to focus in on the
5 people side of the equation, to fund ROSS at a
6 billion dollars--it's been substantially reduced--
7 and to put money back in programs like the Drug
8 Elimination Program that public housing used to
9 receive; because that allows us to hire not only
10 additional law enforcement, but also to put money
11 in community based organizations and tenant based
12 organizations that also can help us eradicate and
13 fight crime and provide jobs to youth who don't
14 have any other options and so they find themselves
15 in illicit activity like the drug trade.

16 And so very much of what I was
17 talking about in addition to more capital funding
18 was providing additional funding for the human
19 side of the equation, which is really about
20 education and about workforce development.

21 COUNCIL MEMBER MARK-VIVERITO: So,
22 and you mention ROSS. And I'm seeing all the
23 different interesting--and obviously I welcome
24 that--in terms of these partnerships that you're
25 talking about. So two quick questions, with

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regard to the ROSS grants, how much came into the City of New York, or at least to NYCHA? What was the total amount granted to New York City?

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JOHN B. RHEA: Just a little over a million dollars, I think, is what my team is telling me. And, you know, the program is not projected to be funded at levels that would approach anything towards historical peaks out of Washington.

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COUNCIL MEMBER MARK-VIVERITO:

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You're expecting it to be less moving forward?

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JOHN B. RHEA: Yeah, I can get you

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the numbers, but in the current budget the ROSS program is not being funded anywhere close to where it had been funded at peak years.

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COUNCIL MEMBER MARK-VIVERITO: And

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so then, another question with regards--because

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you talk about these pre-apprenticeship

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opportunities leading to permanent

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apprenticeships, I guess, or apprenticeships.

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You're talking about the partnerships with CUNY.

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You're talking about the Year Up [phonetic] and

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CCNY. I mean between all of that--and then you

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also talk about the employment or the hires that

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2 you do, you also consider that towards Section 3.
3 So taking all of that into account, like, how many
4 jobs to you attribute to Section 3? Because these
5 are all different pieces that you're putting out
6 there, but I'm just trying to get like a more
7 comprehensive number.

8 JOHN B. RHEA: Tough question.

9 First of all on the ROSS side of the equation, you
10 asked how much came directly to NYCHA, that was
11 the number I gave you.

12 COUNCIL MEMBER MARK-VIVERITO:

13 Right.

14 JOHN B. RHEA: For example, ROSS
15 funds go to other New York City based agencies.
16 And so there's additional money out there that's
17 being either, you now, received by a CUNY or an
18 HRA or someone else that is eligible to receive
19 ROSS funding. And then we work as hard as we can
20 to help ensure that some of the programming that
21 they're going to do with that focuses on NYCHA
22 residents, even though NYCHA is not administering
23 the money directly. So, I just wanted to clarify
24 that for you.

25 COUNCIL MEMBER MARK-VIVERITO:

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2 Wait, Hold on. Let me understand that. So you're
3 saying that there are ROSS monies that go to other
4 agencies directly other than NYCHA? And that
5 maybe working with residents or non-residents?

6 MICHELLE PINNOCK: We believe so.
7 We know that there are others who are eligible to
8 apply.

9 COUNCIL MEMBER MARK-VIVERITO: Oh
10 really.

11 MICHELLE PINNOCK: Under the
12 competitive grant process. So in terms of the \$1
13 million, was really what NYCHA has received
14 through competitive grants over the last about
15 three funding cycles under ROSS. So we've been
16 successful in ROSS '05, '06, '07 to receive
17 grants.

18 COUNCIL MEMBER MARK-VIVERITO: \$1
19 million a year or \$1 million total?

20 MICHELLE PINNOCK: No, that's
21 cumulative.

22 COUNCIL MEMBER MARK-VIVERITO: It
23 was over a three-year period.

24 MICHELLE PINNOCK: Yes. And so one
25 of those contracts or grants ended earlier this

1
2 year, in about February. The next is due to end
3 in October. We successfully received an
4 extension. And then the last is scheduled to end
5 in 2011. So there are others that can compete
6 and, you know, have been awarded money through
7 ROSS. But to your Section--

8 JOHN B. RHEA: [Interposing] And--
9 hold on. And again the money doesn't really come--
10 -I just want to make sure I can tell you, it
11 doesn't come necessarily directly to NYCHA. It
12 goes to fund the actual training slots.

13 COUNCIL MEMBER MARK-VIVERITO:
14 Right. The partnership, is what it seems like.

15 MICHELLE PINNOCK: We won the
16 contracts.

17 JOHN B. RHEA: Right.

18 MICHELLE PINNOCK: And then we
19 subcontract it out because, as the Chairman
20 mentioned, we're not a workforce development or
21 employment agency, so really get partnering with
22 those experts in this area that can. And all of
23 our contracts are performance based--it's training
24 linked to then job placement assistance and that's
25 really how we have utilized our ROSS funding.

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2 JOHN B. RHEA: So the money is for
3 the actual training slots.

4 COUNCIL MEMBER MARK-VIVERITO:

5 Right. I see that. So then here--then that was
6 one of my questions as well. Because you talk
7 about the ROSS grants. You talk about from 2003--
8 I'm sorry, 2007 to February of this year, you
9 partnered with College of Staten Island, LaGuardia
10 Community College--for GED prep, vocational
11 training, 150 residents. That ends up being about
12 50 a year. But then as you continue with your
13 testimony, you're also talking about ROSS grants
14 allowing you to provide administrative assistant
15 and information technology training to 175
16 residents. So under the ROSS grant, over the
17 three-year period, at \$1 million over three years,
18 you're talking about 325 NYCHA residents being
19 placed in jobs. Is that correct?

20 MICHELLE PINNOCK: Well 425

21 receiving training, and then there is a goal by
22 which each provider is supposed to provide job
23 placement assistance. And we can get you that
24 exact number and what the goals are. But I did
25 want to clarify--those do not count towards

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2 Section 3 hires, because all of those placements
3 will be private placements.

4 COUNCIL MEMBER MARK-VIVERITO:

5 Okay. So that's not considered Section 3. Okay.

6 MICHELLE PINNOCK: So it's--

7 JOHN B. RHEA: [Interposing] And
8 that's why I said it's complicated when you asked
9 the question. We're taking all the programs and
10 amassing and saying what does that mean for
11 Section 3 jobs--some are in, some are out.

12 COUNCIL MEMBER MARK-VIVERITO: I
13 mean, it's also good to hear what additional work
14 you're doing to assist residents--

15 JOHN B. RHEA: [Interposing] We're
16 trying to get people jobs.

17 COUNCIL MEMBER MARK-VIVERITO: --in
18 getting jobs. Yes, so that's important to
19 understand. So basically that's how many total
20 were trained, and then you can get back to us on
21 how many actually got placed in jobs.

22 JOHN B. RHEA: And one of the
23 reasons I talked about the program, as an example
24 the Robin Hood program we're announcing, one of
25 the issues that I looked at with these training

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2 providers is that they have a mixed bag record of
3 actual training leading to jobs. Right? And one
4 of the things that we don't want--number one, we
5 want to make sure that they efficacy is high; that
6 they can not only provide residents with
7 marketable skills, but they also have the ability
8 to get them placed into employment. And many of
9 the training providers are training organizations
10 and not placement organizations. And so one of
11 the things I identified as a gap in our efforts
12 collectively--it's not about NYCHA, it's about the
13 collective community that's investing in providing
14 skills and trying, at the end of the day we're
15 trying to get people in real jobs and earning real
16 wages. And so what we did with the Robin Hood
17 program is say we will commit that if people
18 complete this training there's a real job at the
19 back end of that program. And we're doing that
20 both with NYCHA jobs, and we're focusing on jobs
21 with our contractors, and then ultimately looking
22 at the private sector to step up and say that
23 these set of skills, if you complete it, you have
24 the kind of skill set that we'll commit to hiring
25 people who are graduates or the program. So what

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2 we're committing to is a pipeline, an end to end
3 program of both identification, removing the
4 obstacles and barriers, providing you with
5 training, but then ensuring that you actually get
6 a job if you complete it.

7 COUNCIL MEMBER MARK-VIVERITO:

8 Correct.

9 JOHN B. RHEA: And many of these
10 programs don't have that requirement. It's, you
11 complete the training and now you're on that own
12 to take that training and convert it into a job in
13 the marketplace.

14 COUNCIL MEMBER MARK-VIVERITO:

15 Okay. Now just two other questions. The Jobs
16 Plus, which is in my district; the Jobs Plus is
17 happening at Jefferson Houses. I was very excited
18 when I heard that that was happening. I know
19 that's kind of a lot of--half of the money is
20 being raised privately. It's coming through the
21 Center for Economic Opportunity. I know that HUD
22 is also putting in a little bit of money. It's
23 primarily being privately raised.

24 JOHN B. RHEA: It's private--and
25 there is no money to sustain it right now. So we

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2 are going to have to pretty much either, by what
3 we're trying to do in Washington, get money
4 allocated to--additional money--allocated to
5 programs like Jobs Plus, which is partially why
6 I'd like to see ROSS funded at a much higher
7 level, because that's the natural place to fund
8 it. And then secondly, we're doing an aggressive
9 effort in terms of--that's why we established,
10 which is not at this table, the Office of Public
11 Private Partnerships at NYCHA, for the first time,
12 which is all about raising millions of dollars of
13 private philanthropic funds in order for us to
14 actually be able to support these programs. And
15 Jobs Plus is a principal, primary program that we
16 want to fund in multiple housing developments
17 across the City. And it costs about \$1.2 million
18 a year.

19 COUNCIL MEMBER MARK-VIVERITO: Per
20 year.

21 JOHN B. RHEA: To rent each Jobs
22 Plus. But if wanted one of these--we don't need
23 one in every development--but if you needed one,
24 you'd need \$300 million a year to support Jobs
25 Plus.

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2 COUNCIL MEMBER MARK-VIVERITO: Now,
3 was that originally envisioned as a one year
4 project? I mean I would think to see results it
5 would need to be for a longer period.

6 JOHN B. RHEA: So the project was
7 originally funded and financed by a collection of
8 philanthropic organizations, including
9 Rockefeller, and it was a demonstration project in
10 six or seven cities. All of the results were
11 tabulated. It had a substantial impact on not
12 only getting people to employment who had
13 substantial barriers prior, heretofore, to
14 employment but also in terms of tracking them over
15 long periods of time and seeing those employment
16 gains stick. So the program once it was
17 demonstrated to work, the expectation is that the
18 federal government would pick it up and fund it,
19 because it was a proven--

20 COUNCIL MEMBER MARK-VIVERITO:
21 [Interposing] Model. Right.

22 JOHN B. RHEA: Model.
23 Unfortunately, the government hasn't quite picked
24 it up and so CEO wanted to bring it to New York.
25 New York was not one of the markets when it was

1
2 originally pioneered, and so CEO stepped up and
3 said that they would do a demonstration project in
4 New York at Johnson with the goal of hopefully,
5 both through government and other--

6 COUNCIL MEMBER MARK-VIVERITO:

7 [Interposing] Jefferson.

8 JOHN B. RHEA: --sources to find
9 long term funding.

10 COUNCIL MEMBER MARK-VIVERITO:

11 Right.

12 JOHN B. RHEA: So, it was
13 envisioned as a one-year pilot with the hope of
14 trying to find various sources that can sustain it
15 and grow it.

16 COUNCIL MEMBER MARK-VIVERITO: And
17 your program within the tracking, there's a
18 tracking element, right? You have to track to see
19 if people stay in the jobs, at what period of time
20 they stay in the job. So it goes beyond a year in
21 essence, right? I mean...

22 JOHN B. RHEA: No, no. That's
23 correct. That's correct.

24 COUNCIL MEMBER MARK-VIVERITO: Let
25 me ask you a question. Is part of any element of

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2 the Jobs Plus also to get people into those, for
3 the Section 3 eligibility or Section 3 jobs?

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JOHN B. RHEA: You should talk
about that.

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DEBRA-ELLEN GLICKSTEIN: We think
that Jobs Plus is a great model for that. Again
when we think about outreach and recruitment, we
talked a little bit about that before, Jobs Plus
is a model that really sticks with people over
time. And so you know, it's not just sort of, I'm
going to sit with you and I'm going to push you
off to another job, but really, we're going to
figure out what your career goals are and we're
going to stick with you for advancement.

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And so what's really exciting about
Jefferson Houses Jobs Plus is that that's what
they're doing. And so right now I think they've
actually helped around 70 residents be placed or
advanced. And I know one of the neat
collaborations we've been able to do with the
population at Jefferson is we've been able to
bring a partnership we've had independently with
CUNY to do some OSHA certification training with
that Jefferson Houses population. And so then

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2 when we look at that neighborhood of East Harlem,
3 helping to do ladders from the Job Plus program to
4 the Section 3 employment, and then hopefully
5 beyond to other private sector employment.

6 COUNCIL MEMBER MARK-VIVERITO: Are
7 any of those 70 people that have been placed,
8 would that be counting towards Section 3?

9 DEBRA-ELLEN GLICKSTEIN: It would
10 count towards Section 3 if it was with NYCHA or
11 our vendors. And we would actually have to get
12 back to you, I think, on those exact numbers.

13 COUNCIL MEMBER MARK-VIVERITO:
14 Yeah, it would be great to just hear.

15 DEBRA-ELLEN GLICKSTEIN:
16 Absolutely.

17 COUNCIL MEMBER MARK-VIVERITO: So
18 then the last question I have is, you know, one of
19 the questions that we have for advocates is
20 whether they feel that they've seen any
21 improvements on the Section 3 program. So what
22 would you say, you know, has been the difference?
23 Because I know it's relatively new. You've been
24 relatively aggressive now as Chairman focusing on
25 this issue. But what would you say is the

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2 difference? And how would you say--the difference
3 in terms of the interface, particularly with the
4 residents, between how it was and now how it is?
5 What would you say are the differences?

6 JOHN B. RHEA: Well, I mean I hope
7 that the interim sense is that not only is NYCHA
8 much more willing to admit the grow that we need
9 to achieve in this program in order for it to be
10 successful publicly, but also in the spirit of
11 partnership with those community based
12 organizations, social services agencies and
13 advocates who are out in the field doing this
14 work. So whether it ranges from, you know,
15 conversations that we've had with organizations
16 like CSS or Non-traditional Work for Women or with
17 the construction trades, the BCTC, I hope what
18 they're hearing is a willingness for us to not
19 only ask them for their research and their data
20 and ideas around programs, but seeing if there's a
21 group of professionals here who are focused on
22 analyzing what we have, stopping the stuff that's
23 not working and reinvesting in doing things that
24 are working and expanding that, and to go find the
25 resources to support it.

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I spend a considerable amount--I can't speak for, you know, anyone, my predecessors, they worked very hard on this since 2001. But I can tell you I'm spending a considerable amount of my time, if I look at my days and where my days are spent and where my nights are spent and how much I'm out advocating for partnerships, funding and measurement and a commitment to employing NYCHA residents I'm spending, you know, a quarter of my time solely on that.

And so, you know, I feel I personally know who many of the critical partners are in this field, both on the elected side and on the advocate side and in the philanthropic community, and we are making those linkages happen. And they're manifesting themselves in programs, not just in, you know, words, but in real programmatic work, with real dollars associated with it that we believe are going to lead to jobs. And, you know, it's early days. I wouldn't expect anyone to say anything other than that they have confidence that we are committed to this and that they're seeing some innovation and

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2 that they're willing to take a wait and see
3 attitude and that they're willing to work with us
4 to get real results.

5 Residents, at the end of the day, I
6 think residents are pretty brass tacks. You know,
7 did you get me or anyone in my family into a job?
8 The numbers say we did and that that is improving
9 significantly versus where it was the year before
10 and the year before that, on a total number and on
11 a percentage of the work that we're doing, it's
12 improving. But at the end of the day, if we've,
13 you know, only helped 500 residents get in jobs
14 and the CSS study says there's 20,000 unemployed
15 people that are in the job market within NYCHA
16 public housing developments, you know, 500 is a
17 big number but it sure doesn't feel like a lot
18 when 20,000 people are searching for work. So we
19 recognize that we really are making real progress,
20 but if you're a resident, you know, it's kind of
21 proof is in the pudding and in the eating. And,
22 you know, if we've got 500 jobs, there are still
23 19,500 who are searching.

24 COUNCIL MEMBER MARK-VIVERITO:

25 Thank you for your testimony and thank you for

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2 being here.

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JOHN B. RHEA: Thank you for having
4 us.

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CHAIRPERSON MENDEZ: Thank you
6 Chairman. I'm going to ask a few questions and
7 then I'll allow my colleagues, if they have one
8 last question before we end the hearing. And once
9 again, to the public, if you want to give
10 testimony, you need to fill out one of these with
11 the Sergeant-of-Arms at the back and then we'll
12 move forward to the public testimony.

13

Mr. Chairman, let me ask you
14 regarding H.R. 4224, which is Council Member
15 Reyna's Reso 207. From just visiting a lot of my
16 friends and visiting my constituents in public
17 housing and knowing that NYCHA has a--is it 36% or
18 39% population of the elderly in your
19 developments?

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JOHN B. RHEA: Single--I mean head
21 of household elderlies is 35%.

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CHAIRPERSON MENDEZ: 35%. I know
23 there are currently--

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JOHN B. RHEA: [Interposing] They
25 may not appreciate what I said. 62 years or

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2 older.

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CHAIRPERSON MENDEZ: Many of those individuals, though not all of them, do have some health, home health aide at this moment. Do you know how many of your current residents actually have home health aides?

JOHN B. RHEA: I would hope that that's some of the data that we can glean from the disparity in health study that I referenced when I speaking with Council Member Reyna, so we can come back to you with that, but I can't tell you that off the top of my head.

CHAIRPERSON MENDEZ: And of your total population, do you know how many of your residents are disabled with a physical disability?

JOHN B. RHEA: We do, but I don't know that number off the top of my head. But yes, that information is reported as part of our household composition information.

CHAIRPERSON MENDEZ: Can you get this Committee that number, please?

JOHN B. RHEA: Sure.

CHAIRPERSON MENDEZ: Thank you.
Just, I think Reyna's resolution and our

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2 congresswoman working on such legislation, that
3 would actually provide funding for the training
4 would be a good way to go. Just from my
5 interaction there are so many residents in public
6 housing, elderly or disabled, who actually need
7 more in-home assistance. So I think that would be
8 a great thing.

9 In reference to Section 3, can we
10 go back to my question now about focusing on how
11 many Section 3 jobs have been created through your
12 capital program? And, if you have that number for
13 2009, since we're in the middle of 2010, and if
14 you have any numbers for 2010, knowing that it's
15 not a complete fiscal year for NYCHA, I will
16 listen to those numbers.

17 MICHELLE PINNOCK: Yes, Council
18 Member. For--

19 CHAIRPERSON MENDEZ: [Interposing]
20 Can you grab the microphone just a little closer?
21 Thank you.

22 MICHELLE PINNOCK: Yes, there we
23 go. So for 2009 there were 265 Section 3
24 placements. And when we say Section 3 I'm
25 including what we refer to as REP, that's the 15%

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of labor costs. And that's compared to--

JOHN B. RHEA: [Interposing] It does not include NYCHA direct hires.

MICHELLE PINNOCK: It does not include NYCHA direct hires. Sorry. So on top of the 265, there was another 738 that were hired directly to NYCHA, for a total of 1,003.

CHAIRPERSON MENDEZ: Just repeat that. 265 Section 3 placements.

MICHELLE PINNOCK: I'm sorry. That's with our contractors.

CHAIRPERSON MENDEZ: With your contractors. That would be based on the 15% of labor costs.

MICHELLE PINNOCK: A combination of the 15% of labor costs, plus for the smaller contracts, because remember we mentioned for those over \$500,000, that's where we apply the 15% of labor costs.

CHAIRPERSON MENDEZ: Okay.

MICHELLE PINNOCK: So if it's below that amount, it's just held to the general Section 3 requirement, which is what the Chairman mentioned before, is really based on the number of

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2 new hires. And that's the whole greatest extent
3 feasible language. And so--

4 JOHN B. RHEA: [Interposing] And so
5 a contractor that has a, you know, a small
6 procurement contract for \$300,000 we try to
7 understand from them how many new jobs will be
8 created. If they say, you know, three jobs then
9 they will we require that one of those jobs will
10 be for a NYCHA resident to meet the 30% objective.

11 MICHELLE PINNOCK: And then thus
12 far for 2010, January through April, with our
13 contractors there has been 93 placements. And so--
14 -and we would have to get back to you on the NYCHA
15 direct hire number.

16 CHAIRPERSON MENDEZ: And these
17 numbers are exclusive of stimulus funding created
18 Section 3 jobs, correct?

19 MICHELLE PINNOCK: No, it's
20 inclusive.

21 CHAIRPERSON MENDEZ: It's
22 inclusive.

23 MICHELLE PINNOCK: Yes. Because
24 again, as was mentioned in testimony, the stimulus
25 funded jobs, a portion of that, a large portion,

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2 are subject to Section 3. So if the Committee
3 likes, we can provide an actual breakdown that
4 separates the two. But the numbers that I just
5 provided are inclusive.

6 CHAIRPERSON MENDEZ: Okay. So the
7 407 full time jobs that I got earlier, that would
8 be for Section 3, I don't know what percentage of
9 this 265 is that 407--I mean for 14 jobs I know it
10 was 8.

11 MICHELLE PINNOCK: So for 407, that
12 was again, the jobs that would be created through
13 the stimulus funding. So we know that there have
14 been 103 placements from just the stimulus funded
15 projects to date.

16 JOHN B. RHEA: So the tough thing,
17 right, is--

18 CHAIRPERSON MENDEZ: [Interposing]
19 That's inclusive of 2010, right? To date means...

20 MICHELLE PINNOCK: Yes. Yes, to
21 date.

22 CHAIRPERSON MENDEZ: You know,
23 since you got the money in March or April of 2009.
24 So it's been a year, but not your fiscal year and
25 not our fiscal year.

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MICHELLE PINNOCK: Yes.

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CHAIRPERSON MENDEZ: Maybe the state's fiscal year, possibly. But who knows?

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JOHN B. RHEA: And so remember, right, you know for jobs that are, you know, being created, you know, mobilized on a construction site in 2009 in our normal capital program, because you have, you know, a four year period; two years to obligate and two years to actually spend the money. You know, those contracts could, you know, and it could have been awarded, you know, literally four years ago, that did or didn't have--which I know we didn't, we weren't measuring contract by contract back then, you know, what was a contractor committing to in terms of resident hires. We knew that a contractor received a contract, the jobs was going to go on, and we did our best to ensure that we matched up our employees with an opportunity at a jobsite.

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So, numbers that you're going to see in 2008 and 2009 are based on a lot of activities happened in previous years on the traditional capital program side. So 407, only a small portion of that is related to, you know, the

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2 jobs that you're looking at. So in 2010 you'll
3 say, you know, how many jobs did you do in 2010.
4 Only a small portion of that 407 is going to be in
5 2010 from stimulus. A lot of it will be from, you
6 know, capital project jobs that were committed to
7 in prior years.

8 CHAIRPERSON MENDEZ: The 15% of
9 labor costs that NYCHA has--so that's a NYCHA
10 requirement, that's not other public housing
11 authorities across the country, right?

12 JOHN B. RHEA: That's correct.

13 CHAIRPERSON MENDEZ: Do you know if
14 any other public housing authority has a higher
15 percentage that they're requiring through Section
16 3?

17 MICHELLE PINNOCK: No, we don't
18 know.

19 CHAIRPERSON MENDEZ: You don't
20 know. Could you find out? Because I'd like to
21 say that my housing authority has the largest
22 requirement--

23 JOHN B. RHEA: [Interposing] And if
24 you go back and look at the...

25 CHAIRPERSON MENDEZ: --and is on

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2 its way to fulfilling that.

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JOHN B. RHEA: If you go back and look at the testimony and the congressional testimony from July of 2009, we weren't the only one who testified, that they provided testimony-- there are at least another agency that represented public housing in New York State. And you know, one of the things from our work with CLAPHA, the Council on Large Public Housing Authorities across the country, many of them don't even have a real effort at all to try and do what we are describing here in this committee. They don't have an office. They do their best to make sure residents have access to, you know, economic self-sufficiency and that they are aware of jobs, and that, you know, they post that a job is, you know, that it's going up on the site, and encourage residents to do their best efforts to try and get into that employment pipeline.

So as much as we feel that we need to grow and improve, and we do feel strongly based on a lot of benchmarking that we've done, that very few housing authorities across the country have anything close to what we have here in New

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2 York.

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CHAIRPERSON MENDEZ: Mr.--

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JOHN B. RHEA: [Interposing] And

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none of them, none of them are coming in anywhere

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close to the quote unquote 30% target of Section

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3. People don't even track it, let alone actually

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come close to hitting it.

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CHAIRPERSON MENDEZ: Mr. Chairman,

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how did the Authority come up with its 15% as a

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benchmark? Anyone?

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MICHELLE PINNOCK: It started--

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really, that requirement was put in place in 2001

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as a pilot program. But I can't, you know, say

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that I know the rationale behind 15% versus 10.

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JOHN B. RHEA: So I've done what I

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call, you know, non-scientific research on this

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from talking to people who are in the Department,

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who were in senior positions at the Authority.

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Part of it was around negotiations with organized

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labor and the unions and trying to get to a number

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that was aggressive from the Housing Authority's

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perspective, and that but on the other hand was

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viewed by organized labor as something they could

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at least aspire to in terms of what percentage of

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2 jobs they would be able to work with residents to
3 try to get them the kind of training they needed
4 through their programs and through the pre-
5 apprenticeship type programs that we're creating,
6 and then the types of what we would call entry-
7 level jobs on a construction site. Because most
8 of this was related again to capital projects and
9 construction work; so the goal was actually to try
10 and come up with what number of those jobs would
11 actually be newly created jobs as opposed to a
12 contractor deploying his existing manpower on a
13 site, and how does that equate into actual wages
14 paid and can we come up with something that we can
15 actually put some hard targets around.

16 CHAIRPERSON MENDEZ: I'd like to
17 know if--well, you weren't here for my opening
18 statements. I made some comments about my former
19 boss and your colleague, Alison Cordero, who, if
20 any of you have met her, she's in a coma right
21 now. So we're sending her all of our best wishes.
22 When I started at Brooklyn A, Alison and I and the
23 Tenant Association worked very aggressively to get
24 residents to apply for Section 3. We were doing
25 the first, NYCHA's first modernization, it

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2 happened at Williamsburg Houses. And it was a
3 really concerned effort of at tenant meetings and
4 having hours at the tenant office so that
5 residents could come and fill out their
6 applications. And that was back in 1995, just to
7 date myself. So what is a list like that that,
8 that was compiled at Williamsburg Houses, how is
9 that list used today for Williamsburg Houses or
10 for other developments in the Williamsburg,
11 Bushwick, Greenpoint area, and for the City at
12 large, how do we utilize those application of
13 residents who, you know, hopefully many of them
14 have jobs now, but who may still not have jobs or
15 may have some seasonal work?

16 MICHELLE PINNOCK: There's a few
17 different things that we do, so--in working with
18 anybody who wants to work with us in terms of
19 obtaining people who are interested in Section 3
20 opportunities. So we do obtain lists from a
21 variety of sources - - tenant association
22 presidents, and then we have that information as
23 well as we look at individuals that we place and
24 who have completed training, and those who have
25 received certifications. So then when we know

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2 jobs are coming up, we look at the positions that
3 the contractors are looking to fill, and then do a
4 match to first look if there is anyone from that
5 development who has expressed interest or that
6 they've completed training or their experience
7 matches the jobs that are being sought to fill,
8 and then we'll broaden the net. But this actually
9 something that we're looking at.

10 The Chairman mentioned that we're
11 undergoing really a full assessment of our
12 operations, including Section 3 to see is this
13 most effective, are there other things that we
14 need to put into place. And so it was asked
15 earlier also about our relationships with
16 residents and other advocates and how would they
17 say we're doing. We've been spending a lot of
18 times over the last several months also receiving
19 feedback from those different entities on how we
20 can enhance what we're doing, be more responsive,
21 have greater customer service and at the end of
22 the day really result in greater job placements.

23 JOHN B. RHEA: And Debra-Ellen,
24 could you just talk a little bit about, I mean
25 there are other agencies--and we've been spending

1
2 a lot of time, for example with SBS, to understand
3 how they're seeing NYCHA residents and assessing
4 them and how we get access to that information for
5 our...

6 DEBRA-ELLEN GLICKSTEIN: Yeah,
7 absolutely. As part of, again over the last few
8 months, this has been a really intensive process
9 both internally and externally to say how can we
10 better leverage external resources. And obviously
11 the one major partner out there is Department of
12 Small Business Services with the Workforce One
13 Centers. And so I think it was the first time in
14 a very long time there's actually been a data
15 match between NYCHA and Department of Small
16 Business Services to see actually how are they
17 serving NYCHA residents and then how can we
18 partner to better improve those services. And so
19 we were really actually, you know, I think pleased
20 to get the results to some degree, to find out
21 that 10% of--sorry. Yeah, 10% of the overall
22 people that come into the Workforce One system in
23 2009, around 10%, were actually NYCHA residents.
24 And actually 7% of placements in Workforce One
25 overall in 2009 were NYCHA residents. And so that

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2 at least gives us a benchmark to start from to say
3 how can we better leverage those services, and
4 then also ask the question, are those the right
5 services and what do we need to do to bring in
6 other partners to the table to improve those.

7 JOHN B. RHEA: And to try and have
8 a real profile, which NYCHA residents are taking
9 the initiative to actually go into a Workforce One
10 Center and go through the process of trying to get
11 into a job and what kind of skills do they have,
12 versus many--and we have a hypothesis--versus many
13 other NYCHA residents that we would describe as
14 harder to place with more impediments to work, and
15 how we take services and programs like Jobs Plus
16 and the things that we're doing with the Robin
17 Hood and target those to the population that's not
18 finding their way into a Workforce One Center, and
19 able to leverage some existing resources that the
20 City has. And so it's about not only sharing
21 information but then being very targeted in terms
22 of how we apply our resources and the kinds of
23 programming that we're creating to help NYCHA
24 residents who have greater impediments to gainful
25 employment.

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2 DEBRA-ELLEN GLICKSTEIN: One more
3 thing to that. We're also having similar
4 conversations with the Department of Education's
5 Office of Adult and Continuing Education, to the
6 point before that the Council Member made, and
7 really to understand, especially given the sort of
8 percentages of high school attainment and other
9 things--and I know that CSS has put a lot
10 attention on how can we better support those
11 linkages, and also, not just do the referrals, but
12 do closed loop referrals so we know what is
13 happening with outcomes for those residents.

14 CHAIRPERSON MENDEZ: I'd like to
15 sit with the Authority outside of here just to
16 take a look at some of my developments that I know
17 have had modernization--I've put a lot of capital
18 funding into my developments--and just to see what
19 kind of outreach is being done. Because I want to
20 improve that outreach in my district and I want to
21 make that commitment. This summer, while I was
22 busy doing that thing we all do when we try to
23 keep our jobs on our side, I met a lot of young
24 men who were out of work. Most of them had been
25 security at buildings or in stores and were

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2 looking to get other employment and other skills.
3 And so I'm sure some of those young men probably--
4 that was just a couple of months ago--still
5 looking for employment. Would love to try to get
6 them into these programs. And I told them, some
7 Section 3 jobs are going to be coming. They
8 didn't know what that was. They did live in
9 public housing. And I said, you know, I will work
10 with the Authority and with my congresswoman to
11 bring the information back to the district to
12 hopefully try and get them some jobs.

13 So if we can do that in my
14 district, but also if we could look at some of the
15 other districts, maybe different boroughs, and
16 see, you know, in different districts the outreach
17 may need to be done differently. I'd like to take
18 a look at Diana's district, being that that was
19 one of the first districts that had the
20 modernization program, just to see how those lists
21 are being utilized. That would be helpful to me
22 to see that. And I, you know--and to see how we
23 can work cooperatively and improve that.

24 MICHELLE PINNOCK: That would be
25 great because we're also looking for, you know,

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2 and open to additional recommendations on various
3 ways that we could be more effective with that.
4 Because we've tried door to door, postcards and
5 mailings, fliers as well as emails--and so really
6 kind of pose the question openly in terms of other
7 strategies that may be more effective.

8 JOHN B. RHEA: And we've been less
9 than pleased and underwhelmed with the response
10 rate. So if that's not getting us the information
11 that we need, then we need to touch residents and
12 get additional information.

13 CHAIRPERSON MENDEZ: I recall in
14 Williamsburg Houses there were 1,600 units of
15 housing there and we got, like, close to 400 or
16 500 applications. But like I said, it was a very
17 concerted effort between the elected officials,
18 the not-for-profit community group, the tenants'
19 association, and those of us at Legal Services who
20 were working with the tenants, which I think led
21 to--and I think that's a very good response, you
22 know, a little over 400. So that was a little
23 over...

24 JOHN B. RHEA: Right. And that's
25 great. And so what we're saying is, and that's

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2 why the partnership approach is very important for
3 the Housing Authority, because what you just
4 described was a labor intensive organized door to
5 door effort just to get a one-time download for an
6 application. So, think about that same level of
7 labor intensity to remain in contact, to update
8 the application, to find out if they've increased
9 any skills in the intervening period. I mean
10 that's expensive and highly labor intensive work,
11 which is why we talked to you about--there are
12 real resources constrains about how you perform
13 that and why we need to do that in partnership
14 with other organizations, because we're not going
15 to be able to hire 1,500 people at the Housing
16 Authority who do that for 300 developments on a
17 continuous basis.

18 CHAIRPERSON MENDEZ: Mr. Chairman,
19 at last month's hearing I believe, but I do not
20 recall specifically, that was our hearing on
21 utility costs and more or less what's called the
22 Greening of NYCHA. Do you know how many residents
23 have attained jobs in NYCHA through its greening
24 efforts?

25 JOHN B. RHEA: We'll have to get

1
2 you an exact number on greening overall, but I can
3 give you an example of somewhere where we have a
4 substantial green initiative going on, where large
5 dollars are being spent. Castle Hill is an
6 example where we're doing substantial retrofitting
7 of energy efficient systems and additional other
8 green work on the facades and the building. And
9 there we have 13 section three jobs that have been
10 created for that project alone. Many of the jobs
11 that we described in the 407 jobs that are going
12 to be created in the stimulus work, because such a
13 large portion of the stimulus work is around
14 broadly defined green jobs, whether it be, you
15 know, roof work or systems, a large portion of
16 those 407 are going to be green jobs. So if we
17 want to do a diagnostic on green alone we'd have
18 to come back to you. But I can tell you a large
19 portion of the 407 are, quote unquote, green
20 related.

21 CHAIRPERSON MENDEZ: Okay, thank
22 you. Council Member Reyna is going to ask a last
23 question.

24 COUNCIL MEMBER REYNA: Thank you,
25 Madam Chair. I just wanted to understand, because

1
2 I didn't hear it mentioned, I don't know if
3 there's still the existence of the Construction
4 Commission, where NYCHA was a participant in, and
5 it was spearheaded by the Administration to create
6 a job expansion apprenticeship opportunity. Has
7 the Commission continued to meet and is NYCHA
8 still at the table as a participant? And what
9 were the results of the Commission in relation to
10 NYCHA?

11 JOHN B. RHEA: Well, I wasn't here
12 for that.

13 COUNCIL MEMBER REYNA: I understand
14 that.

15 JOHN B. RHEA: I don't know if Vice
16 Chairman Andrews has any, you know, specific color
17 he'd like to add. I can tell you that I had a
18 meeting, Debra-Ellen Glickstein and I, less than
19 ten days ago with Commissioner Walsh and his team.
20 And one of the statements he made was that, you
21 know, in hindsight it's a disappointment in what
22 we were not able to achieve through that work, you
23 know, collaboratively.

24 COUNCIL MEMBER REYNA: In regards
25 to the Construction Commission?

1
2 JOHN B. RHEA: In regards to the
3 results and the outcomes there and ensuring that
4 as we sit down with, you know, organized labor,
5 BCTC, others going forward and what commitments
6 are made around ensuring that low income residents
7 are, you know--gain full access to pre-
8 apprenticeship programs and jobs that will lead to
9 long term, you know, Union representation, that we
10 make substantial progress on some of the pitfalls
11 that we experienced the first go-round, even
12 though I wasn't part of that. But that's the type
13 of sentiment I hear from my partners who were at
14 the table.

15 EARL ANDREWS: The Chairman summed
16 it up very, very well. I will mention that one of
17 our new programs, or not so much new, I have been
18 personally interviewing and spending time with the
19 chairmen of a lot of the large construction
20 companies. They have never had contact with board
21 members before and they have been very, very
22 constructive in making suggestions on how we do
23 business, how we should work with them. They've
24 given me pledges to grow the Section 3 programs.
25 They are taking on additional people. I think in

1
2 the next few months we're going to see people not
3 just doing construction work but working in
4 offices, working in the computer labs. We've
5 expanded that part of our whole operation. So I
6 think it's going to be very exciting the next time
7 you have us in here.

8 COUNCIL MEMBER REYNA: I hope that
9 we can have, again, you know metrics is the only
10 way to be able to have an appreciation for what
11 you're saying that you're so excited for. And so
12 I hope that we are able to document a lot of this
13 excitement to see that there's an actual full
14 time--position being developed and retained in the
15 pipeline. And so I look forward to your efforts
16 in reaching out. And, you know, as far as the
17 Construction Commission, it was--the latest in
18 fashion as far as job producing mechanisms that
19 didn't result in much. And I hope we're not
20 reinventing the wheel to go that route again.
21 And--your mic, Chairman?

22 JOHN B. RHEA: Not to cut you off,
23 but we'll point you back to my formal testimony
24 where I said in 2007 NYCHA launched a pre-
25 apprentice training program. And between 2007 and

1
2 2009 367 residents completed PATP, and 252 of
3 those graduates successfully placed an
4 apprenticeship. So, it's not that nothing
5 happened.

6 COUNCIL MEMBER REYNA: No, I
7 understand nothing happened.

8 JOHN B. RHEA: But we certainly
9 feel that--

10 COUNCIL MEMBER REYNA:
11 [Interposing] It could have been better.

12 JOHN B. RHEA: It could have been
13 better, and we can learn from those mistakes--

14 COUNCIL MEMBER REYNA:
15 [Interposing] Right.

16 JOHN B. RHEA: As well as having a
17 sense of how many of those 252 are still employed.
18 We know that that number is not anything close to
19 250.

20 COUNCIL MEMBER REYNA: Right. And
21 just in regards to the modernization happening in
22 individual districts, I just wanted to echo the
23 sentiments of Council Member Mendez, as the Chair
24 of the Committee of Public Housing, working with
25 individual members to be able to--I, myself, would

1
2 want to see to it that there's a collaborative
3 effort. We're ready for the collaborative effort,
4 on behalf of NYCHA's side, I don't know if it's
5 ripe time to sit down and go over a portfolio in
6 my district of the five developments and contracts
7 and timelines, and working our way backwards to
8 figure out with our local workforce development--
9 we don't have a Workforce One; we have our local
10 non-profit workforce development under the St.
11 Nick's alliance--to be able to duplicate what we
12 already know we know how to do.

13 And so, on our side, we're ready,
14 willing to go. On your side, can you meet us and
15 collaborate with us? And that's always the
16 question.

17 JOHN B. RHEA: So, in all fairness
18 to, you know, resource constraints--

19 COUNCIL MEMBER REYNA:
20 [Interposing] They have the resources.

21 JOHN B. RHEA: We only have so many
22 resources. So, if you're asking us, do we have
23 the capacity right now to sit down with every City
24 Council Member and go through every single housing
25 development in their district and come up with a

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2 plan--

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COUNCIL MEMBER REYNA:

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[Interposing] I'm not referring to every one of

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them, because I don't know if every one of them

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are ready.

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JOHN B. RHEA: I just wanted to

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give you--that would be something that I would be

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very shy about making a commitment to. If you're

10

asking, can we work with a handful of City Council

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Members and pick some representative geographic or

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however we decide we want the representative

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sample to be developed, and look at how we can

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partner better, what the metrics should be, what

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additional resources exist within the communities,

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not for profits and others to help us with that

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effort, the answer is yes. And we are doing that

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right now. Let me give you an example. We've

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established the Lincoln Center Collaborative that

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we are doing in concert with Council Member Gale

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Brewer and with the Community Board. And we've

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organized the CEOs or Executive Directors of all

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of the major employers and institutions that

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surround our Upper West Side developments--

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principally obviously the developments directly

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across the streets from Lincoln Center. But also there's Wise and there's Douglass that we've added in addition to the conversation.

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And what we are doing there is working very collaboratively with those large scale employers like the hospital, like a Fordham, like ABC TV, and we're working on what kinds of job tracks can we identify, from security to customer service, to, you know, technology, that then we can create programs to you know, not only train our residents for, but have large scale commitments from those employers that they will hire NYCHA residents that come out of these training programs directly into real jobs at those organizations. And we're doing that jointly with Council Member Brewer.

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22

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24

25

So we would like to pick a couple of other places to pilot what we're already doing there.

COUNCIL MEMBER REYNA: Right.

JOHN B. RHEA: And in your districts, and look at some of the other things that you know already work. But we are prepared to do that with you and a representative handful

1
2 of places, so we can learn from that and expand it
3 as appropriate.

4 COUNCIL MEMBER REYNA: And I
5 appreciate that collaborative effort and
6 commitment. And I know that Ms. Pinnock had
7 participated in a hearing where we referenced the
8 issue of lifting certain obstacles that are
9 preventing, you know, households from
10 participating in the Section 3, because it's
11 almost a penalization process as opposed to an
12 encouragement and self-sustainable effort where,
13 you know, if you're not on the lease and there are
14 reasons for wanting not to be on the lease--
15 because your rent increases, the issues of ex, you
16 know, formerly incarcerated and the issues of you
17 will automatically not qualify due to that--these
18 are some of the reasons why, perhaps, we need to
19 take a closer look at noticing whether or not
20 we're creating a positive environment or a
21 negative one. And so, if you as an authority have
22 already dealt with these issues in other areas and
23 have lifted them and have been able to see more
24 success or would like to pilot such a program
25 where these requirements are going to be on a case

1
2 by case basis--I need to understand how we're
3 going to be able to collaborate in a way where
4 we're not hurting the residents.

5 JOHN B. RHEA: Very complicated set
6 of issues you brought up.

7 COUNCIL MEMBER REYNA: I completely
8 understand.

9 JOHN B. RHEA: One of the reasons
10 why we're doing outreach with partners is if a
11 resident finds it better for whatever set of
12 objectives they're trying to maximize to go to a
13 Workforce One Center to seek employment as opposed
14 to going to NYCHA--because they're not reporting
15 or whatever the set of issues are. We don't want
16 to be an impediment to that process.

17 COUNCIL MEMBER REYNA: Right.

18 JOHN B. RHEA: We want to be
19 constructive in that process. At the same time,
20 we have a separate, completely separate
21 responsibility to ensure that every resident
22 that's in a NYCHA apartment is on the lease, and
23 that ever single dime of income that they receive
24 is reported. And, you know, do we have, you know,
25 some conflicting objectives? Do people want to

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2 underreport income because they pay their rent
3 based upon a 30% percentage of their income?

4 Sure. But NYCHA has a responsibility to ensure
5 that people are adequately reporting their income
6 and paying the appropriate level of rent in
7 subsidized housing. But that is a separate
8 responsibility of NYCHA from helping our residents
9 and the broader low-income community have access
10 to job opportunities based upon the economic
11 vitality that we're partially responsible for
12 creating.

13 COUNCIL MEMBER REYNA: Sure.

14 JOHN B. RHEA: And we're committed
15 to both of those objectives, and trying to work in
16 a way in which they aren't in conflict, even
17 though we know, Council Member, they are in direct
18 conflict at times.

19 COUNCIL MEMBER REYNA: Correct.

20 Mr. Chair, right now, correct me if I'm wrong,
21 NYCHA is participating in taking a closer look at
22 these conflicting issues?

23 JOHN B. RHEA: Yes. But if we're
24 asking if we're looking at it to make policy
25 pronouncements--

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COUNCIL MEMBER REYNA:

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[Interposing] I just want to find out if--there's

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an actual group, I can't remember the Commission

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or--we had a hearing on this. Michelle do you

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remember?

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JOHN B. RHEA: Yeah, Workforce

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Investment Board.

9

COUNCIL MEMBER REYNA: Say that

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again?

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JOHN B. RHEA: The Workforce

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Investment Boards.

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COUNCIL MEMBER REYNA: Thank you,

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yes.

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JOHN B. RHEA: And so, again, I'm

16

trying to be very direct with you, which is we're

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not looking at us for other ways to, quote

18

unquote, turn a blind eye to people who are

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underreporting income. That is absolutely not

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something we will pursue. And we have a

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responsibility to ensure that every one who is

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living in a NYCHA residence is on the lease and

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reporting income and that we're being paid

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adequate rent. Are we looking at ways to ensure

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that residents have access to employment help that

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2 may not come directly through NYCHA and therefore
3 maybe if that's something they see as a conflict,
4 that hopefully won't be part of an impediment to
5 them seeking employment counseling, help and
6 placement.

7 COUNCIL MEMBER REYNA: Right.

8 JOHN B. RHEA: We have a
9 responsibility on the other end to do what we have
10 to do around enforcing our rules. We don't want
11 that to be an impediment for people getting in to
12 work and into jobs. Now, other things. Formerly
13 incarcerated individuals, can we come up with
14 things that are like Jobs Plus that make
15 adjustments to rent rules for a period of time in
16 which you are becoming gainfully employed and
17 increasing your wages--those are things that we're
18 absolutely prepared to explore in the context of
19 us, you know, doing what we have to do as it
20 relates to being in compliance with federal law.

21 COUNCIL MEMBER REYNA: Right. I
22 appreciate the update. Thank you.

23 JOHN B. RHEA: Okay.

24 CHAIRPERSON MENDEZ: Mr. Chairman,
25 just one question. As these jobs become

1
2 available, right, so you have your list that you
3 may have in a particular development. Right? And
4 depending on what the types of jobs are you look
5 at those lists, you look at the qualifications and
6 sort of match them up to see whether they're in
7 fact capable of doing this work or whether they
8 could do it with some training. Is that how it's
9 done?

10 MICHELLE PINNOCK: Yes. Because if
11 it's a laborer's position, for example, that
12 doesn't have a lot of prerequisite experience
13 required. And so if someone has expressed
14 interest in doing demolition work or becoming a
15 laborer, then it's easier for us to place someone
16 from the development or surrounding developments
17 into those types of positions. But if it's
18 something that's highly technical, like
19 electrician, those are many of the cases where we
20 oftentimes have to cast the net wider to see about
21 specific licenses and training. So that's why we-
22 -

23 JOHN B. RHEA: [Interposing] And
24 even though, you know, even within the entry level
25 laborer designation, we're hearing from employers

1
2 that they need workers from NYCHA that have
3 greater skills. And so, as I talked about, you
4 know, the training programs that we're in the
5 process of putting together now, we are focused on
6 ensuring that we can provide them with general
7 construction training, even if they're going to be
8 hired as a laborer on a construction site, because
9 that is the entry level, and they're asked to
10 perform various, you know, general labor
11 responsibilities that if they haven't had some
12 form of basic training in carpentry or masonry or
13 obviously OSHA certification--some of the basics--
14 actually the employers don't want to hire them, or
15 once they do hire them don't feel that they can
16 actually put them to productive use on the
17 jobsite.

18 So we're trying to ensure even in
19 the laborer designation that NYCHA workers,
20 residents, will have substantially greater skills
21 going into those even entry level positions.
22 Which we believe will lead to hopefully not just
23 that first job but then being retained for
24 additional work beyond the NYCHA project.

25 DEBRA-ELLEN GLICKSTEIN: And I just

1
2 wanted to really echo that, that this focus on
3 advancement and not just this one-shot deal for
4 that laborer position in the short term is--it's a
5 challenge to be able to put the structures in
6 place sort of to make that happen, but that is one
7 thing that we're very focused on and very serious
8 about.

9 CHAIRPERSON MENDEZ: Thank you very
10 much. As the Chair of this Committee I'm going to
11 take a few minutes just to say some things because
12 I can. And earlier when Council Member Halloran
13 was here, who was asking a lot of questions about
14 the stimulus funding and whether it was helpful, I
15 think we all agree stimulus funding is helpful.
16 \$423 million in much needed capital work is
17 helpful. It doesn't make up for the \$611 million
18 that NYCHA did not receive during the Bush years.
19 So we're still a couple of hundred million short
20 of needed capital work in public housing. That is
21 still necessary. And I know on our part we've
22 been trying as we can to put some capital dollars
23 for our residents in our development. And we
24 still have a long way to go. That's all I have to
25 say.

1
2 I want to thank this panel for
3 their testimony. And if Mr. Erik Crawford is
4 still here, we will be moving to the public
5 testimony. Mr. Crawford? No.

6 JOHN B. RHEA: Thank you.

7 CHAIRPERSON MENDEZ: Thank you.

8 [Pause]

9 CHAIRPERSON MENDEZ: Thank you, Mr.
10 Crawford for still being here and for signing up
11 to give testimony. Whenever you're ready, just
12 make sure the microphone is on and then identify
13 yourself for the record.

14 [Off Mic]

15 CHAIRPERSON MENDEZ: Try it again.

16 ERIK CRAWFORD: Erik Crawford.

17 CHAIRPERSON MENDEZ: There we go.

18 ERIK CRAWFORD: I am a resident of
19 public housing. I also serve as a Resident
20 Association President in the Bronx for Davidson
21 Houses. I serve on the Bronx Council representing
22 35 developments in the South Bronx, and serve on
23 the Citywide Resident Advisory Board for the New
24 York City Housing Authority, and I chair the
25 Committee that comes under the Section 3

1
2 requirement for the Housing Authority. And at
3 first I wasn't planning to speak, but of course
4 after hearing comments that came from the
5 Authority, I thought it was important to make note
6 from the residents' standpoint, as well as a
7 resident leader, that feels that--and I have met
8 with Michelle and her team regarding the Section
9 3--and I could say at the board meetings that I do
10 attend of the NYCHA Board, I do see that the
11 Chairman and also the Commissioner and Earl
12 Andrews seem to be on top of making sure that
13 Section 3 is part of those contracts that they do
14 approve.

15 But in addition to that I do feel
16 that there is more that can be done on the
17 outreach level when it comes to informing and
18 advising residents of the opportunities that's
19 available. I also believe that the Authority can
20 do a better job in reading out to the youth when
21 it comes to these jobs. We know that the youths,
22 as they get to a certain stage in the game, they
23 find themselves occupied with other activities,
24 those that are note wholesome and beneficial for
25 the up-building of our communities. And I do

1
2 believe the Authority can address that a little
3 much better than what's being done. In addition,
4 I have made recommendations to the Housing
5 Authority that besides always focusing on the
6 contract work, I believe all federal funding that
7 the Housing Authority spends out could be attached
8 to a Section 3 requirement. For instance, we
9 heard the preaching of \$70 million that the
10 Authority spent annually on New York City Police
11 Department. Well, we believe that they can attach
12 a requirement for Section 3 to help bring training
13 into that area. This is an annual payment that
14 goes out to the Police Department, and I'm sure
15 that that type of training and that type of
16 resource can secure ongoing opportunities for
17 public housing residents.

18 In addition, the Housing Authority
19 spends \$1 million on sanitation annually. That's
20 another area in which the Authority can bridge a
21 Section 3 requirement and training opportunities
22 for residents of public housing throughout the
23 city. Department of Community Operation is known
24 for spending probably the biggest chunk of money
25 in the public housing authority outside of capital

1
2 improvement, and the Authority seems to always
3 continuously spend out over thousands and hundreds
4 of thousands of dollars on outside agencies, but
5 none of those agencies have a Section 3
6 requirement.

7 For instance, coming up on the
8 board calendar this week, Wednesday, Department of
9 Community Operations is proposing \$335,000 to be
10 spent out to John Jay University. This is a
11 subsidy that they've been spending out for the
12 last six years that I'm aware of. These areas can
13 become attached to a Section 3 requirement that
14 can bring some type of opportunities to our youth
15 as well as to our residents of public housing.

16 So I believe when we start looking
17 forward, we need to look at the big picture of
18 things, not just quoting numbers here to the
19 Council, and not just giving out documentations
20 and testimony that just says this is what we're
21 doing; but to reach out to the residents at the
22 local level to make sure that every resource, as
23 the Chairman quoted in his statement on page 15,
24 is used and tapped in to in order to provide
25 accurate and life-sustaining careers and

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opportunities to our residents, and not just one-shot deals that have been done.

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And just in closing, I believe that many of these contractors hire a Section 3 requirement because it's required. Do they really want them there? No. So I believe they put a lot of these obstacles in the way to ensure that they don't give residents jobs. For instance, coming in to my development looking for a carpenter that's unemployed, you might not find it in Davidson Houses in the Bronx. So why is it that this contractor can't open up an on-the-job training type of program to still compensate and teach these people as they go along on a contract? So I believe there are some things that the Authority can do to put in place and to ensure that residents get the most effectiveness out of the Section 3 requirements.

At this time they are doing what they can do, but I don't think that they're doing the best job that they can do in order to ensure that public housing residents across the board, starting with our youth, up to our seniors, can get the opportunities that are available out

1

2 there. Thank you.

3

CHAIRPERSON MENDEZ: Hello? Thank
4 you, Mr. Crawford. Your testimony, I'm so glad
5 you did step up to give testimony. Many things--
6 what you said is very important and I'm going to
7 follow up with the Housing Authority on some of
8 these suggestions, particularly with some of our--
9 well, some of the funding or money that they
10 Housing Authority pays to the City on these
11 different levels that could lead to jobs for NYCHA
12 residents.

13

As you know, some tenants are more
14 active than others and some tenant leaders are
15 more active than others. You certainly sound like
16 you're working very hard for your development and
17 for your community. And I appreciate your
18 comments. Can I ask you--do you know who your
19 Council Member is?

20

ERIK CRAWFORD: Yes. Carmen
21 Arroyo.

22

CHAIRPERSON MENDEZ: Okay. So,
23 what I was asking earlier of the Housing Authority
24 in looking at how we're doing outreach, I think I
25 wanted to narrow it to, like, one Council Member

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2 in each borough so that we can get an idea of
3 what's happening in the boroughs and what's
4 happening in that council district in terms of
5 stimulus funding, in terms of prior modernization
6 or future modernization, and any other capital
7 work, and looking at what efforts were done to get
8 Section 3 applications, how many of them have been
9 put to work and what else we can do to get more
10 Section 3 applications. It sounds like we have
11 the great makings of working with the Council
12 Member, who was here earlier, with this young man
13 and the Authority to do the kind of efforts that
14 we did in Williamsburg Houses some years ago, to
15 bring all those residents in with applications and
16 try to get them placed in jobs.

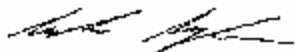
17 So I look forward to meeting with
18 you, Ms. Pinnock, in the future, and identifying
19 which council members in what boroughs we can sort
20 of start looking at, and then moving towards that
21 way. And I look forward--and if I can get your
22 number when this hearing is over, so I can reach
23 out to you myself. Okay? Thank you very much.
24 The matter of Resolution number 207 is being laid
25 over for a vote, and this hearing has come to an

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end. Thank you.

C E R T I F I C A T E

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



Signature _____

Date 5/26/10 _____