

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON OVERSIGHT AND INVESTIGATIONS,
JOINTLY WITH THE COMMITTEE ON PUBLIC HOUSING

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February 6, 2018
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HELD AT: Council Chambers - City Hall

B E F O R E:

RITCHIE J. TORRES
Chairperson
ALICKA AMPRY-SAMUEL
Co-Chairperson

COUNCIL MEMBERS:

Ben Kallos
Rory I. Lancman
Keith Powers
Rafael Salamanca, Jr.
Mark Treyger
Kalman Yeger
Diana Ayala
Laurie A. Cumbo
Ruben Diaz, Sr.
Mark Gjonaj
Carlos Menchaca
Donovan J. Richards
James G. Van Bramer
Speaker Corey Johnson

COUNCIL MEMBERS:

Public Advocate Letitia James
Margaret Chin
Barry Grodenchik
Brad Lander
Robert Cornegy
Helen Rosenthal
Bill Perkins
Chaim Deutsch
Vanessa Gibson
Carlina Rivera
Jumaane Williams
Inez Barron
Mark Levine
I. Daneek Miller

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

Representative for Daniel Barber
Chairman
Citywide Council of Presidents

Rose Fernandez
Resident of Carver Houses
Member of Community Voices Heard

Carmen Quinones
President and Resident
Douglass Houses

Lisa Kenna
Resident
Van Dyke Houses

Sipria Noel
Langston Hughes Houses

Calvin Drumgo
Breukelen Houses

Shola Olatoye
Chair and CEO
New York City Housing Authority

Deborah Goddard
Executive Vice President
Capital Projects
New York City Housing Authority

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

Cathy Pennington
Acting Executive Vice President
Operations
New York City Housing Authority

Vita Mustaciuolo
Acting General Manager
New York City Housing Authority

Javier Almodovar
Deputy Director
Heating Services
New York City Housing Authority

Kerri Jew
Executive Vice President and
Chief Administrative Officer
New York City Housing Authority

Robert Marano
Executive Vice President and
Chief Information Officer
New York City Housing Authority

Bomee Jung
Vice President
Energy and Sustainability
New York City Housing Authority

Zachary Carter
Corporation Counsel
City of New York

2 [sound check]

3 [background comments]

4 [pause]

5 [background comments]

6 SERGEANT-AT-ARMS: Hi, well may I please
7 have your attention? Please have a seat; we're going
8 to be starting shortly. Everyone, please have find a
9 seat, we are going to be starting shortly; we need
10 everyone to have a seat. If you are standing on the
11 back, you have to find a seat as well; if you're not
12 able to find a seat on the main floor, please head
13 upstairs to the balcony; we have plenty of seats in
14 the balcony. If you are with staff, Council staff,
15 Mayor staff, and if you are standing in the back,
16 please find a seat and put your cell phones on
17 vibrate or silence; we are going to be starting
18 shortly. Thank you.

19 SERGEANT-AT-ARMS: Quiet, please.

20 [pause]

21 [gavel]

22 CO-CHAIRPERSON AMPRY-SAMUEL: Okay, we're
23 going to get the hearing started. Can everyone find
24 a seat?

25

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WITH THE COMMITTEE ON PUBLIC HOUSING 6

2 Well good morning. [background comments]

3 I thank you all for being here today. I'm Alicka
4 Ampry-Samuel, the new Chair of the Committee on
5 Public Housing. This is my first hearing [clapping]
6 as chair... This is my first hearing as chair, but of
7 course, I'm no stranger to NYCHA. I am a product of
8 public housing; I grew up in Marcus Garvey Houses and
9 I organized in NYCHA developments in my community; I
10 even worked as a senior advisor at NYCHA. So let me
11 first say; I know that this is not easy and I get it.

12 NYCHA faces incredible challenges; its
13 population is bigger than the whole city of New
14 Orleans; there's been disinvestment; our buildings
15 are in desperate need of repair and falling around
16 us, but that is no excuse for ignoring or
17 disrespecting the residents, [cheers, clapping] for
18 leaving them in the dark, leaving them in the cold.
19 NYCHA is not just another government agency, it's not
20 about managing a portfolio or providing a service;
21 it's about providing a home, a place where people can
22 raise their children, a place where you can grow old.
23 NYCHA is nothing without its residents, [background
24 comments, clapping] they are its eyes and its ears
25 into the community, its heart and its soul and they

3 deserve respect and to be involved. Right now ask
4 almost any resident and they'll tell you that that's
5 not the case. Residents don't trust management and
6 heck, they probably don't trust most politicians here
7 either, [background comments, clapping] and I don't
8 blame them... and I don't blame them. As Chair of this
9 Committee, I'll look to us to get to the root of that
10 problem. There is a serious disconnect between
11 residents and management and that brings me to why we
12 are here today.

13 Right now nothing epitomizes that divide
14 better than NYCHA's failure to provide heat and hot
15 water to residents; it's one of their most basic
16 responsibilities, but lately we're hearing again and
17 again that that isn't what's happening; they get
18 notices that their service is restored, but there's
19 still no heat. They hear that NYCHA is resolving
20 complaints in hours, but there's still no heat. The
21 NYCHA residents here today already know how big of a
22 problem this heating situation is, but I'm not sure
23 how many people outside of NYCHA fully understand the
24 magnitude of what's happening here. So what I want
25 to make sure and what I want to make everyone
understand just as importantly; I want to make sure

2 the formal record reflects it. We owe that to the
3 residents. We owe it to them to find out what's
4 going wrong at NYCHA.

5 So let's start with the numbers. On
6 Thursday, NYCHA informed the Committee that over
7 320,000 residents have experienced a heat or hot
8 water outage this heating season, 320,000 residents;
9 that's an enormous number. But to give it a real
10 sense of scale, remember that there are only 390,000
11 housing residents anyway, so that means more than 80%
12 of NYCHA residents have been without heat or hot
13 water and we're only halfway through the heating
14 season. That is not just a moral failure; that is a
15 legal failure. [clapping] Imagine if we found out..
16 [background comment] Imagine if we found out a
17 private landlord wasn't providing heat to 80% of
18 their residents; imagine what we would all be saying
19 right now; we wouldn't just be talking about doing
20 better or gee, we messed up; we'd be talking about
21 punishment, we'd be talking about fines and frankly,
22 we'd be talking about jail. [background comment]

23 So today I want to get to the bottom of
24 this; why NYCHA is not living up to the basic promise
25 of providing residents with a livable home. I don't

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2 WITH THE COMMITTEE ON PUBLIC HOUSING 9

3 want to hear about the new policies you're changing
4 at the top; I want to know why you're failing the
5 residents. How about we get to that point, where
6 residents are constantly being left in the dark, why
7 they can't trust a thing they're told and why no one
8 at NYCHA seems to be truly listening. Well I'm here
9 to listen and I'm here to make sure there is
10 accountability, from the Chair of NYCHA, all the way
11 down to every development and every building manager;
12 from the general manager to the boiler repair team.

13 Again, thank you all for being here
14 today, especially thank you to the residents. I know
15 that this was a sacrifice to come here on a Tuesday
16 morning, in the cold; some of you had to miss work,
17 be away from your families, and I was just told that
18 some of you have been out here since 8:30 this
19 morning and were told you could not come into the
20 building until 10, still being left out in the cold.
21 So I thank you again for being here, but at least
22 there's heat in this room. I'll now turn it over to
23 my Co-Chair today, the former chair of Public
24 Housing, Council Member Ritchie Torres.

25 [clapping, cheers]

CHAIRPERSON TORRES: Thank you.

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2 SPEAKER JOHNSON: Council Member Torres,
3 just... I just want to ask all the residents -- we are
4 so grateful that you're here; if we could please not
5 clap; we're gonna be here for a long time today and
6 the longer we clap the more delays we have. So if
7 you want to signify, you can give us some silent
8 hands, but please, let's keep it quiet so everyone
9 can be heard. Thank you very much.

10 CHAIRPERSON TORRES: Thank you. I'm City
11 Council Member Ritchie Torres and I chair the
12 Committee on Oversight and Investigations.

13 Under the leadership of Speaker Corey
14 Johnson, and with a new and invigorated Oversight and
15 Investigations division, we are on a mission to
16 fundamentally reshape the nature and raise the
17 intensity of City Council oversight. We will dig
18 deeper into the operations of agencies like NYCHA to
19 an extent never done before, demanding not only
20 answers to questions, but also access to internal
21 databases under the threat of subpoena. We will gain
22 knowledge of their most innermost workings and then
23 share that knowledge with the public. We will not
24 merely critique what is wrong; we will strive to
25 implement solutions in the hopes of making government

2 work for the people of New York City. Today's
3 hearing is only a glimpse of what is to come -- stay
4 tuned.

5 The crisis confronting NYCHA stems not
6 only from deep disinvestment, which is as staggering
7 as it is scandalous; it also stems from deep
8 dysfunction in the very management structure of the
9 New York City Housing Authority. NYCHA has a
10 chairperson whose credibility has sustained
11 irreparable damage; she has knowingly filed a false
12 certification with the federal government; she has
13 submitted false testimony to the City Council, not on
14 one but two occasions, on a matter of public health;
15 she has haplessly presided over a humanitarian crisis
16 where hundreds of thousands of residents were living
17 at various points without heat and hot water. NYCHA,
18 for two and a half years, had a general manager who
19 was utterly ineffective, who by all accounts had no
20 handle on the day to day operations of the Housing
21 Authority.

22 What NYCHA faces is not only a crisis of
23 dollars and cents or systems and structures; what
24 NYCHA faces is a crisis of leadership. The
25 Administration and NYCHA can rightly fault the

2 federal government for defunding public housing,
3 which historically has been a federal obligation, but
4 it cannot fault the federal government for the people
5 it hires and the people it fails to hold accountable;
6 that failure is entirely their own. The lack of
7 accountable and transparent leadership of NYCHA can
8 be seen in the Authority's public mishandling of the
9 heating crisis.

10 In an attempt to downplay the heating
11 outages in public housing, a spokesperson for the
12 Housing Authority declared in early January, after
13 the worst of the cold spell, that 97% of NYCHA
14 apartments had consistent heat. The 97% statistic is
15 not only out of touch with the on-the-ground
16 observations of every resident and elected official
17 in the City of New York; that statistic has no basis
18 in the data that we have seen.

19 According to our own investigative
20 findings, a staggering 323,000 resident in public
21 housing lost heat and hot water. The number of
22 heating outages went from 1,060 in 2016 to 2,395 in
23 2017, a 76% increase. The number of hot water
24 outages went from 916 in 2016 to 4,112 in 2017, a
25 348% increase.

2 The question that troubles me deeply
3 should trouble all of us: How could we as a city
4 allow this to happen? How could the wealthiest city
5 and the wealthiest country let 323,000 of our fellow
6 New Yorkers go without heat and hot water in their
7 homes?

8 The fragility of NYCHA's heating systems
9 was not an unknowable fact any more than the brutal
10 cold of winter was an unforeseeable event. NYCHA, as
11 well as the Administration, should have known and it
12 should have planned, but instead of planning for the
13 worst, both the Administration and NYCHA chose to
14 hope for the best, waiting for federal funds that
15 would never come while NYCHA's heating systems were
16 left to rot from within. The residents of public
17 housing were left out in the cold by their wishful
18 thinking. Even the \$200 million, substantial as it
19 is, reflects a failure of foresight; it is a reaction
20 to an emergency rather than a product of strategic
21 thinking.

22 It is true that the Mayor has done more
23 for NYCHA than his predecessors ever did, but the
24 fact that the Mayor has done more than his
25 predecessors does not mean that he has done enough

2 and it does not mean that he has done or is doing as
3 much as he could do. Unfortunately, when it comes to
4 the history of local investment in NYCHA, the bar is
5 low. Surpassing a low bar might be historic; it
6 might indeed be unprecedented, but it is no longer
7 sufficient.

8 NYCHA, when it testifies, will
9 undoubtedly highlight the role of disinvestment in
10 the heating crisis; it will largely be correct in
11 doing so, the depth of decades-long disinvestment is
12 real, but my objective over the course of the hearing
13 is to tell a fuller story that NYCHA would never tell
14 and lay out for the public the series of budget,
15 personnel and policy choices that have compounded the
16 heating crisis in public housing.

17 With that in mind, I invite you to
18 consider the following questions:

19 Why did the Administration and NYCHA
20 allow an ineffective Chief Operating Officer to
21 mismanage public housing for more than two years?

22 Why did the Administration go four years,
23 a whole term, without allocating substantial City
24 capital toward the hearing systems of public housing?
25

2 NYCHA is set to receive \$167 million in
3 energy performance contracts:

4 Why has NYCHA set aside only a small
5 share of those funds for one boiler plant?

6 Why did NYCHA, since 2015, fail to create
7 a pipeline of heating plan technicians, one that
8 would have prevented the severe shortages at the
9 beginning of the heating season?

10 Why did NYCHA, in 2015, choose to split
11 and silo a once unified energy department?

12 Why did the Deputy Mayor for Housing and
13 Economic Development, Alicia Glen -- who doesn't
14 think we're very smart -- who oversees NYCHA,
15 abruptly withdraw bond financing from a development
16 in Astoria Houses, causing an indefinite delay in the
17 retrofit of four NYCHA boilers for 3,000 residents
18 living there?

19 Why did NYCHA fail to create a building
20 management system that would enable it to fully
21 assess the health of its own heating systems and then
22 predict when those systems will fail?

23 The Chairperson has been at NYCHA for
24 four years -- she had four years to create such a
25

2 system -- there was no evidence that she has even
3 attempted to do so.

4 The questions that I have posed are not
5 about circumstances forced upon NYCHA and the
6 Administration; these questions are about choices
7 made by NYCHA and the Administration, choices for
8 which this Council will hold them accountable; these
9 questions are about failures at the level of policy,
10 personnel and planning. Today's hearing is only the
11 beginning of a longer and deeper investigation that
12 will expose the broken promise of NextGeneration
13 NYCHA. There is nothing next generation about
14 NYCHA's system from managing information and
15 resources.

16 NYCHA, in the way it operates, remains
17 frozen in the 20th century. Our investigation has
18 found that NYCHA at times fails to collect the data
19 it needs to assess the health of its own heating
20 systems; it at times fails to computerize the data it
21 collects; it at times fails to integrate in a single
22 system the data it computerizes. Without a modern
23 system for managing information, NYCHA will continue
24 to have no ability to fully assess the health of its
25 own heating systems and fully predict when those

2 heating systems will fail. That is; NYCHA will
3 continue to be in a state of reacting frantically to
4 emergencies rather than predicting and preventing the
5 failure of its own systems.

6 I will end with an eye for the future.
7 How can NYCHA best transition from a heating system
8 it has to one it needs? What kind of heating system
9 would best meet the needs of a chronically under-
10 resourced Public Housing Authority?

11 I have no final answers to these
12 questions, only initial thoughts. Since NYCHA lacks
13 the staffing capacity to handle boilers that require
14 intensive maintenance, the Housing Authority should
15 move toward boilers that not only offer far more
16 efficiency, but also requires far less maintenance.
17 Or alternatively, it should move toward a heating
18 system that requires no boilers at all.

19 The Newark Housing Authority offers a
20 powerful case study. Energy performance contracts
21 (otherwise known as EPCs) fund energy efficiency
22 improvements, at no upfront costs to a Public Housing
23 Authority. The Newark Housing Authority harnessed
24 the power of EPCs to create a decentralized heating
25 system that consists of the following components: a

2 gas distribution system, which was built by the local
3 utility, at no cost to the Housing Authority; a
4 furnace in each apartment which provides the heat;
5 and a water heater in each basement which provides
6 the hot water. The system has no boilers and
7 therefore requires no boiler maintenance; it meets
8 the needs of a resource-starved Public Housing
9 Authority.

10 I am, by no stretch of the imagination,
11 anything resembling an expert on heating systems and
12 I will not pretend to know with certainty which
13 system is best for NYCHA, but it is important to
14 consider the possible paths that NYCHA could pursue
15 and evaluate the merits of each one. NYCHA must not
16 merely replace an old broken system with a new broken
17 system; it must transform the heating system into
18 something worthy of the name NextGeneration. Thank
19 you.

20 SPEAKER JOHNSON: Thank you, Chair Ampry-
21 Samuel; thank you, Chair Torres. I'm Council Speaker
22 Corey Johnson; I want to thank you all for being here
23 today for this very important hearing regarding the
24 lack of heat and hot water for NYCHA residents.

2 Again, thank you to the Chairs for their
3 leadership on this immensely important issue, and I
4 have to say that I am astonished. We knew that this
5 was bad, but when you actually look at the full
6 numbers that we received, it is something else. So I
7 have some pretty straightforward questions for this
8 hearing: How on earth could this happen? How did we
9 get here? First we find out there are issues related
10 to lead; then we find out that residents are not
11 being provided heat or hot water; what is next? But
12 we can't just sit here and wait for another shoe to
13 drop; we have to get a handle on this.

14 Now I am fully aware that NYCHA has
15 suffered funding cuts at the federal level that
16 hamper its ability to make repairs and provide
17 services, but the scope of this failure to provide
18 the basics is mindboggling even in that context, and
19 I have a simple premise in mind: government needs to
20 and must be held accountable, and as the City's
21 legislative and oversight authority, that is our job;
22 it is the City Council's charter-mandated
23 responsibility and I take that responsibility very
24 seriously.

2 When I became Speaker, I said that this
3 Council would start conducting oversight in a very
4 different way -- when I see a problem, particularly a
5 complicated one, we will devote the necessary
6 resources to truly understand it; that means more
7 staff and more time, and that even means issuing
8 subpoenas, if we must (which we did not have to do in
9 this instance), and clearly, we have a very big
10 problem here, to put it lightly. But this hearing is
11 not the end of the road, we will be looking
12 extensively at NYCHA records and data and we will go
13 where our investigation leads us, on a variety of
14 topics. So today I expect to have a frank and honest
15 discussion with NYCHA leadership and their full
16 cooperation as we begin the process of learning what
17 happened and what we need to do to fix it, and I want
18 to end with this:

19 Today is not... for me, today is not about
20 getting personal; it's not what this is about; today
21 is about accountability; today is about transparency;
22 and today is about getting answers to how we got here
23 in the first place, understanding the underlying
24 problem that has existed for a long time, predating
25 this Administration; predating this Chair, but the

2 Chair is the Chair; the Mayor is the Mayor, they're
3 in charge and we want to ensure that this doesn't
4 happen again. We want to not hear that you're gonna
5 get \$262 million but it may take four winters to
6 actually get those boilers up and going. We want
7 answers to these basic questions and we want to be
8 supportive; we want to help NYCHA; we want to help
9 NYCHA fix these issues; we want to get them more
10 money, but we also want to make sure that if we get
11 them money it is going to be spent wisely,
12 appropriately and will be handled in a manner where
13 we're not going to keep putting a Band-Aid on a
14 broken system. So it is my hope that we will get
15 answers to these questions today.

16 I want to thank all the members of these
17 Committees for being here this morning; it's going to
18 be a long hearing; I'm sure that Council Members are
19 going to have plenty of questions, of course, for
20 residents who are here, for NYCHA leadership, for
21 other elected officials who will testify here today,
22 and for residents, who are going to be heard later on
23 this afternoon, I want to thank you all, as the
24 Chairs did, for taking time out of your busy
25 schedules to be here; this is a serious hearing and

2 we expect to get serious answers. And with that, I
3 want to turn it back over to Chair Ampry-Samuel.

4 CO-CHAIRPERSON AMPRY-SAMUEL: Thank you.

5 I just want to acknowledge some of the colleagues
6 that are here today, the other Council Members. We
7 have with us Majority Leader Councilwoman Laurie
8 Cumbo, we have Councilwoman Ayala, we have Councilman
9 Menchaca, Councilman Lancman, Council Member
10 Richards, Council Member Treyger, Council Member
11 Cornegy, Council Member Lander, Council Member Yeger,
12 Council Member Rosenthal, Council Member Gjonaj,
13 Council Member Rev. Ruben Diaz, Sr., Council Member
14 Perkins, Council Member Van Bramer, Council Member
15 Grodenchik, Council Member Powers, and Council Member
16 Deutsch. Okay.

17 So we're doing things a little different
18 today. Normally we would hear from the agency for
19 the first testimony, but this morning we thought it
20 was very important to hear from the residents of
21 NYCHA first, (background comment) and so our first
22 panel will be the residents of New York City Housing
23 Authority. So we will first hear from the Citywide
24 Council of Presidents' Chairman, Mr. Daniel Barber.

2 UNKNOWN MALE: Good morning. Good
3 morning everyone. This is a statement from Mr.
4 Daniel Barber, Board Chairman of the Citywide Council
5 of Presidents and Chairman of the South Bronx
6 District Council of Presidents, Inc., and President
7 of Jackson Houses Resident Association, Incorporated.

8 "Good morning Madam Chairwoman;
9 congratulations on your new appointment; we wish you
10 well and we're looking forward to working with you.
11 Mr. Torres: congratulations on your new appointment
12 as well. And to the Speaker: congratulations on your
13 appointment and thank you for hosting this hearing
14 today.

15 I am glad that both of you hosted this
16 hearing and hope that a committee of residents and
17 elected officials can come together for oversight of
18 funds and services rendered to NYCHA for the greater
19 good of the residents of public housing.

20 The residents of public housing held a
21 meeting about the heat issue on the 19th of January
22 at the Throggs Neck Houses, hosted by Resident
23 Association President, Miss Monique Johnson, and the
24 Association Residents Board. The irony of this
25

3 meeting was having a heating meeting in a space that
4 was colder than it was outside.

5 I have been watching the issues being
6 reported [background comments] by the media, from
7 Redfern Houses, Sotomayor, Castle Hill, Douglass,
8 Morris Senior [sic] Consolidation, and Patterson,
9 whose boiler room is condemned and must rely on three
10 mobile boilers that must supply heat to 20 plus
11 buildings, and many more developments citywide. The
12 sad part which adds insult to injury is that the
13 resident leaders have been reaching out and no one
14 from NYCHA has been responding back for hours or days
15 later. If we speak with the media, then NYCHA
16 operations, resident engagement, and most of all,
17 heating, no longer returns calls or do not respond to
18 our emails unless we add the elected officials.

19 The NGO developments in the Bronx have
20 had major issues with repairs and services and this
21 program was supposed to give the operations back to
22 the development, to the managers and superintendents,
23 but things have gotten worse, especially heating and
24 hot water, and we briefly described about Patterson
25 Houses. There are five NGO developments in the South
Bronx -- Mitchell, Mott Haven, Patterson, Mill Brook,

2 and Melrose -- and they are all still experiencing
3 interruptions and partial services at these
4 developments.

5 While we hear "we're working on it," the
6 residents are totally suffering and feeling the
7 effects. The HUD regulations in Federal Law 24 CFR
8 964.100 Federal regulations provide NYCHA resident
9 councils with the opportunity to actively participate
10 through a working partnership with NYCHA to advise
11 and assist in all aspects of public housing. Then
12 you have 24 CFR 964.135: Residents shall be involved
13 and participate in the overall policy development and
14 direction and other interested residents at the
15 development through education and direct
16 participation in all phases of the budgetary process.

17 Mr. Torres, your Committee is Oversight
18 and you have heard the issues many times; you have
19 been given proof of NYCHA's failures over the years;
20 we need accountability and we need it now. We the
21 residents of public housing are letting you know that
22 from today moving forward, the residents no longer
23 will accept the third-world treatment and below
24 standards [background comment] treated [sic] that has
25 strong similarities to modern day slavery. We shall

2 not and will not accept NYCHA's disrespect and poor
3 treatment any longer.

4 Thank you for the opportunity to address
5 this Committee."

6 [background comments]

7 SPEAKER JOHNSON: I just want to mention
8 that we are also joined, of course, by our Public
9 Advocate, Letitia James.

10 CO-CHAIRPERSON AMPRY-SAMUEL: Okay, I'm
11 going to introduce the entire panel, and you can go
12 in the order that you're seated. So we also have
13 with us Rose Fernandez of Carver Houses and a member
14 of CVH; we have with us Carmen Quinones of Douglass
15 Houses; we have with us Lisa Kenna of Van Dyke
16 Houses; Sipiany [sp?] Noel of Langston Hughes Houses,
17 as well as Calvin Drumgo of Breukelen Houses. Thank
18 you. You can go.

19 [background comments]

20 ROSE FERNANDEZ: Good morning. My name
21 is Rose Fernandez, a member of Community Voices Heard
22 and a resident of Carver Houses. Thank you for
23 holding this important hearing, and while we have
24 some pointed questions for NYCHA's chair, this
25 hearing should be in fact with our Mayor, who must

3 answer for the inadequate responses crisis. And now
4 imagine having to use your oven to make your
5 apartment warm, even though you know it's dangerous,
6 but your only other options are to freeze or wear
7 your coat and gloves inside. Imagine trying to make
8 hot tea so at least you'd have something warm going
9 through your freezing body only to find you have no
10 water and without water you can't even cook a hot
11 meal, but maybe if you have money you can order some
12 hot food or eat nothing. Imagine nights where you
13 can't even take a hot shower because now you have no
14 hot water. And imagine having the flu this past
15 Christmas and feeling like you're sleeping outside
16 and crying yourself to sleep because you're so
17 unbelievably and painfully cold in your room. You
18 may not be able to imagine that, but that's my life.
19 Should anyone have to live like this? And it's not
20 just the heat/water issues; I've been to the ER
21 countless times because of black mold. Is this
22 acceptable to you?

23 To our absent Mayor, the 20 developments
24 his heating plan will address will have to go through
25 three more winters without heat and that's 20 of 326
developments, only 7%. So in the Mayor's eyes, 93 of

2 us aren't even human. Stop killing us and give us
3 the funds we need to make life livable for all NYCHA
4 residents, we need help now.

5 And I have a question for the members of
6 this Committee: Will you stand with us as we demand
7 the Mayor invest \$2 billion dollars this year and
8 \$1 billion each year after to make urgent repairs in
9 all of NYCHA? There's an obvious deficit of funds in
10 NYCHA and also a surplus of incompetence, corruption
11 and lies. CVH's NYCHA plan solves this problem by
12 demanding full funding for all repairs and then those
13 funds will have a resident oversight committee in
14 ensuring monies go to make needy repairs and not to
15 corrupt pockets; however, the funds and oversight
16 council must go hand in hand. We cannot wait until
17 2022 to have heat and needed repairs made; our lives
18 are not a game. So I ask again; can we count on you
19 members of the Committee to stand with us and support
20 the demands that we're asking of the Mayor?

21 Thank you for this opportunity.

22 [clapping, background comments]

23 CARMEN QUINONES: Woo, Lord have mercy.

24 My name is Carmen Quinones and I am the President of
25 Douglass Houses and a Community Voices Heard board

2 member. You've gotta give me a minute, 'cause this
3 is hard.

4 I went to Puerto Rico, because my dad was
5 dying, only to get stuck in Hurricane Maria -- I
6 almost died -- to come back home to the health crisis
7 in NYCHA. And as Rose said, this deficit of funds
8 and a surplus of incompetence; that is why we are not
9 only calling for the money that is needed to fix
10 heating systems -- \$2 billion this year -- but also
11 the creation of a resident-led oversight council.

12 NYCHA management has shown itself incapable of
13 protecting our well-being; it has a track record of
14 failure. We, the residents, must play a bigger role
15 in the management through the creation of a resident-
16 led oversight council. Those who are closest to the
17 problem are closest to the solution. NYCHA Chair and
18 management should not only have to report to you, the
19 City Council, but they should be mandated to report
20 to us, the residents, at least quarterly through the
21 oversight council. This will be a council led by
22 residents that would include leaders from faith,
23 labor and community groups with an investment in
24 public housing. Additionally, NYCHA's long track
25 record of closing tickets before repairs get done is

2 inexcusable and easily fixed. Give residents control
3 over when tickets are closed. No closing -- wait a
4 minute; sorry. No closing the tickets just to close
5 them until I sign off on it. NYCHA has shown it
6 can't be given this responsibility. Furthermore,
7 repair system into 311 in order to create more
8 transparency. Two billion in this year's budget,
9 plus a billion per year, plus the expansion of
10 resident control will start to put the agency back on
11 track. If Mayor de Blasio wants to run for president
12 as a progressive democrat, this is an opportunity to
13 prove he really is one right here in his backyard.

14 Demand \$2 billion this year and a billion
15 per year after that; all monies given this year need
16 to be used to fix heating systems before next winter,
17 not 2022; creation of resident-led oversight council;
18 put the repair system into 311, resident control
19 ticket closures.

20 Let me tell you something, this -- I have
21 lupus and lupus is a thing that when you get upset or
22 you get whatchamacallit, lupus just activates and my
23 lupus has been activated; I just came out of the
24 emergency room Sunday. Enough is enough.

25 [background comments] Enough is enough. [clapping]

2 This morning I got up and I had no water, none, and
3 my 6-year-old granddaughter said, "Grandma, I know
4 you can fix it," and I couldn't. Enough is enough.
5 [background comments, clapping]. Thank you for
6 holding this hearing. Thank you Ritchie for sending
7 Bill to me this weekend, Nora... we went to Nora's
8 house; that woman was freezing, crying. I had
9 another old man that just came out from an operation,
10 dead on his back; Bill was there -- where's Bill --
11 Bill was there; we had to take pictures of this man.
12 Our seniors are dying and you guys, how could you
13 sleep; how could you sleep? [background comment]
14 This Mayor is the head of this and the Mayor needs to
15 answer us. Mayor de Blasio, where are you?
16 [clapping] I'm done.

17 ROSE FERNANDEZ: I just wanna do a quick
18 thank you again because you let us speak first,
19 because last year the Chair ran out on us.

20 CARMEN QUINONES: Thank you so much for
21 that.

22 LISA KENNA: I don't know how I can top
23 all that, but I'm going to speak. My name is Lisa
24 Kenna, good morning. I'm a resident of Van Dyke
25 Houses; I've been a resident for 58-and-a-half years,

2 and I'm also the President of Van Dyke Resident
3 Association for over 10 years.

4 I didn't come to beat up on anybody; I
5 came to find out about some solutions. We can beat
6 up on each other and nothing will get done.

7 [background comment]

8 I'm here to talk about the boilers. Van
9 Dyke has five boilers and we've been going through
10 problems way before this chair came about heat
11 [background comment] and hot water. You know, it's
12 like... I had a meeting with **[inaudible]** and we took
13 that issue there and Mr. Holden said that five
14 boilers will cost \$11 million, and I think every
15 resident in Van Dyke is worth \$11 million --
16 children, seniors, families altogether -- and nobody
17 seems to care. And you know, when people cut on the
18 ovens in their house and put water, that's a safety
19 issue, 'cause who's gonna woke up; you may not wake
20 up, but you have to go to bed. I know what it is to
21 go to bed with a sweatshirt, sweat suit on, I wear
22 sweat suits outside; I don't wanna wear one going to
23 bed, I like pajamas or a nightgown, you know; you've
24 gotta wear a sweat suit. Now these past couple of
25 days, I must say they gave us heat, you know I guess

2 'cause they know we was coming here, and hopefully
3 when we get home there'll be heat in the house. But
4 two comforters, a blanket. Some people called me and
5 told me they had to put a hat on their head, and
6 what's so sad about it; when our people are scared to
7 call because they feel they're gonna be retaliated.

8 [background comment] I know about retaliation.

9 Being an outspoken person that I am -- God bless my
10 mother -- I find myself being... have been harassed; I
11 have been intimidated -- **[inaudible]** intimidate me or
12 manipulate, uhm and I'm going through something,
13 going through housing because of retaliation, but
14 that's alright; as a leader, you have to stand up
15 because you're not standing up for yourself, you're
16 standing up for the people you're supposed to

17 [background comment] represent. So whatever it has
18 to go, it has to go. But one thing I wanna say is
19 that we have over 1,603 apartments, over 4,000

20 residents; that is a city by itself, so Van Dyke's a
21 city by itself. I know **[inaudible]** in Van Dyke we
22 are wealth there, but if no one is coming out and
23 saying about the heat and the hot water -- now hot
24 water, I have people that go to work, go to school;
25 they're calling my house and say, "Look, I don't have

2 no hot water." I said, "Did you call the 707?"
3 "Yes, I called the 707." Some people didn't have hot
4 water for five days and they went to work -- you've
5 gotta go to school or you've gotta go to the doctor;
6 you've still gotta wash up, you know, you've gotta
7 boil water, take the water from the kitchen to the
8 sink in the pot, if you've got water, you know --
9 some people have water; some people didn't -- I'm
10 sorry you all didn't have no water; we did have
11 water, but we had cold water, but we was able to boil
12 the water, and people was calling and calling and
13 calling and then all of a sudden they came and fixed
14 the water. Now I don't know how other people live,
15 but we don't live like that. One thing about public
16 housing, we take pride in where we live, [background
17 comment] that's our home, you know. I know I'm not
18 leaving to go nowhere, so I have to stay there to
19 make sure things is better. I don't have no problem
20 -- I know everybody here don't have a problem in
21 doing what they have to do, but I'm not here to beat
22 up on the Chair, because I'm gonna say this one thing
23 about her -- she's done good; certain things maybe
24 she hasn't, but I seen that she has done good and I
25 know I have called and if I have a problem, I call

3 her; she calls me back. You know, I have telephone
4 numbers; I get on the telephone, I call; you give me
5 your cell phone number, I'm calling your house; I
6 don't care if it's 9, 10:00 at night, because
7 [background comments] it's not about me, it's about
8 the people you're supposed to serve, you know. I'm
9 here [background comment] for a solution and maybe
10 some things that I overlooked, but I just think
11 you're paying \$10,000 to fix a boiler that's been
12 there since 1945 or 46, 47; way before my time, is no
13 good. You keep on... we've got five boilers, now you
14 imagine each boiler goes down and this costs \$10,000,
15 now you say how I got those numbers. Back years ago
16 the superintendent told me how much it cost, so it
17 always stayed in my mind -- \$10,000 and you keep
18 fixin' a over 63-year-old boiler and the parts, they
19 don't even make the parts no more, you know. My
20 thing is that maybe we need to train more people how
21 to do a boiler, you know, because you're running out...
22 people retiring and everything and then who's gonna
23 carry on that part, you know, there is nobody there,
24 so I think you need to put apprenticeship programs in
25 place where people can learn [background comment] how
to be... do boilers. We've got a lot of talented young

2 people all through the city of New York City Housing
3 Authority, [background comment] those kids could do
4 something; they've got hands like gold, but nobody
5 ever told them their hands were gold, [clapping] so I
6 just thank you and if I missed something, I'm alright
7 with it. Thank you.

8 SIPRIA NOEL: So I say good morning to
9 everyone. First of all, my name is Sipria [sp?]
10 Noel; I'm a resident and I'm also the TA president
11 for Langston Hughes Development. I represent 301
12 Sutter, 315 and 335. I am thankful to be here this
13 morning to speak on behalf of the tenants of Langston
14 Hughes.

15 First of all, I am a single father of
16 four kids and one of the main problems is taking care
17 of my four kids and try to attend to the tenants of
18 Langston Hughes. I get several calls; I personally
19 go one on one deal with the tenants; I practically go
20 to their apartments and see the problem with the
21 heating. I have one tenant, she called me; her son
22 is autistic, uhm she called me and I went to her
23 apartment; his nose was bleeding. She called the
24 707; no response, they gave her a ticket number, as
25 normal. She called 311; then she even called 911

2 because her son was bleeding so bad, because the heat
3 was so much, there was so much heat; there is no
4 regulation with the thermostat. Those things have
5 been there since, as Miss Kenna said, uhm since 1944.
6 You know, we need new thermostats. These boilers, as
7 Lisa was saying, they are very old; it's like,
8 there's a saying: you take a new wine and pour it
9 into old vessel; it cannot work. We need new
10 boilers; we know the City has the money to change
11 these boilers; this will go a very long way if you
12 fix the problem. My son asked me, he said, "Daddy,
13 why you become the president?" I said, "There is a
14 problem and I want to be a solution to help the
15 problem, because I want them to see that daddy is
16 doing something; not just standing around and just
17 complaining." We know the elected officials, they
18 are human just like us; we know you deal with
19 problems, but unless the problem hits you, then you
20 will understand what it is to deal with it.

21 [background comment] Most of you are not living in
22 the development; most of you grew up in development;
23 you understand; some of you don't; you have to
24 actually be in it to understand what's going on. You
25 come and taste it and come and feel it and understand

2 what the tenants are **[inaudible]**. In 335, in my
3 development, I have a lot of seniors, they've been
4 complaining about the heating. As Lisa was saying,
5 that most of them sleeping with jackets on and it's
6 unfair; these seniors paid their dues already; they
7 are practically the pillars of the community.

8 [background comment] We need to keep **[inaudible]** why
9 to train our young right, to bring them up in the
10 development; we need to treat them right; we need to
11 keep the heat on; we need to keep the hot water on.
12 We need these things. Thank you so much for allowing
13 me to come out to share this morning so that we can
14 get the help that we need. Thank you so much for
15 this opportunity.

16 [clapping]

17 CALVIN DRUMGO: Good morning everybody.
18 My name is Mr. Drumgo, the TA President of Breukelen
19 Houses, until NYCHA forcibly tried to get rid of me
20 and take all our funds away, but that is not gonna
21 stop me, okay; even another fake election. But that
22 has nothing to do with... that has nothing to do with...
23 Mr. Drumgo is not going nowhere; they're not gonna
24 get rid of me. I wanna first say we are not
25 refugees; we're not gonna be treated no longer as

2 third-class citizens, okay. NYCHA cares about its
3 rent; if they cared so diligently about their rent to
4 the way they cared about the heat of our senior
5 citizens, those who have been there before, our
6 children, people that are having babies; they're
7 comin' home with newborn babies. Did you think about
8 that? Meanwhile, you go home... meanwhile you all go
9 home to your warm, two-park garage homes, and I'm not
10 mad at you. Let's understand, NYCHA developments,
11 okay, is where people live and are paying \$2,000
12 worth of rent; the same way you've got your house;
13 these are people's choices, it's not... it has nothing
14 to do with poverty, [background comment] poverty is
15 in the person that don't wanna work and do nothin'
16 with their lives, okay. And with that being said,
17 still, whether you're on welfare or you work, you
18 deserve heat; heat is included in your rent. This is
19 absurd; I've never heard of a person, of all the
20 years, 50 plus some, long years; we was one of the
21 first residents in the Breukelen Houses -- my mother
22 just turned 90 years old, God bless her -- you
23 understand. I'm tryin' to tell you; there's no way
24 in the world that you're going to tell me that any
25 person should have to wake up in the morning with a

2 coat and turn the oven on. If you're gonna... If you
3 know that there is not gonna be heat or if the pipes
4 are broken, okay, fixin' old pipes; you can't fix the
5 whole body; the only way you can fix the whole body
6 is with nutrition; give us some good nutrition, you
7 understand; give it to us.

8 With that being said, I wanna just to be
9 very, very clear; I'm gonna ask every single
10 president, okay, of every development to get along,
11 to come; let's all have a meeting, okay, and stop
12 this madness once and for all, you know, enough is
13 enough, okay. Stop worryin' about gettin' rid of me
14 and fix the problem, because the real problem is not
15 Mr. Drumgo, okay, the real problem is you people, you
16 understand, in top office; take care of your
17 business. If you want your rent, then give the
18 people the service that's rented to them; it's
19 included in your rent. And where is the **[inaudible]**
20 book that you're supposed to give the new tenants?
21 Is the heat... Is 964 regulation in there? Stop
22 tryin'... Stop tryin' to get rid of the leaders in our
23 community; we are not going anywhere. You hear me; I
24 ain't going nowhere, okay. I'm not goin' nowhere.
25 So with that being said, I'm gonna ask, okay, stop

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2 worrying about these broken pipes; get us some new
3 pipes; give us the service, it's the service --
4 forget about the broken pipes, the main problem; the
5 other problem is the service; give these tenants the
6 service. I do not wanna have to go to a tenant's
7 house, a senior citizen or a sister that just havin'
8 a baby sittin' there by the oven; that's absurd;
9 we're not refugees; we're not third-class citizens.
10 We will not be treated like savages in the pursuit of
11 happiness, 'cause we are civilized people on this
12 planet Earth and we... you all owe that to us; give it
13 to me; you owe this to us. Our ancestors have been
14 here and helped build America and I'll be darn if
15 we're gonna continuously be treated like savages.
16 Thank you very much. [background comments, clapping]
17 Stop tryin' to get rid of me, because there ain't
18 gonna be no election at Breukelen Houses, long as I'm
19 there. [background comments]... [interpose]

20 CO-CHAIRPERSON AMPRY-SAMUEL: Thank...

21 CALVIN DRUMGO: I'm their leader.

22 CO-CHAIRPERSON AMPRY-SAMUEL: Thank you
23 so much.

24 CALVIN DRUMGO: I'm the rebel of
25 righteousness and justice.

2 CO-CHAIRPERSON AMPRY-SAMUEL: Thank you.

3 Thank you. Thank you. Thank you... [crosstalk]

4 CALVIN DRUMGO: God bless. Thank you

5 very much; we appreciate you all. Thank you...

6 [crosstalk]

7 CO-CHAIRPERSON AMPRY-SAMUEL: Thank you.

8 Thank you. So you see... [crosstalk]

9 CALVIN DRUMGO: Thank you.

10 CO-CHAIRPERSON AMPRY-SAMUEL: why it was
11 so important for us to have the residents speak
12 first, and we thank you so much for taking your time
13 out to come and testify and let everyone know what's
14 really happening on the ground, so we do thank you
15 and appreciate you.

16 CARMEN QUINONES: And we thank you for
17 having this hearing and please stand with the
18 residents, 'cause this is absurd.

19 CHAIRPERSON TORRES: The next panel will
20 consist of the New York City Housing Authority; we
21 have the Chairperson and Chief Executive Officer,
22 Shola Olatoye; the Executive Vice President for the
23 Capital Division, Deborah Goddard; and the Acting
24 Executive Vice President for Operations, Cathy
25 Pennington.

2 Normally we have time limits for members
3 of the public while allowing agencies unlimited time
4 to deliver an opening statement; for the first time,
5 we will impose a time limit on the Housing Authority;
6 you will have six minutes -- use it as you see fit.

7 Please raise your right hand.

8 [background comments] Please raise your right hand.

9 Do you affirm to tell the truth, the whole truth

10 [background comment] and nothing but the truth..

11 excuse me.. in your testimony before these committees

12 and to respond honestly to council members'

13 questions?

14 SHOLA OLATOYE: I do.

15 CHAIRPERSON TORRES: You may proceed.

16 SHOLA OLATOYE: Good morning. My name is
17 Shola Olatoye; I'm Chair and CEO of the New York City
18 Housing Authority. Just to break from my testimony,
19 I wanna thank the resident leaders who shared their
20 stories with us this morning and appreciate their
21 service in their respective communities.

22 Speaker Corey Johnson, Chairs Alicka
23 Ampry-Samuel and Ritchie Torres; members of the
24 Committees on Public Housing and Oversight and
25 Investigations, and other distinguished members of

2 the City Council, good morning. I am pleased to be
3 joined today by Deborah Goddard, to my left, NYCHA's
4 Executive Vice President for Capital Projects, and
5 Cathy Pennington, Acting Executive Vice President of
6 Operations. Vito Mustaciuolo is also with us, an HPD
7 institution, who will be joining NYCHA later this
8 month as Acting General Manager. Vito's experience
9 and expertise will greatly benefit our NextGeneration
10 NYCHA turnaround effort.

11 Before we start, I'd like to extend
12 special congratulations to all the new leadership of
13 the Council -- Speaker Johnson, Chair Torres, and
14 especially Council Member Ampry-Samuel, for your
15 recent appointment as Chair of the Committee on
16 Public Housing. On behalf of NYCHA, we look forward
17 to partnering with all of you.

18 Basic services like heat and hot water go
19 to the heart of NYCHA's responsibility as a landlord.
20 This winter presented the longest stretch of below
21 freezing days the City has experienced in nearly 60
22 years. Even with the significant preparations,
23 NYCHA's aging infrastructure and dedicated staff were
24 no match for the historic weather in early January.
25 As temperatures dipped and heating systems failed,

2 our residents bear the brunt of these outages;
3 something we can all agree is unacceptable.

4 We have been candid; I have been candid,
5 about NYCHA's financial challenges, a \$3 billion loss
6 in funding since 2001, leading to a daunting backlog
7 in capital improvement needs. We understand what it
8 means to our residents when NYCHA doesn't get the
9 funding we need to carry out our mission. We are
10 doing everything we can, working around the clock to
11 restore heat for residents as quickly as possible.
12 However, if we truly want to resolve this issue, we
13 must address the root cause of these problems and
14 secure sufficient funding.

15 We'd like to thank Mayor de Blasio for
16 making unprecedented investments to strengthen and
17 preserve public housing in New York City; he has
18 committed \$1.3 billion to fix nearly a thousand roofs
19 and more than \$500 million to repair facades at more
20 than 400 buildings. The Mayor has also relieved
21 NYCHA of nearly \$300 million in payments to the City
22 since 2014. With the Mayor's recent \$13 million
23 investment for immediate boiler repairs we will be
24 able to shore up equipment and respond faster to
25 heating emergencies. And with his most recent

2 commitment of \$200 million to fund heating
3 infrastructure upgrades, we will be able to replace
4 outdated boilers and modernize heating system
5 controls and hot water-making technology at 20
6 developments, benefiting some 45,000 residents.

7 To be clear, [background comment] we did
8 not just turn... To be clear, we did not just turn to
9 investing in our heat-related infrastructure in the
10 last few weeks; we have made significant investments
11 over the years. As a part of our five-year Capital
12 Plan, we are investing \$772 million in heat-related
13 programs, with federal, state and city funding, as
14 well as investments from our Energy Performance
15 contract, an important part of our NextGeneration
16 sustainability agenda.

17 As much as we know that replacing our
18 aging infrastructure is the key to reducing the
19 number and duration of outages, we also know that we
20 have an obligation to provide better services to our
21 residents now. We have increased our efforts to
22 ensure our heat and hot water equipment is working
23 efficiently; this includes performing annual summer
24 preventive maintenance on our boilers, making
25 significant welding repairs and repairs to boiler

3 controls; when there is an outage, the hardworking
4 women and men at NYCHA who serve our residents
5 respond vigorously. Throughout the winter and
6 particularly during this cold spell, staff labored
7 around the clock in challenging conditions to quickly
8 resolve outages, going above and beyond to serve New
9 Yorkers.

10 A detailed list of the measures we took
11 during the cold spell is in the testimony we
12 submitted. I'm sure we'll go into more detail while
13 responding to your questions, but I'd like to note
14 that through the hard work of our staff and our
15 coordinated efforts, we were able to resolve some 89%
16 percent of outages within approximately 24 hours
17 during the cold spell.

18 As we take a close look at our
19 operations, the fact is that the failure of our
20 equipment during these extraordinary weather
21 conditions is exactly what this investment looked
22 like. A sustained and severe lack of funding for
23 vital infrastructure over decades is what you, Chair
24 Torres, have described as "demolition by neglect."
25 We agree wholeheartedly that residents shouldn't have
to put up with heat and hot water outages, so I hope

2 that this hearing is in part a call to action; NYCHA
3 needs more funding to replace infrastructure past its
4 useful life and maintain our buildings in a state of
5 good repair. We know that the issues brought by
6 decades of neglect will not be solved overnight, but
7 we look forward to working with the City Council and
8 other partners to corral the resources NYCHA needs
9 and its residents deserve. Until then, NYCHA is
10 committed to responding to every outage as quickly as
11 possible and continuing to improve our customer
12 service. Thank you for your support. We are happy
13 to answer your questions.

14 CO-CHAIRPERSON AMPRY-SAMUEL: Thank you
15 so much. I want to just recognize two other Council
16 Members that joined us -- Council Member Chin and
17 Council Member Williams.

18 So the first question, just dealing with
19 the scope of the heating outages, NYCHA has informed
20 the Committees that as of January 22nd, the number of
21 public housing residents who have experienced a
22 heating outage during this heating season was 323,098
23 residents. Frankly, that is a staggering number.
24 Can you please confirm that number for the record and
25 what is the current number? In other words, as of

2 today, how many residents have experienced a heating
3 outage this heating season? [background comments]
4 Please.

5 CATHY PENNINGTON: Good morning; it's
6 Cathy Pennington, Acting EVP for Housing Operations.
7 And the number that you've quoted of 323,098
8 household members who have been affected is accurate
9 and that heating season that we're speaking of begins
10 October 1st, this data was October 1, 2017 through
11 January 22, 2018; it involved 143,000 units that did
12 have heat outages during that time period.

13 During this heating season, the average
14 duration of the heat outage was 48 hours; this
15 compares to an average duration of 34 hours for heat
16 outages during the last heating season. So again, we
17 saw a huge increase in the duration of the outages
18 due to the extreme cold spell which compromised our
19 aging infrastructure.

20 During this heating season, the average
21 duration of hot water outage was 52 hours; this
22 compares to an average duration of 27 hours for hot
23 water outages during the last heating season.

24 During the cold spell, between January
25 4th to January 14th, the average duration of heat

2 outage was 16 hours and the average duration of hot
3 water outage was 10 hours. We saw a significant
4 decrease in the length of the outage because we had
5 opened up a situation room... [interpose]

6 CO-CHAIRPERSON AMPRY-SAMUEL: Okay;
7 that's a bit much for me right now... [crosstalk]

8 CATHY PENNINGTON: Okay.

9 CO-CHAIRPERSON AMPRY-SAMUEL: I just
10 wanna bring it back a little bit.

11 CATHY PENNINGTON: Okay.

12 CO-CHAIRPERSON AMPRY-SAMUEL: So on
13 average some of the families were without heat for
14 two full days; is that correct?

15 CATHY PENNINGTON: That's correct.

16 CO-CHAIRPERSON AMPRY-SAMUEL: Okay. How
17 many of those residents are seniors?

18 [background comments]

19 CATHY PENNINGTON: I don't have that
20 information with me today, but we can get it for you.

21 [background comments]

22 CO-CHAIRPERSON AMPRY-SAMUEL: Okay.

23 SPEAKER JOHNSON: We need this
24 information; we don't need it a week from now; we
25 don't need it two weeks from now. I'm sure during

3 the course of this hearing some of the capable people
4 at NYCHA can get an answer to this question while
5 you're testifying, while the public is here and while
6 we have questions for all of you. So if you don't
7 have answers to the questions that the Chairs or the
8 members are gonna ask; we expect that the leadership
9 that's here is gonna get those answers in real time
10 and have them to present to us during this hearing.

11 [background comments]

12 SHOLA OLATOYE: Mr. Speaker, with
13 respect, if we can hear your questions in totality;
14 one, ensure that we understand the question and that
15 we get the accurate data back to you, and I think we
16 all wanna ensure that the information is accurate.
17 So I'll beg, if we could have not 20 minutes, but to
18 ensure that that information is accurate and precise
19 to your, to your response; we will work... [interpose]

20 SPEAKER JOHNSON: The... With respect,
21 Madam Chair, these are questions that you should have
22 the answers to and your top management [clapping,
23 background comments] should have the answers to
24 before a hearing; not going... and I wanna turn it back
25 to the Chair, but I wanna say this; just apologize,
[background comments, clapping] I mean generally. I

2 didn't see in the testimony; I didn't hear in the
3 answers; just say we are sorry, we're sorry that it's
4 gotten to this point. I'm not saying it's all your
5 fault, but you're the leader of the agency and you
6 have to not just say we need more funding, but you
7 have to say, we recognize it's unacceptable for over
8 300,000 people [clapping] to not have heat during the
9 heating season. Just say it; I apologize; as Chair
10 of the [cheer] Housing Authority, I'm sorry; I
11 apologize. People want to feel acknowledged and
12 heard in a way and not standing up here -- I
13 understand we are... I was in Albany yesterday saying
14 give NYCHA more money, I begged the Governor; I
15 begged John Flanagan; I begged Carl Heastie, give
16 them more money, but just acknowledge the problem.
17 [background comment, clapping] You cannot treat the
18 patient until you acknowledge the patient is sick.
19 So please, we want answers to our questions and I
20 personally would like an acknowledgement of apology
21 that we've gotten to this point.

22 [background comments]

23 SHOLA OLATOYE: Well Mr. Speaker, one; I
24 have, from... at the outset of my testimony today
25 acknowledged the residents and their stories and

2 sharing that and specifically said that the
3 performance and the interruptions in service were
4 unacceptable, and as Chair and CEO of the Authority,
5 I'm here today to try and provide, as my colleagues,
6 with as accurate information as possible to ensure
7 that we can move beyond this point and ensure that
8 residents have the services that they deserve; that
9 is my job... [interpose]

10 SPEAKER JOHNSON: Madam Chair, I
11 understand that. [background comments] I don't want
12 to get into a bat... I understand that; you are in
13 front of the oversight body in this city that has a
14 charter-mandated responsibility to hold your agency
15 accountable; [background comments] you may have
16 apologized in the past, but today is when you are
17 under oath, raised your right hand and are testifying
18 in front of duly elected officials and the public, so
19 you may have said it before; it's important to say it
20 again, and it sounds like you just said it again, so
21 I appreciate [background comments] you saying it
22 again.

23 SHOLA OLATOYE: Thank you.

24 SPEAKER JOHNSON: I am sorry, Madam
25 Chair.

2 [background comments]

3 CO-CHAIRPERSON AMPRY-SAMUEL: Okay.

4 Thank you. So I did wanna know, just for the record,
5 how many seniors were without, so you said you'll get
6 that information back to us, because we just heard
7 from the panel of residents where they mentioned
8 seniors, and then there was also a panelist that
9 mentioned a young man who is uhm disabled inside one
10 of the units, so we would also like to know how many
11 of those residents, of the 323,098 residents, have
12 some form of a medical condition that NYCHA is aware
13 of and that makes them particularly vulnerable to
14 cold water. Is that something that you actually
15 track?

16 SHOLA OLATOYE: We have information on
17 residents that require lifesaving intervention, so we
18 do have that information and we'll obviously protect
19 privacy and try and get that information as accurate
20 per your question.

21 CO-CHAIRPERSON AMPRY-SAMUEL: Okay.

22 Alright. So the numbers we see are massive, but I
23 just wanna be able, for the record and just so
24 everybody can understand what's happening, we are
25 looking for a full picture. So can you explain to us

2 what does it mean "outage," the actual definition of
3 an outage, a heating outage in NYCHA? You mentioned
4 that residents have been affected, so can you define
5 what that actually means to be affected during a
6 heating outage and what does outage mean?

7 CATHY PENNINGTON: So an outage in our
8 boiler operations is when the staff have gone to
9 inspect a boiler plant and the entire plant is down,
10 and the purpose of an outage is to create the initial
11 communication to residents, because we code it at an
12 outage and that outage is either connected to a
13 single building, connected to an entire development
14 or it could be connected to a line within a building
15 or a stairwell within a building. So the outage is
16 entered into the system, which then creates a
17 robocall to all the affected residents, just to let
18 them know that we're aware there is a heat outage and
19 that we're actively working on fixing the heating
20 problem.

21 CO-CHAIRPERSON AMPRY-SAMUEL: Okay, so is
22 it safe to say that if a resident does not contact
23 the 707 number or there is some kind of a disconnect,
24 is it safe to say that the number might be higher
25 because it might not be defined as an actual outage

2 because you're saying that an outage is when NYCHA
3 defines a plant being down?

4 CATHY PENNINGTON: Well it includes all
5 the units of the affected part of the property. So
6 if an entire building is down, the outage would count
7 all 200 units in that building as without heat.

8 CO-CHAIRPERSON AMPRY-SAMUEL: So if it's
9 not the entire building, if it's like a pipe system
10 that's maybe on just a certain line in the building,
11 like if it's just the A apartments down a line where
12 there's some type of a problem but they're
13 experiencing no heat... [interpose]

14 CATHY PENNINGTON: Correct.

15 CO-CHAIRPERSON AMPRY-SAMUEL: is that
16 considered an outage?

17 CATHY PENNINGTON: Yes.

18 CO-CHAIRPERSON AMPRY-SAMUEL: Okay.

19 Okay. So this is another set of heating outage
20 questions. I'm just trying to get to the particular...
21 I would like to focus on one aspect of NYCHA's
22 response to heating outages. There have been reports
23 that NYCHA has been marking heating complaints as
24 resolved without actually restoring the heat -- and
25 this is directly related to the panel that was just

2 discussing what we've heard in the news. I'll give
3 an example.

4 On January 6, the *New York Post* reported
5 that a resident of Redfern Houses submitted nine heat
6 and hot water complaints between December 28th and
7 January 5th. The resident says that in each case,
8 within a few hours after complaining, she would
9 receive an email with the subject line "Heat, hot
10 water service restored" but her heat hadn't been
11 restored. In fact, one of the emails that was sent
12 at the same time stated NYCHA was telling the
13 reporters the heat at Redfern was shut down because
14 of the frozen pipes. So we all know this shouldn't
15 be happening, but who at NYCHA is responsible for
16 ensuring that the heating complaints that are marked
17 resolved have actually been resolved?

18 CATHY PENNINGTON: Thank you for your
19 question. Redfern in particular was a very
20 challenging site for us, but I will try to answer
21 your question and if you... I just wanna state that I
22 am new in this role and I've been doing a [background
23 comments] deep dive learning all about heating, so
24 I'm going to give the best answer that I can..
25 [interpose]

2 CO-CHAIRPERSON AMPRY-SAMUEL: So who was
3 in that role before?

4 CATHY PENNINGTON: Well I was in the role
5 the past 30 days, and so when Redfern had heat
6 outages, I was in this role; I'm just saying I'm
7 learning [background comments] all of the facts
8 related to heating, but we do have our Deputy
9 Director of Heating here.. [crosstalk]

10 CO-CHAIRPERSON AMPRY-SAMUEL: Okay.

11 CATHY PENNINGTON: who can answer some
12 specific questions.. [crosstalk]

13 CO-CHAIRPERSON AMPRY-SAMUEL: Okay, that
14 would be helpful..

15 CATHY PENNINGTON: Okay.

16 CO-CHAIRPERSON AMPRY-SAMUEL: then she
17 can... [inaudible] 'kay, since you [inaudible] your
18 role... [crosstalk]

19 CATHY PENNINGTON: I will ask him to
20 speak.

21 CO-CHAIRPERSON AMPRY-SAMUEL: Okay.

22 [background comments]

23 CATHY PENNINGTON: Thank you.

24 CHAIRPERSON TORRES: Can you raise your
25 right hand? Do you affirm to tell the truth, the

2 whole truth and nothing but the truth in your
3 testimony before these committees and to respond
4 honestly to council members' questions?

5 JAVIER ALMODOVAR: Yes.

6 CHAIRPERSON TORRES: Please identify
7 yourself.

8 JAVIER ALMODOVAR: Javier Almodovar,
9 Heating Deputy Director. So uh as was stated before
10 I came up, a heating outage produces a robocall to
11 the residents once it's generated, and at Redfern
12 there were multiple outages experienced related to
13 the mobile boilers and because of that, each time an
14 outage work order was generated it would produce that
15 message to the resident, letting them know that there
16 was an outage and each time it was closed it out it
17 would let them know that the service was restored as
18 well, each time. So that would be why you would have
19 multiple notifications to a resident stating that the
20 service was restored, because that actual outage work
21 order associated with that outage was closed out at
22 the time.

23 CO-CHAIRPERSON AMPRY-SAMUEL: Okay. Can
24 you explain... explain that one more time, because I
25 just... [laughter] it just... [background comments]

2 JAVIER ALMODOVAR: I'm sorry.

3 CO-CHAIRPERSON AMPRY-SAMUEL: and talk
4 into the mic a little louder.

5 JAVIER ALMODOVAR: Okay. So when an
6 outage work order is generated, it captures all of
7 the associated work orders with it...

8 CO-CHAIRPERSON AMPRY-SAMUEL: Uhm-hm.

9 JAVIER ALMODOVAR: All the work orders
10 that are... [interpose]

11 CO-CHAIRPERSON AMPRY-SAMUEL: So a
12 resident will call into the 707, they will file a
13 complaint, right... [crosstalk]

14 JAVIER ALMODOVAR: Correct.

15 CO-CHAIRPERSON AMPRY-SAMUEL: what they
16 say is an outage; all of those complaints that were
17 filed by different residents in the building, that
18 outage would capture all of those work order
19 complaints?

20 JAVIER ALMODOVAR: Correct.

21 CO-CHAIRPERSON AMPRY-SAMUEL: Okay.

22 JAVIER ALMODOVAR: And once the outage
23 work order is generated, a notification in the form
24 of a robocall goes out to all of the affected
25 residents, not just the ones that put in a work

2 order, but everyone that's affected by that outage.

3 So if the outage -- like in the case of Redfern,
4 there were intermittent outages..

5 CO-CHAIRPERSON AMPRY-SAMUEL: Okay.

6 JAVIER ALMODOVAR: if the outage affected
7 the entire location, then the entire location
8 resident population would get a robocall letting them
9 know that there's an outage that we're working on.

10 So now once that outage work order is closed, then a
11 second notification goes out to those residents
12 letting them know that the condition was corrected.

13 So in Redfern there were multiple intermittent
14 outages where an outage work order was created and
15 because of that, each time that those multiple outage
16 work orders were closed the robocall would go out to
17 those residents, letting them know that the condition
18 was corrected.

19 CO-CHAIRPERSON AMPRY-SAMUEL: So if some
20 of the units were restored, then everybody would get
21 a notice stating that the ticket was closed
22 [background comment] or that the service was restored
23 for everyone, which could possibly be a glitch,
24 because if you're sitting in the house and there's no
25 heat but you get a notice that it's been closed or

2 corrected, then that's actually not true; it might be
3 true in the next apartment, but not in your
4 apartment.

5 JAVIER ALMODOVAR: Well the notification
6 also informs residents that if the condition
7 continues to please generate a new work order. Not...
8 not... not... sorry... [background comments, laughter]

9 CO-CHAIRPERSON AMPRY-SAMUEL: So...
10 [crosstalk]

11 JAVIER ALMODOVAR: But let me just... hold
12 on...

13 CO-CHAIRPERSON AMPRY-SAMUEL: wait, wait,
14 hold on... everyone, everyone, everyone, [background
15 comments] everyone... [background comment]

16 JAVIER ALMODOVAR: Let me just say that
17 before we close out the outage, our staff is sent out
18 to take random sampling apartment temperatures to
19 ensure that service was restored.

20 CO-CHAIRPERSON AMPRY-SAMUEL: Random. So
21 what about the ones that actually had called in a
22 ticket to say that they didn't have heat; is it not
23 possible to go to the individual units to find out if
24 they actually had their heat restored?

2 JAVIER ALMODOVAR: That becomes a bit
3 challenging because sometimes there's hundreds of
4 tickets that are associated with a single outage, so
5 we don't have the bandwidth to address... to go to
6 every single site, to every single, I'm sorry,
7 complaint, individual complaint. So what we do is;
8 we take random samplings in each building affected by
9 the outage to ensure that the services were restored.

10 CO-CHAIRPERSON AMPRY-SAMUEL: Okay, so it
11 sounds... this is... I'm new to this, right, but I'm not
12 new to NYCHA, right, so it sounds as though you can
13 do, theoretically, a random sampling and then within
14 that random sampling you can come across units that
15 do have restored heat, right, and then get reported
16 to NYCHA that the heat has been restored and there
17 are no issues, and then your reporting may be a 20%
18 failure or issue, but in actuality, it can be 80%
19 because there are more families that don't have heat
20 and if they have to then submit another work order,
21 they may not know or at least feel they need to
22 submit another work order because they just submitted
23 a work order for not having heat and the heat was
24 never restored.

2 CATHY PENNINGTON: The closure of what we
3 call the bulk work orders in an outage, that's the
4 reason we do the second call, because we can't... if we
5 have 2, 3, 400 units out at a very large complex...
6 [interpose]

7 CO-CHAIRPERSON AMPRY-SAMUEL: And that's
8 a robocall?

9 CATHY PENNINGTON: That's a robocall.
10 So... [crosstalk]

11 CO-CHAIRPERSON AMPRY-SAMUEL: And a
12 robocall is...

13 CATHY PENNINGTON: So that would be the
14 indication to us that while we know the plant is back
15 up and the majority of the units and the random
16 sampling we did indicated heat was restored, there
17 could be a problem within a particular unit, like a
18 broken valve or a radiator problem that we did not
19 address. So that's why when we do that second call
20 we say if you... [interpose]

21 CO-CHAIRPERSON AMPRY-SAMUEL: Well if
22 it's a robocall, what happens if no one picks up?

23 [background comments, clapping]

2 CATHY PENNINGTON: I mean we're using the
3 phone number that the family gave us when they called
4 in, you know.

5 [background comment]

6 CO-CHAIRPERSON AMPRY-SAMUEL: Do you
7 have... like do you track a rate of **[inaudible]**?

8 CATHY PENNINGTON: We can track it.

9 CO-CHAIRPERSON AMPRY-SAMUEL: You can, so
10 you do?

11 CATHY PENNINGTON: You mean as far as how
12 many calls are picked up?

13 CO-CHAIRPERSON AMPRY-SAMUEL: Uhm-hm.

14 CATHY PENNINGTON: Yes.

15 CO-CHAIRPERSON AMPRY-SAMUEL: Okay.

16 Okay. Okay. [background comments]

17 CHAIRPERSON TORRES: So I have a few
18 questions. So I have been troubled by the Housing
19 Authority's lack of transparency. The Chairperson,
20 as well as your spokesperson, have publicly said that
21 97% of NYCHA apartments have had consistent heat and
22 hot water, giving the impression that there is no
23 crisis; that's what those numbers tell me. And then
24 when I find out that 323,000 residents at one point
25

2 had no heat and hot water -- What are the number of
3 units in your portfolio?

4 CATHY PENNINGTON: 175,000.

5 CHAIRPERSON TORRES: And out of 175,000,
6 how many of those units did not have heat and hot
7 water at one point?

8 CATHY PENNINGTON: 143,000.

9 CHAIRPERSON TORRES: 143,000 out of
10 175,000. And so my question to you is; in the
11 interest of full transparency, why did NYCHA not
12 share those numbers with the general public? Why do
13 we have to wait for a... 'cause I had no idea that...
14 that 323,000 residents in public housing had no heat
15 and hot water; I had no idea that nearly every unit
16 in public housing at one point had a heating and hot
17 water outage. Why do we have to wait for a City
18 Council hearing for NYCHA to be forthcoming with the
19 public about the true nature of its heating crisis?

20 [background comments, clapping]

21 SHOLA OLATOYE: So first I'll say, you
22 know we are still in the middle of heating season,
23 one, and one of the important developments is our
24 establishment of a compliance department to really
25 understand and analyze our data for a level of

2 precision and accuracy. I think it's also important
3 to note, in terms of context, while -- and I think I
4 will say this again -- the interruption of service
5 for any of our residents, but certainly of that
6 scale, is unacceptable, and there were certainly some
7 outliers; I visited some of those outliers myself,
8 Patterson being one of them, where residents did
9 suffer -- with Council Member Ayala [sic]; we were
10 together -- did suffer from prolonged outages and
11 that was incredibly regrettable and we are working,
12 with these recent resources, to quickly replace the
13 mobile boilers there so that we can guarantee a level
14 of service. But I think it's real important that we
15 are... to state that, one, we really wanna be precise
16 with our numbers; we really wanna understand the
17 length of time; we want to understand the impact of
18 the potential outages, and that's what we're working
19 to do, and these resources that the Mayor and
20 hopefully eventually the Council will support will
21 help us do that so that our 400,000 residents do not
22 have to suffer through another spell like this. So
23 agreeing and conceding the point that our data
24 **[inaudible]** evolving and we are working to ensure

2 that it is more precise and that we can deliver a
3 better level of service to our residents.

4 CHAIRPERSON TORRES: May I... At what point
5 did it come to your attention that nearly every unit
6 in your portfolio at one point had no heat and hot
7 water and that 323,000 residents at one point had no
8 heat and hot water; at what point did those sobering
9 statistics come to your attention?

10 SHOLA OLATOYE: We monitor... I monitor the
11 daily outage report and we can see on a regular basis
12 the numbers of units that are affected, so this is an
13 ongoing and regular level of communication. Again, I
14 think we need to get more precise on our data, but
15 absolutely understand the depth of and the number of
16 families affected by this heating crisis.

17 CHAIRPERSON TORRES: Do you track the
18 length of heat and hot water outages?

19 SHOLA OLATOYE: We do.

20 CATHY PENNINGTON: Yes.

21 CHAIRPERSON TORRES: And on average,
22 what's the average length of outage?

23 CATHY PENNINGTON: So as I mentioned
24 earlier... Your question's about the duration of the
25 outage?

2 CHAIRPERSON TORRES: Yeah.

3 CATHY PENNINGTON: Okay. So on average...
4 this heating season, the average outage is 48 hours.

5 CHAIRPERSON TORRES: 48 hours?

6 CATHY PENNINGTON: Right. We saw it
7 drop, when we opened our situation room, down to 16
8 hours.

9 CHAIRPERSON TORRES: I will come back to
10 heating and hot water outages; I do wanna speak about
11 the overall capital need of the New York City Housing
12 Authority. A 2011 needs assessment tells that the
13 Housing Authority had \$17 billion worth of unmet
14 capital need, which means that in order to bring
15 every system and every structure into a state of good
16 repair you would have to invest \$17 billion, but
17 there was a report by the Citizens Budget Commission
18 indicating that that number is likely to rise to \$25
19 billion; I know you had the 2016 needs assessment --
20 uh first; is that number accurate, \$25 billion, and
21 when can we expect to see the 2016 Capital Needs
22 Assessment?

23 SHOLA OLATOYE: Well first -- I will turn
24 it over to our EVP of Capital Projects, Deborah
25 Goddard to speak further, but we are, and as we've

2 shared with you, we expected that number to increase,
3 given that the last Physical Needs Assessment, which
4 is a report that is report by HUD every five years
5 for PHAs conduct; we expected that number to increase
6 and we're in the process now of understanding it
7 more.

8 DEBORAH GODDARD: Yeah, I think the...
9 frankly, the \$25 million [sic] number is a number
10 I've used with you, Council Member, as well as
11 others, as my rough guess about what was gonna
12 happen. At this point we have not yet briefed our
13 board on what the results are that are coming in to
14 us; I'd like to take that opportunity and then of
15 course, we certainly intend on briefing the Council
16 Members on what this 2016-2017 PNA is showing us.

17 CHAIRPERSON TORRES: So your overall
18 capital need is approximately \$25 billion. What is
19 the capital need of your heating system specifically?

20 DEBORAH GODDARD: The... [interpose]

21 CHAIRPERSON TORRES: And by heating
22 systems, I specifically refer to boilers and
23 distribution.

24 DEBORAH GODDARD: Right. So in terms of
25 boilers -- I have it here, as you know, so just give

2 me a minute. Distribution systems is over a billion
3 dollars, uhm boilers are about \$725 million -- \$1.5
4 billion on the distribution lines.

5 CHAIRPERSON TORRES: Now I wanna continue
6 some of the line of questioning of Chairperson
7 Ampry-Samuel. You know one of the most commonly
8 heard criticisms about NYCHA is that the Housing
9 Authority has a pattern of closing complaints without
10 solving them, right; it's been said that you will
11 close work orders for particular apartments without
12 inspecting those apartments or without otherwise
13 verifying whether those apartments in fact have seen
14 a restoration of heat and hot water. Is this
15 accurate?

16 CATHY PENNINGTON: So if we have a heat
17 outage reported that's not a part of an outage, then
18 a heating plant technician does go to that unit to
19 determine what the problem is. If a tenant is not
20 home at the time... [crosstalk]

21 CHAIRPERSON TORRES: And what if there is
22 an outage?

23 CATHY PENNINGTON: If the tenant is not
24 home when we come to che... if it's an outage, we do
25 the random samplings; we don't go to every unit. And

2 so those heat outages related to a big development

3 heat outage are block closed and the robo...

4 [crosstalk]

5 CHAIRPERSON TORRES: So if you repair the
6 boiler plant at Throggs Neck Addition...

7 CATHY PENNINGTON: Uhm-hm.

8 CHAIRPERSON TORRES: then every heat and
9 hot water complaint is then automatically closed
10 after the repair?

11 CATHY PENNINGTON: Related to that
12 outage, yes.

13 CHAIRPERSON TORRES: And you do not
14 verify whether in fact those apartments have actually
15 seen a restoration... [crosstalk]

16 CATHY PENNINGTON: We do the... We...

17 CHAIRPERSON TORRES: of heat and hot
18 water?

19 CATHY PENNINGTON: So we do the random
20 sampling where the staff go into whatever buildings
21 were affected by the heat and they start at the top
22 floor and they do temperature readings... [crosstalk]

23 CHAIRPERSON TORRES: Why not... just in an
24 age of technology, why not send a robocall? If... If
25 you... [crosstalk]

2 CATHY PENNINGTON: So the outage..

3 CHAIRPERSON TORRES: If you have heat and
4 hot water, press one; if you have no heat and hot
5 water, press two... [crosstalk]

6 CATHY PENNINGTON: Yeah. Yeah.

7 CHAIRPERSON TORRES: and then those who
8 press two, those are the apartments you can inspect..
9 [crosstalk]

10 CATHY PENNINGTON: Right. Right.

11 CHAIRPERSON TORRES: so that you're
12 verifying [clapping, background comments] before
13 you're actually closing the complaints

14 CATHY PENNINGTON: Yeah. Well this whole
15 issue of how service tickets get closed is at the top
16 of the agenda for us to look at and to figure out
17 what are some better, more effective ways to ensure
18 that the services have been delivered, so your
19 suggestion is welcomed and we are putting it on our
20 list for consideration.

21 CHAIRPERSON TORRES: And my concern is;
22 when you repair the boiler and then immediately close
23 the work order, the assumption is that the boiler was
24 the cause of heating loss, but you and I know there
25 are causes beyond boiler failure of heating loss;

2 there could be problems with the piping, problems
3 with the radiator, problems with the insulation in
4 the apartment, so even though the boiler is fixed, it
5 seems odd to me that we would close complaints
6 without actually verifying them.

7 Now a few... my understanding is that a few
8 thousand units are equipped with sensors that can
9 tell you the temperature in an apartment; is that
10 correct?

11 CATHY PENNINGTON: Correct.

12 CHAIRPERSON TORRES: So suppose you --
13 and one of those developments, as I understand, is
14 Monterey Houses; suppose you repair the boiler at
15 Monterey Houses, you then immediately close all the
16 heat and hot water complaints at that development; is
17 that correct?

18 CATHY PENNINGTON: If it was an outage,
19 yes. CHAIRPERSON TORRES: What happens to the heat
20 and hot water complaints that pre-exist the outage;
21 do you close those as well?

22 CATHY PENNINGTON: I'll defer to our
23 Deputy Director. I think the question is on when we
24 close the outage, how far back do we do it.

2 JAVIER ALMODOVAR: Can you repeat the
3 question? I'm sorry.

4 CHAIRPERSON TORRES: 'Kay. So suppose I
5 repair the boiler at Monterey Houses...

6 JAVIER ALMODOVAR: Uhm-hm.

7 CHAIRPERSON TORRES: my understanding is
8 that NYCHA will then close all the heat and hot water
9 complaints or work orders in Monterey Houses, so my
10 question is; what about the complaints or the work
11 orders that pre-exist the outage; do you close those
12 as well?

13 JAVIER ALMODOVAR: No, we only go as far
14 back as four hours from the time that we are creating
15 the outage on that day.

16 CHAIRPERSON TORRES: Okay, so you do... uh
17 you're on micro [sic] time. Now Monterey Houses has
18 sensors in each apartment; after the repair of a
19 boiler, would you close all the work orders without
20 reviewing... do you first review the temperature
21 reading from your sensors and then close the work
22 orders or do you immediately close the work order?
23 Because in the case of Monterey Houses, you have the
24 ability to actually look up remotely whether or not
25 it actually has sufficient heat and hot water, so

2 common sense would dictate that NYCHA would review
3 the temperature reading and then determine whether it
4 should close the heat and hot water complaint. Do
5 you actually look at the temperature readings in your
6 electronic database before closing these heat and hot
7 water work orders?

8 [background comments]

9 JAVIER ALMODOVAR: We close the outage
10 work order based on the temperature readings on the
11 sampling that was taken, the physical sampling that
12 was taken by the HPT.

13 CHAIRPERSON TORRES: So if I repair the
14 boiler at Monterey Houses and then I close all the
15 work orders in Monterey Houses and then I realize in
16 my database, wait a minute, the temperature in
17 Apartment 2E in that development is not up to code;
18 why not analyze the indoor temperature first before
19 deciding whether to close the work order?

20 [background comment] You don't have to inspect
21 apartments; all you have to do is look it up in a
22 database.

23 JAVIER ALMODOVAR: It's certainly a good
24 suggestion and one that we will take back.

2 CHAIRPERSON TORRES: A good sugge...
3 [background comments] like wha... the point of a
4 sensor, the point of remotely monitoring the
5 temperature of a unit is to spare you the need to
6 conduct an in-person inspection, so if you're not
7 gonna use that technology to determine the status of
8 a work order, what's the point of the technology?
9 [background comment] It just seems like NYCHA's
10 approach is a rejection of common sense. I would
11 review the temperature reading first and then I would
12 decide to close the work order. If the temperature
13 reading indicates that the apartment lacks sufficient
14 heat and hot water, it is illogical to close the work
15 order, even if the boiler's repaired. No comments;
16 no one agrees or disagrees with me?

17 [background comments]

18 SHOLA OLATOYE: Your point is both heard
19 and I think it is something that we need to, and I
20 will direct staff to review our policies as to how we
21 use that data in restoring service and follow backup
22 with this Committee.

23 CHAIRPERSON TORRES: Okay. I have a few
24 questions about personnel. According to a *Daily News*
25 article dated January 9, 2018, over the last four

2 years the number of boiler technicians fell from 345
3 in 2013 to 250 in 2017. Are the numbers reported in
4 the *Daily News* article accurate, to your knowledge?

5 SHOLA OLATOYE: I'm sorry; could you just
6 repeat that question again, sir...? [crosstalk]

7 CHAIRPERSON TORRES: Of course.

8 SHOLA OLATOYE: Thank you.

9 CHAIRPERSON TORRES: From 345 boiler
10 technicians in 2013 to 250 in 2017; is that accurate,
11 to your knowledge?

12 SHOLA OLATOYE: I'm gonna ask my EVP of
13 Administration to attest specifically to the staffing
14 numbers. I do think it's important to note we have
15 different titles, civil service titles that do some
16 of the same jobs as that title, so I just wanna be
17 very precise in your answer, so I'm gonna ask Carrie
18 to join us for a second.

19 [background comments]

20 CHAIRPERSON TORRES: If you can raise
21 your right hand. Do you affirm to tell the truth,
22 the whole truth and nothing but the truth in your
23 testimony before these committees and to respond
24 honestly to council members' questions?

25 KERRY JEW: I do.

2 CHAIRPERSON TORRES: Thank you.

3 KERRY JEW: So uhm... [interpose]

4 CHAIRPERSON TORRES: What is your name?

5 KERRY JEW: Kerri Jew.

6 CHAIRPERSON TORRES: Okay. And your
7 title?

8 KERRY JEW: I am the Executive Vice
9 President and Chief Administrative Officer.

10 CHAIRPERSON TORRES: Yeah.

11 KERRY JEW: So can you please repeat the
12 question?

13 CHAIRPERSON TORRES: So according to the
14 *Daily News*, the number of boiler technicians at the
15 New York City Housing Authority fell from 345 in 2013
16 to 250 in 2017. Are those numbers accurate?

17 KERRY JEW: So I'm looking at the title
18 Heating Plant Technician...

19 CHAIRPERSON TORRES: Okay.

20 KERRY JEW: which I believe...

21 CHAIRPERSON TORRES: I believe that's
22 what the article's referring to, yes... [crosstalk]

23 KERRY JEW: is... okay. So that title, we
24 had 391 in 2013 and at the end of 2017 we had 248 on
25 staff.

2 CHAIRPERSON TORRES: So you went from 391
3 to 248?

4 KERRY JEW: Correct.

5 CHAIRPERSON TORRES: So you lost nearly a
6 third of your boiler technicians?

7 KERRY JEW: Correct.

8 [background comments]

9 CHAIRPERSON TORRES: Now if... I will tell
10 you, in the City Council, if we lost a third of our
11 Finance Division or a third of our Land Use Division
12 or a third of our Legislative Division, the Speaker
13 and everyone here would be panicking, and so you lost
14 a third of your heating staff. Did you ever go to
15 City Hall and sound the alarm about the collapse in
16 your heating staffing capacity?

17 KERRY JEW: So as you know, NYCHA has
18 decreased head counts throughout the past several
19 years; the numbers that I just gave were actual head
20 count; not the budgeted numbers. But in order to
21 explain how we got to the actual number at the end of
22 2017, I need to give a fuller picture, so I'm gonna
23 take us back a little bit.

24 So I wanna take us back to the end of
25 2016, beginning of 2017, and as you know, NYCHA is an

3 agency that abides by the Civil Service Laws and
4 Rules and heating plant technician is a civil service
5 title that people test into and then there is a
6 certified list that results from the examination. So
7 at the end of 2016, beginning of 2017 there were two
8 civil service lists for heating plant technician; one
9 open competitive; one promotional; those were both
10 certified; there were about 100 candidates on those
11 lists combined and we had about 12 vacancies at that
12 point. We used the list to fill those vacancies and
13 as we're required by Civil Service Law, we used the
14 list to remove provisional heating plant technicians
15 and replace them with permanent employees.

16 We'll fast forward a little bit to the
17 spring of 2017, when the Maintenance Worker list was
18 certified. Heating plant technician is a hard to
19 recruit; hard to retain title, the title is entry
20 level where we encourage our employees to take other
21 civil service exams so that they can further their
22 careers; one of those avenues is to take the
23 Maintenance Worker exam so that they can move up the
24 path and move up the career track. So in the spring
25 of 2017, when the Maintenance Worker list was
certified, 47 HPTs were on the list and were

2 subsequently promoted to Maintenance Worker...

3 [crosstalk]

4 CHAIRPERSON TORRES: I know you're giving
5 me a history; I'm not sure if you're answering my
6 question. I wanna know... I imagine a lack of
7 resources led to the collapse in your heating staff
8 and capacity; is that a fair assessment?

9 KERRY JEW: A lack of resources in terms
10 of the allocations [background comment] overall to
11 our entire agency... [crosstalk]

12 CHAIRPERSON TORRES: You lost a third of
13 your heating staff... [crosstalk]

14 [background comment]

15 KERRY JEW: Correct.

16 CHAIRPERSON TORRES: right; that's a
17 crisis of resources...

18 KERRY JEW: Yes.

19 CATHY PENNINGTON: Yes.

20 CHAIRPERSON TORRES: So my question is;
21 did anyone at the New York City Housing Authority go
22 to City Hall and say we have a crisis; we're losing
23 heating staff?

24 SHOLA OLATOYE: So we, absolutely, in our
25 conversations with our colleagues at City Hall have

2 talked about not only the human crisis in terms of
3 our service capabilities, but also the physical
4 infrastructure that we needed to replace it. We
5 absolutely talked about and Miss Jew has worked with
6 our colleagues at DCAS to help us seek flexibility to
7 work within the systems that we are working under to
8 make it easier to hire people. So we absolutely have
9 been in constant contact with our colleagues at City
10 Hall, as well as other agencies; as well as our
11 recruiting partners, working... [interpose]

12 CHAIRPERSON TORRES: Well I'm just
13 asking; did you ask City Hall for more resources to
14 booster your staffing capacity for your heating
15 division?

16 SHOLA OLATOYE: Well specifically with
17 regard to this heating emergency, we absolutely...
18 [interpose]

19 CHAIRPERSON TORRES: No, not... not...
20 [background comments]

21 SHOLA OLATOYE: Well if I could finish...
22 [background comments]

23 CHAIRPERSON TORRES: Please, please,
24 please... [background comments]

2 SPEAKER JOHNSON: Folks need to keep it
3 quiet.

4 [background comments]

5 SHOLA OLATOYE: So prior to the...

6 [background comments] Prior to the heating emergency
7 of this season, we did put a call out for additional
8 resources to support our heating, our heating
9 activities, and then specific to the hearing
10 emergency, that time period of January 2nd on, we did
11 actually bring in temporary workers to support our
12 heating work. So two answers to your question, three
13 answers: 1. yes, a general conversation with our
14 colleagues at City Hall... [interpose]

15 CHAIRPERSON TORRES: When did that
16 conversation take place?

17 SHOLA OLATOYE: These have been
18 conversations that we've had over the course of the
19 last four years about the resource and investment
20 needs into the Housing Authority; we've talked about
21 roofs, we've talked about heating and water and
22 distribution issues; we've talked about a number of
23 things and there have been choices that have been
24 made and here we are and we recognize the need that
25 still exists.

2 CHAIRPERSON TORRES: So over the course
3 of four years, you've made various requests to City
4 Hall for more resources to boost your heating
5 division. At which point did... Did City Hall say yes
6 to all of those requests, only to the latest request?
7 What generally has been the response from City Hall...
8 [crosstalk]

9 SHOLA OLATOYE: Well...

10 CHAIRPERSON TORRES: to your request for
11 more resources specifically in the heating division?

12 SHOLA OLATOYE: Well one, I think we've
13 seen and are seeing the response to the request. We
14 asked for roofs because it was a major priority
15 **[inaudible]**... [crosstalk]

16 CHAIRPERSON TORRES: Referring to heating
17 division.

18 SHOLA OLATOYE: I'm getting to heating --
19 we asked for money with regard to roofs and we
20 received it. We've asked for resources with regard
21 to our heating program and there's a proposal on the
22 table. We've asked for flexibility within the rules
23 that we are allowed... that we have to work with under
24 to increase the number of people within our budgeted
25 resources. So it's been an ongoing conversation and

2 we will continue to work with them and this body to
3 secure additional resources.

4 CHAIRPERSON TORRES: I think the Speaker
5 wants to interject.

6 SPEAKER JOHNSON: I just wanna get to a
7 finer point on this. So I understand you have a pool
8 of caretakers who are waiting to become HPTs, as was
9 referenced, and you have a pool of HPTs, as you said,
10 waiting to become maintenance workers and you talked
11 about those promotions, and you need to make sure
12 that the number of people being promoted to
13 maintenance workers is balanced by the number of
14 caretakers being promoted to HPTs so you don't have a
15 shortage of HPTs; otherwise, you'll run out of HPTs,
16 which is what we're seeing, heating plant
17 technicians. But the pipeline, it sounds like it's
18 broken; [background comment] to get promoted from
19 caretaker to HPT you need to pass a DCAS exam, as you
20 said, civil service, and complete a training course
21 given by a NYCHA-approved organization, but the exam
22 has not been offered since 2015, [background
23 comments] correct?

24 KERRY JEW: That's correct.

2 SPEAKER JOHNSON: And the training hasn't
3 been offered since 2016.

4 [background comments]

5 KERRY JEW: That's correct.

6 SPEAKER JOHNSON: So it's correct to say
7 that that pipeline was basically turned off.

8 [background comments]

9 KERRY JEW: No, I wouldn't say that the
10 pipeline is turned off.

11 SPEAKER JOHNSON: Well the pipeline's a
12 little broken.

13 [background comments]

14 KERRY JEW: We... As you know, once you...

15 [crosstalk]

16 SPEAKER JOHNSON: Have... Have... Have you
17 asked DCAS to administer the HPT exam?

18 KERRY JEW: We... We are in constant
19 conversations... [crosstalk]

20 SPEAKER JOHNSON: Did you previously ask
21 DCAS to administer the HPT exam for Heating Plant
22 Technicians?

23 KERRY JEW: I don't... I don't know when we
24 last... [crosstalk]

2 SPEAKER JOHNSON: We need an answer to
3 that question.

4 KERRY JEW: Okay.

5 SPEAKER JOHNSON: I need to know when, if
6 you did, and I wanna know what DCAS said so we can
7 have a potential hearing with DCAS about why they're
8 not administering exams to get key positions filled.
9 Did you... As the Chair just mentioned, was anyone in
10 the Administration talked to about the loss of 100
11 HPTs; was that flagged?

12 Madam Chair, did you go to the Deputy
13 Mayor and say we've lost 100 HPTs; this could be a
14 big problem?

15 SHOLA OLATOYE: So one of the things... So
16 the answer broadly is; we spent some time looking at
17 our Heating Services Division early last year in our
18 support services review; we identified that there
19 was, to your point, Mr. Speaker, that there was a
20 pipeline issue in a sense of that it was a hard to
21 recruit and hard to retain **[inaudible]**... [crosstalk]

22 SPEAKER JOHNSON: So what was the plan to
23 deal with that pipeline issue?

24 SHOLA OLATOYE: So one is to partner with
25 our colleagues at 237 to figure out a way to

2 encourage, to bring in more people and to create
3 additional levels so there was an actual path for
4 incoming -- since this is an entry level position --
5 incoming staff. So there absolutely was and we are
6 continuing to work on those details **[inaudible]**...

7 [crosstalk]

8 SPEAKER JOHNSON: But was there a
9 staffing plan in place moving into the heating
10 season, given the loss of 100 HPTs?

11 KERRY JEW: So I just want to correct the
12 statement, if I may, about the loss of 100 HPTs. So
13 as I was discussing the movement of HPTs in to the
14 promotional title of Maintenance Worker, a couple
15 months after that the Assistant Resident Building
16 Superintendent list was certified; that's another
17 title that HPTs often test into and are qualified
18 **[inaudible]**... [crosstalk]

19 SPEAKER JOHNSON: Who was overseeing the
20 pipeline to ensure this didn't happen?

21 KERRY JEW: So the end result was a net
22 loss of 48 HPTs. In other words, people moved up
23 into those titles; there were people serving
24 provisionally in both of those titles; there were
25 people serving provisionally in both of those titles

2 with underlying HPT titles; those employees were
3 rolled back into **[inaudible]**... [crosstalk]

4 SPEAKER JOHNSON: Who is responsible for
5 watching the pipeline? Who at NYCHA is responsible
6 for watching the pipeline and ensuring that it gets
7 filled properly, who? I wanna know the name of the
8 person and their title of who is watching this to
9 make sure that it's being done properly. Madam
10 Chair, can you tell me who is responsible at NYCHA
11 for this?

12 SHOLA OLATOYE: So we have a Director of
13 HR... [interpose]

14 CHAIRPERSON TORRES: Who is that?

15 SHOLA OLATOYE: Her name is Nicole Van
16 Gendt; she reports directly to the EVP of
17 Administration, who's here today trying to answer
18 your questions.

19 [background comments]

20 SPEAKER JOHNSON: Okay. [background
21 comments] So when... Has there been a conversation
22 recently with DCAS about readministering these exams?

23 KERRY JEW: We are in constant
24 communication with DCAS **[inaudible]**... [crosstalk]

2 SPEAKER JOHNSON: No, no; that doesn't
3 answer my question. Has there been a request -- and
4 I'd like to know when -- from NYCHA to readminister
5 the exams and the training so we can get more HPTs?
6 Has that conversation happened with Commissioner
7 Lisette Castillo [sic]

8 SHOLA OLATOYE: Camilo.

9 SPEAKER JOHNSON: Camilo over there; has
10 that conversation happened?

11 KERRY JEW: I don't know if that
12 conversation has happened recently, but I am
13 scheduled to meet with Commissioner Camilo tomorrow,
14 and so we will be discussing anything about the HPT
15 exam or other exams that we would like to have
16 administered with more frequency. As far as the
17 training goes, that is something that we are working
18 in partnership with our colleagues at Local 237.

19 SPEAKER JOHNSON: Okay, I'm gonna give it
20 back to the Chair.

21 [background comment]

22 CHAIRPERSON TORRES: And I know the
23 Speaker pointed out that in order to be a permanent
24 heating plant technician you have to complete the
25 civil service exam; to be a provisional, you have to

2 complete certification. When was the last time the
3 certification was given?

4 KERRY JEW: The certification is
5 something that individuals can go seek on their own;
6 it's not an exam like the civil service exam where
7 there's a timetable, so it follows the individual
8 **[inaudible]**... [crosstalk]

9 CHAIRPERSON TORRES: Who provides the
10 training for the certification?

11 KERRY JEW: The certification is given by
12 the Fire Department.

13 CHAIRPERSON TORRES: The certification
14 for the Heating Plant Technician?

15 KERRY JEW: Correct.

16 CHAIRPERSON TORRES: Okay and when was...
17 Is it currently offered?

18 KERRY JEW: I believe it's ongo... It's not
19 the same as a civil service exam; there's no like
20 **[inaudible]**... [crosstalk]

21 CHAIRPERSON TORRES: No, my understanding
22 is that the requirement for a provisional Heating
23 Plant Technician professional is to complete a
24 certification, right?

2 KERRY JEW: Correct, the Heating Plant
3 Technicians must complete the certification within
4 six months of their appointment.

5 CHAIRPERSON TORRES: And so is that
6 certification currently given?

7 KERRY JEW: As far as I know, it's on a
8 rolling basis... [crosstalk]

9 CHAIRPERSON TORRES: I'm sensing
10 uncertainty.

11 KERRY JEW: It's on a rolling basis; it's
12 not an exam like a civil service exam, so there's no
13 exam date, like it's not like when you... [crosstalk]

14 CHAIRPERSON TORRES: But do you take a
15 course?

16 KERRY JEW: Uhm that I'm not sure of;
17 I'll have to get back to you.

18 CHAIRPERSON TORRES: Okay, so you're not
19 sure... and that's critical to knowing your pipeline of
20 provisional boiler technicians, right. So you're not
21 sure about the certification exam, when it was last
22 given; you're not sure... and then I think the civil
23 service exam was last given in 2015... I think our
24 concern is that by failing to arrange for both the
25 certification and the civil service exam, right,

2 NYCHA effectively shut down the pipeline of trained
3 heating professionals in 2015, right... [crosstalk]

4 KERRY JEW: No...

5 CHAIRPERSON TORRES: that... that... and I
6 know everything is about disinvestment, but that has
7 nothing to do with disinvestment; that was a failure
8 of planning on the part of the New York City Housing
9 Authority.

10 KERRY JEW: So... [clapping] if I may; the
11 certification is not an exam that is given on a
12 certain date; it's on a rolling basis, so there is
13 nothing... [crosstalk]

14 CHAIRPERSON TORRES: But you cannot even
15 tell me whether it's presently given.

16 KERRY JEW: It's... It's given on a rolling
17 basis though.

18 CHAIRPERSON TORRES: It doesn't... you're
19 giving the impression that you know nothing about
20 this exam that's required for provisional Heating
21 Technicians [background comments] in your Housing
22 Authority.

23 KERRY JEW: Okay, we can follow up with
24 more information.

25 [background comments]

2 CHAIRPERSON TORRES: My understanding is
3 that NYCHA has a boiler in Staten Island dating back
4 to 1950, seven decades. Why is a boiler dating back
5 seven decades not on NYCHA's list of the worst 20
6 boilers?

7 [background comments]

8 DEBORAH GODDARD: Because it's actually
9 one of our most reliable. So we look at... when we
10 create our list of worst, we look at age, which is
11 clearly is a factor; we also look at operations data,
12 the amount of outages, skilled work tickets that have
13 gone into it, as well as whether we can get the parts
14 or not, so it's a combination of all of those three,
15 but **[inaudible]** is one of our most reliable boilers.

16 CHAIRPERSON TORRES: So a 70-year-old
17 boiler is actually outperforming your substantially
18 younger boilers?

19 DEBORAH GODDARD: It was -- Someone said
20 to me it was the Cadillac of boilers at the time...

21 [crosstalk]

22 CHAIRPERSON TORRES: So which tells me
23 that boiler maintenance is every bit as important if
24 not more important than the age of the boiler.

25 DEBORAH GODDARD: Absolutely.

2 CHAIRPERSON TORRES: So my question is;
3 what are you doing differently in Staten Island, with
4 that 1950s boiler, that you're not doing elsewhere in
5 your portfolio? Why are your substantially younger
6 boilers failing and a boiler that dates back seven
7 decades is actually outperforming them? I want to
8 know the difference. I'm sure you've studied that
9 difference.

10 DEBORAH GODDARD: My folks have not; I'd
11 have to turn that over to Operations.

12 [background comments]

13 JAVIER ALMODOVAR: Hello everyone again.
14 So Staten Island we have... more of our senior staff
15 works in Staten Island; we have our more experienced
16 staff working in Staten Island. Our staff has
17 transfer rights, which enables them to transfer from
18 borough to borough and most of the staff that work on
19 Staten Island also live on Staten Island as well.
20 And as I said, we have primarily our senior staff,
21 more experienced staff working at Staten Island.

22 CHAIRPERSON TORRES: So it has to do with
23 the quality of the boiler maintenance?

24 JAVIER ALMODOVAR: Quality of the staff.
25

2 CHAIRPERSON TORRES: So you're telling me
3 [background comment] that the boiler in the Staten
4 Island boiler plant is outperforming substantially
5 younger boilers because you have more senior staff...

6 JAVIER ALMODOVAR: Correct and more
7 experienced staff... [crosstalk]

8 CHAIRPERSON TORRES: and more experienced
9 staff?

10 JAVIER ALMODOVAR: Yes.

11 CHAIRPERSON TORRES: So are you
12 suggesting that you lack the skilled staff to
13 maintain your boilers throughout your portfolio?

14 JAVIER ALMODOVAR: I am not saying that...
15 [crosstalk]

16 CHAIRPERSON TORRES: See my concern is; I
17 can give you \$2 billion to replace every single
18 boiler, but if you lack the capacity to maintain
19 them, those boilers will break down well before their
20 useful life. So what assurance can you give us that
21 you will have the capacity to maintain your boilers?

22 [background comments]

23 DEBORAH GODDARD: Just to chime in here;
24 you make a point; we've discussed it; we are
25 actually... [crosstalk]

2 CHAIRPERSON TORRES: I hope you've more
3 than discussed that; I would hope you've spent some
4 meetings on it... [crosstalk]

5 DEBORAH GODDARD: we are... Yes, we have
6 actually out on the street an RFP to get vendor
7 services to bring in some of the expertise we need,
8 just to your point, while we work with our own staff
9 and the unions to figure out the right job titles and
10 the right training... [crosstalk]

11 CHAIRPERSON TORRES: What do you mean by
12 expertise you need; what skills are lacking in order
13 to achieve effective boiler maintenance in public
14 housing?

15 DEBORAH GODDARD: I am not gonna be very
16 specific; I always liken it to these are the same as
17 you would find on a Navy ship; they're sophisticated,
18 larger boiler plants, but Javier is more familiar.

19 JAVIER ALMODOVAR: So as she said, they
20 are sophisticated boiler plants, with a lot of moving
21 components and it's important to point out that the
22 average career of an HPT is about three years, which
23 means that we are constantly cycling through new
24 staff and less experienced staff. So with that said,
25 what we require staff to do is to sort of reverse

2 engineer a piece of equipment in order to properly
3 diagnose it, and that's some of the skill set that
4 might be lacking and in Staten Island, as I said, we
5 have more experienced staff that are very good at
6 that.

7 CHAIRPERSON TORRES: So you lack the
8 skilled staff to maintain your portfolio boilers and
9 my question is; what plan will you have to change
10 that, to ensure that you have staff that's
11 sufficiently skilled and trained to maintain the
12 boilers in your portfolio?

13 DEBORAH GODDARD: As I said, the reason
14 one of the benefits or one of the plans with having
15 the vendors do it is to work with our union partners
16 and figure out what that training program is and
17 bring our folks along up through what we need to...
18 give them expertise they need while we have these
19 vendors in place.

20 CHAIRPERSON TORRES: I'm sorry; I don't
21 understand that. What plan do you have in place? I
22 don't think that's an answer to my question. Are you
23 telling me you don't have a plan for how to maintain
24 your boilers or...? [crosstalk]

2 CATHY PENNINGTON: No, part of the... part
3 of the plan with bringing the vendor in, if I may add
4 to this, is that we recognize that we need more staff
5 to properly service the boilers. This issue of a
6 constant turn in the Heating Plant Technician job, as
7 we analyzed it in the past year, was a problem that
8 we identified, so by bringing in a third-party vendor
9 and being able to transfer approximately 59
10 developments over to third-party, we're not reducing
11 our staff; that then enables us to reassign our staff
12 to our existing boiler plants and actually increase
13 the number of staff per plant. So today we recognize
14 that we have staff, a typical Heating Plant
15 Technician is servicing four plants; that is not
16 industry standard [sic]... [crosstalk]

17 CHAIRPERSON TORRES: What's the average
18 in the private industry?

19 CATHY PENNINGTON: About 1.5. When we...
20 [interpose]

21 CHAIRPERSON TORRES: So they're serving
22 three more boilers than what is normal...? [crosstalk]

23 CATHY PENNINGTON: Yes. Yes. And so as
24 we saw the disproportionate staffing to heating
25 plants, along with a constant turn of this particular

2 job title, we then devised a strategy to request
3 proposals for vendors and we identified some
4 portfolio that we could then bring in third-party
5 management. Now this won't be... this isn't this
6 season; it's next season, but by... [interpose]

7 CHAIRPERSON TORRES: So you're privati...
8 you're privatizing the operation of your boiler
9 plants?

10 CATHY PENNINGTON: We are going to
11 supplement the services required for our boiler
12 plants through contracts with third-party companies...

13 CHAIRPERSON TORRES: But... [crosstalk]

14 CATHY PENNINGTON: which we already do.

15 CHAIRPERSON TORRES: But you're
16 privatizing the operation of particular boilers?

17 CATHY PENNINGTON: No, we're going to
18 retain the same heating division; we are not reducing
19 staff... [crosstalk]

20 CHAIRPERSON TORRES: No, I'm not asking
21 about your heating division, I'm asking whether there
22 are gonna be particular boiler plants in your
23 portfolio that will be privately rather than publicly
24 run.

25 SHOLA OLATOYE: Yes.

2 CHAIRPERSON TORRES: That is what I mean
3 by privatization.

4 CATHY PENNINGTON: Yes. The answer's
5 yes. Yes.

6 CHAIRPERSON TORRES: Okay. What is the
7 median tenure of your heating plant technicians?

8 CATHY PENNINGTON: How long are they in
9 the... I think it's every three years... [crosstalk]

10 CHAIRPERSON TORRES: 'Cause there is a
11 lack of institutional memory...

12 CATHY PENNINGTON: Sir, I think it was
13 three years...

14 CHAIRPERSON TORRES: Three years.

15 CATHY PENNINGTON: that they stay in a
16 HPT **[inaudible]**... [crosstalk]

17 CHAIRPERSON TORRES: So they're only
18 developing expertise for three years and then those
19 technicians move on?

20 CATHY PENNINGTON: That's been our
21 experience.

22 CHAIRPERSON TORRES: What is the median...
23 And how does that compare in private industry, do we
24 have...
25

2 CATHY PENNINGTON: I don't have that
3 information.

4 CHAIRPERSON TORRES: What about the
5 median salary?

6 CATHY PENNINGTON: Private industry?

7 CHAIRPERSON TORRES: In NYCHA, your
8 boiler technician.

9 CATHY PENNINGTON: Just a minute. I
10 don't have that information with us, but we'd be glad
11 to get it for you.

12 CHAIRPERSON TORRES: Okay. I have more
13 questions, but I'm gonna allow my colleagues to ask
14 questions as well.

15 SPEAKER JOHNSON: Okay, I have a bunch of
16 questions; I'm gonna rifle through these, 'cause I
17 wanna give time for all the members here to ask
18 questions.

19 Landlords are required by required by law
20 to provide heat during the heating season, which runs
21 from the beginning of October to the end of May.
22 During the daytime the inside temperature has to be
23 at least 68 degrees whenever the outside temperature
24 falls below 55 degrees and at night the inside
25 temperature has to be at least 62 degrees. NYCHA is

2 required to comply with these local heating
3 requirements; is that correct?

4 CATHY PENNINGTON: Correct.

5 SPEAKER JOHNSON: If each day that an
6 individual apartment does not have adequate heating,
7 it's a violation of this law. How many times has
8 NYCHA violated this law during the heating season?

9 [background comments]

10 CATHY PENNINGTON: I think the violation
11 is based on the time it is restored; I believe that
12 the restoration time has to be within 24 hours, so...
13 [interpose]

14 SPEAKER JOHNSON: How many times has...
15 Okay, if you use that standard, how many times has
16 there been a violation?

17 CATHY PENNINGTON: So I would have to
18 check the number on how many, but there were... as we
19 said, there were cases where it took us 48 hours to
20 restore, so that certainly does exceed the 24-hour
21 goal.

22 SPEAKER JOHNSON: It would be helpful if
23 there was someone here who could find out the salary
24 for boiler technicians and if we can get an answer to
25

2 this question as well while we're here. The depar...

3 [crosstalk]

4 CATHY PENNINGTON: The average salary for
5 an HPT technician is \$49,835.

6 SPEAKER JOHNSON: Thank you for getting
7 that information.

8 CATHY PENNINGTON: You're welcome.

9 SPEAKER JOHNSON: The Department of
10 Housing Preservation and Development (HPD) generally
11 enforces these heating requirements; when NYCHA
12 discovers that an apartment does not have the legally
13 required amount of heat, does it report that
14 information to HPD?

15 SHOLA OLATOYE: No. Are you asking if
16 NYCHA reports it to HPD...? [crosstalk]

17 SPEAKER JOHNSON: Does NYCHA report that
18 information to HPD...? [crosstalk]

19 SHOLA OLATOYE: No. No, we do not.

20 SPEAKER JOHNSON: No. Okay. If a NYCHA
21 resident calls 311 or contacts HPD with a heating
22 complaint relating to NYCHA, what happens? We have
23 Vito, who's the incoming General Manager. Vito, have
24 you been sworn in?

25 VITO MUSTACIUOLO: No, sir.

2 SPEAKER JOHNSON: Okay. Could you... Chair
3 Torres, can you swear Vito in?

4 CHAIRPERSON TORRES: The great Vito
5 Mustaciuolo. Do you affirm to tell the truth, the
6 whole truth and nothing but the truth in your
7 testimony before these committees and to respond
8 honestly to council members' questions?

9 VITO MUSTACIUOLO: I do.

10 SPEAKER JOHNSON: Okay, if a NYCHA
11 residents calls 311 or contacts HPD with a heating
12 complaint relating to NYCHA, what happens?

13 VITO MUSTACIUOLO: That call is
14 transferred to the NYCHA Hotline.

15 SPEAKER JOHNSON: So if a NYCHA resident
16 calls HPD to complain, it gets transferred to NYCHA.
17 Okay. When a NYCHA resident wants to complain about
18 having inadequate heating in their apartment, do they
19 have any other option to complain to anyone besides
20 NYCHA?

21 VITO MUSTACIUOLO: There is no other
22 complaint process that I know of.

23 SPEAKER JOHNSON: Okay. How many
24 heating-related violations has HPD or any other
25 agency issued against NYCHA during this last heating

2 season? And the answer's none because HPD doesn't
3 oversee NYCHA; is that right? HPD has no enforcement
4 capability with NYCHA; is that right?

5 SHOLA OLATOYE: That is correct.

6 SPEAKER JOHNSON: Okay. When a private
7 landlord receives a heating-related violation, the
8 landlord cannot have the violation cleared until they
9 file a Certificate of Correction with HPD. How many
10 Certificates of Correction related to heat issues has
11 NYCHA filed with HPD during the heating season? I
12 assume the answer's none. The point I'm getting at
13 is; NYCHA cannot be the fox guarding the henhouse.
14 There needs to be someone who is doing enforcement on
15 NYCHA besides NYCHA doing enforcement on their self,
16 [clapping, background comments] that's the point
17 here, [background comment] because if we have 80% of
18 apartments without heat; if we have 320,000
19 individuals without heat during the heating season;
20 if two-thirds of those loss of heating complaints and
21 records date before the bomb cyclone but happened
22 from October to the beginning of January, there is a
23 problem here and I don't have the trust today that
24 NYCHA is in the position to be able to fix this on
25 its own. So the point I'm making is; I know Edna is

2 there now to do compliance, which is great, and she
3 has done tremendous service to our city over the
4 years and I'm very grateful that she agreed to this
5 thankless, difficult job and I hope that her work on
6 compliance will hopefully fix some of these issues.

7 I have some more questions; I'm gonna
8 rifle through these. Madam Chair, back in November,
9 after two of your top managers resigned and one was
10 demoted, you told the *New York Daily News* that NYCHA
11 "residents deserve better and we will continue to
12 implement changes at every level of the Authority."
13 What changes are you making at each level of the
14 Authority?

15 SHOLA OLATOYE: Well one, as I was
16 sharing earlier with Chair Torres, we are working
17 closely with our colleagues at DCAS in helping to
18 understand and improve and really straighten that
19 pipeline for our Heating Plant Technicians
20 specifically to heat, and I should just say we're
21 talking to them about a number of different title
22 challenges that we face in terms of our ability to
23 recruit staff at the Authority. There have been and
24 there will continue to be other changes. I think the
25 incoming Operations team is going to spend time

3 really reviewing and understanding the changes that
4 they believe need to happen. As you know, we are
5 moving the entirety of our portfolio towards NextGen
6 operations; it's still in the middle of
7 implementation, so there's a lot of movement on that
8 front as well. So in an organization of this size
9 and in this type of transition, there's a lot of work
10 to be done and there are also levels of changes,
11 whether it be personnel or process changes or policy
12 and procedural changes. Our setting up of the
13 Compliance Department is not only important for
14 compliance, but really ensuring how are we organized
15 across the organization to ensure compliance. So
16 that's another big part of the work that's currently
17 underway.

18 SPEAKER JOHNSON: So Edna Wells Handy, as
19 I just referenced, just came on board as your Acting
20 Chief Compliance Officer in charge of the Executive
21 Compliance Division; before she started, who was in
22 charge of compliance? Who was the top person in
23 charge of compliance?

24 SHOLA OLATOYE: So as I've stated,
25 compliance was a decentralized function and there was
no one person whose job it was for compliance and

2 we've acknowledged that challenge and therefore
3 creating this more centralized function.

4 SPEAKER JOHNSON: Okay. Just a few more
5 things very quickly. You recently informed staff for
6 these Committees that you do not have an established
7 system for identifying, recording and analyzing the
8 cause of heating outages; instead, you sometimes make
9 notes on outage causes in a database called Siebel,
10 which is kind of a public relations system you use
11 for communicating with residents; it's spelled S-I-E-
12 B-E-L. This is what your staff told our staff. Can
13 you explain why NYCHA does not regularly identify,
14 record and analyze heating outage causes, and isn't
15 it something that you would need to know in order to
16 diagnose the problems that you have and identify the
17 appropriate solutions?

18 CATHY PENNINGTON: So we do have a lot of
19 data in our system; without knowing exactly what the
20 City Council staff were looking at, we do have
21 information that tells us what was repaired, for
22 instance; we do have a lot of data analytics on
23 durations, locations, supplies that were used to make
24 repairs... [interpose]

2 SPEAKER JOHNSON: But the issue here is
3 NYCHA uses several databases to record information
4 about heating outages.. [interpose]

5 CATHY PENNINGTON: There is only.. oh I'm
6 sorry.

7 SPEAKER JOHNSON: Several... we are told,
8 by your staff, that there are several databases that
9 are used to record information related to these
10 outages and its heating systems, but it's our
11 understanding that the information from one database
12 can't be used directly with the other database. In
13 other words, these databases don't talk to each
14 other.

15 CATHY PENNINGTON: So if I could please
16 correct that. So there are two core databases; one
17 is Siebel and one is called Maximo. Maximo is the
18 system that all of the work order tickets; all of the
19 repair is organized in, recorded in, scheduled out
20 of. The interface on the Siebel side is related to
21 our customer call center and it stores a lot of
22 confidential tenant data that is not needed in our
23 Maximo system, but the two systems do talk to each
24 other and are interfaced and they daily function
25 quite well.. [crosstalk]

2 SPEAKER JOHNSON: Are you... Hold on,
3 let's... I just wanna be clear; are you sure... your
4 staff, before this hearing, met with our staff and
5 one of the major things that was flagged to us going
6 into this hearing -- I just wanna be clear, so let's
7 not have another instance where someone got bad
8 information -- that Siebel and Maximo, and then
9 there's another system as well, which is a energy and
10 consumption database, sort of the management
11 database; there are three systems and we were told by
12 your staff that these three systems do not speak to
13 each other, so when analysis has to happen, analysis
14 has to happen by hand by matching things up in all
15 three systems; that is what we were told.

16 CATHY PENNINGTON: So I'm going to ask
17 Bob Marano, our EVP for IT services, to respond to
18 your question.

19 SPEAKER JOHNSON: Mr. Chair; can you
20 swear him in?

21 CHAIRPERSON TORRES: Please raise your
22 right hand. Do you affirm to tell the truth, the
23 whole truth and nothing but the truth in your
24 testimony before these committees and to respond
25 honestly to council members' questions?

2 BOB MARANO: I do.

3 SPEAKER JOHNSON: Could you answer that
4 question, sir?

5 BOB MARANO: So we use Siebel by Oracle
6 as our call center software and we use Maximo as our
7 asset management software. Both products are
8 industry-leading, commercial, off the shelf systems
9 used by thousands of companies in the United States
10 and abroad.

11 SPEAKER JOHNSON: Do they speak to each
12 other?

13 BOB MARANO: Yes they do. There is a
14 bidirectional interface, real time. When somebody
15 calls the call center and they enter the ticket into
16 Siebel, a ticket is automatically generated in the
17 Maximo system.

18 SPEAKER JOHNSON: Okay, I'm being told
19 that what your staff told us beforehand was that
20 Siebel can tell Maximo -- this is so crazy -- Siebel
21 can tell Maximo to spit out a ticket, but the systems
22 cannot be synced up against each other so that
23 they're in sync, having the same information; that's
24 what we were told by your staff.

25

2 BOB MARANO: I'm sorry; that is not
3 correct.

4 SPEAKER JOHNSON: Okay. So we got bad
5 information. Okay. So let's... I'm gonna keep... a few
6 more questions here and then I'm gonna hand it over
7 to other colleagues.

8 Some of the information that NYCHA
9 records about its heating systems doesn't -- our
10 understanding is, doesn't even go into a database.
11 For example, until very recently, NYCHA would record
12 daily, weekly and quarterly maintenance records,
13 maintenance checks of boilers in a paper log book
14 kept on each boiler, attached to the boiler. Is that
15 correct?

16 CATHY PENNINGTON: Yes, that is correct.

17 SPEAKER JOHNSON: Was that information
18 then logged into a system?

19 CATHY PENNINGTON: Mr. Javier.

20 [background comments] Not at this time.

21 [background comments]

22 SPEAKER JOHNSON: So the individual
23 maintenance checks on the boilers by technicians
24 would be logged on a piece of paper, taped our put in
25 a laminated thing... [interpose]

2 CATHY PENNINGTON: We refer to them as
3 log books.

4 SPEAKER JOHNSON: log books, but then
5 that information was not logged into a central
6 database. I mean that's crazy. [background
7 comments] Madam Chair; is that crazy?

8 SERGEANT-AT-ARMS: Quiet please.

9 SPEAKER JOHNSON: That's crazy.

10 SHOLA OLATOYE: I would agree that our
11 move towards technology is... we have a lot more to do
12 and this is absolutely an area that we need to dig
13 deeper on.

14 SPEAKER JOHNSON: But no one thought this
15 was crazy before we started asking about it?

16 SHOLA OLATOYE: No... that... I would say
17 that; I would say there has been a lot of effort to
18 bring technology to this organization and to do it in
19 a way -- because with every introduction of a new
20 technology you have to train people; we are
21 experiencing this as now our 5,700 or so staff have
22 handhelds. We can chart who is using the handhelds
23 and who is not using the handhelds... [crosstalk]

24 SPEAKER JOHNSON: But the point on this
25 is; Maximo was established for the Housing Authority

2 in 2009, so nine years ago is when Maximo was created
3 individually for the Housing Authority to use and
4 analyze information. Since 2009, when the Authority
5 started paying a lot of money to have this system in
6 place, if we had been logging the maintenance checks
7 from the boilers into Maximo, we could see current
8 trends, we could look at where we need to deploy
9 resources, we could understand where there are
10 particular issues, but over the course of nine years,
11 instead we have pieces of paper in log books that are
12 not being logged into the system. This is madness.
13 This is crazy in 2018. This should be fixed
14 immediately.

15 BOB MARANO: We have done a lot of
16 changes to Maximo over the past nine years; we have
17 implemented handhelds for all the HPTs; we have
18 implemented inspections for boiler rooms and tank
19 rooms, so it's an ongoing process... [crosstalk]

20 SPEAKER JOHNSON: But sir...

21 BOB MARANO: of constant improvement;
22 we're trying to make constant improvement...
23 [interpose]

24 SPEAKER JOHNSON: the... the information in
25 the log books should be in Maximo.

2 BOB MARANO: Agreed.

3 SPEAKER JOHNSON: When is it gonna
4 happen?

5 [background comments]

6 SHOLA OLATOYE: We're working on... well...
7 [interpose]

8 BOB MARANO: It's something that we are
9 working on.

10 [background comments]

11 SPEAKER JOHNSON: I would like a plan of
12 when the log book information on boilers is gonna be
13 logged into the system that NYCHA pays for to analyze
14 trends. I'm gonna hand it back over to Chair Samuel
15 and then we're gonna go to individual Council Members
16 who have been extraordinarily patient to ask
17 questions today.

18 CO-CHAIRPERSON AMPRY-SAMUEL: So when we
19 started off with the residents speaking first and the
20 conversation was about residents not being heard and
21 tickets being closed prematurely, and now when we're
22 delving into the fact that the databases and systems
23 are not necessarily working with each other or are
24 not adequately being tracked, it goes back to the
25 residents and what they actually said, that they are

2 living in apartments that did not have any heat and
3 hot water, but yet we had comments that stated they
4 were closed within 24 hours or they were closed
5 within 48 hours, but there were some samplings that
6 were made, there were some random apartments that
7 were checked, there were robocalls, and that's just
8 all... it... it... it just feels like excuses, so we just
9 wanna turn it back to the fact that the residents
10 have been saying over and over again that they have
11 not been heard and the services are not there, and so
12 we just want the record to reflect that; that you
13 already admitted that you're making some changes;
14 there are plans in place, but the residents have
15 stated it from the beginning, so I just wanna just
16 reiterate that, and then we're gonna move on to our
17 questions from our colleagues, but first we will hear
18 from our Public Advocate Letitia James... [crosstalk]

19 PUBLIC ADVOCATE JAMES: Thank you. I
20 wanna thank the two Chairs and I wanna thank the
21 Speaker for allowing me just to ask a few questions
22 so my colleagues can get to their questions.

23 Let me just say this really is a
24 humanitarian crisis and it really is astonishing at
25 the lack of information from the leaders her at

2 NYCHA. So between the lead inspection debacle in
3 today's revelations about heating, it is more clear
4 to me now more than ever that NYCHA is fundamentally
5 broken to its core and that the vast majority of low-
6 income individuals who reside at NYCHA unfortunately
7 are struggling and suffering and it's just
8 inexcusable. So my first question is the following:

9 What is the cost of Maximo and Siebel;
10 what's the cost to taxpayers; how much are we paying
11 for these contracts?

12 SHOLA OLATOYE: We'll have to follow up
13 with you and give you [background comments] that
14 specific number. I understand the question and we
15 wanna give you a precise... [background comments] we
16 wanna give you a precise annual operating number and
17 we'll do that.

18 PUBLIC ADVOCATE JAMES: The
19 Administration has indicated that it's proposing a
20 \$200 million appropriation to boilers. How did you
21 pick the boilers; what complexes?

22 DEBORAH GODDARD: Good afternoon. As I
23 mentioned earlier, we work with Operations and we
24 look at the life of the boiler, but we also look at
25 the Operations data, skilled work tickets, outages,

2 and then, a third component would be; is there
3 difficulty in getting replacement parts?

4 PUBLIC ADVOCATE JAMES: Why will it take
5 until 2022 to get these renovations in place?

6 DEBORAH GODDARD: So these are generally
7 very large boiler plants, anywhere from 3-7 furnace
8 boilers in there; they are not off the shelf, so we
9 have a design period, we have procurement and we have
10 construction. I do want to acknowledge that
11 temporary boilers will go in at the very start of
12 construction, so there will be more reliable heat
13 earlier in the process. Then we do demolition, which
14 will involve asbestos abatement, construction and
15 signoff.

16 PUBLIC ADVOCATE JAMES: Are you also
17 looking at weatherization, replacement of windows?

18 DEBORAH GODDARD: In our boiler plants
19 we're not; in our smaller sites we are using the
20 State weatherization program very aggressively for a
21 variety of energy-related improvements. If I may, I
22 do want to go back to the time it takes to do these.
23 We have been working with our partners at City Hall
24 -- DOB, DEP; Comptroller has approached us -- we are
25 looking at where, frankly, we can get express lanes

2 for some of our permitting and approvals, so we
3 expect a lot of cooperation, and we'll, of course, be
4 working with Vito to see what other things we can do
5 internally to speed these up.

6 PUBLIC ADVOCATE JAMES: The \$103 million
7 that was announced by NYCHA for your energy
8 performance contracts, that was as a result of a
9 public-private partnership with the Bank of America,
10 a [bell] 20-year loan; is that true?

11 DEBORAH GODDARD: There was a lender
12 behind it, yes.

13 PUBLIC ADVOCATE JAMES: So why are we not
14 working with other banks, particularly those banks
15 that have business with the City of New York, to
16 secure additional funding to repair all of the
17 boilers throughout the system?

18 DEBORAH GODDARD: We are not generally
19 able to borrow money; that's one of the differences
20 between public and private...

21 PUBLIC ADVOCATE JAMES: How were we able
22 to borrow this money from Bank of America...?

23 [crosstalk]

24 DEBORAH GODDARD: Uh this is literally
25 the way the EPC's energy performance contracts are

2 set and they expect it to be within any service
3 company, so it is in the whole program design for an
4 ESC... EPC... [crosstalk]

5 PUBLIC ADVOCATE JAMES: So you entered
6 into... So did NYCHA negotiate this or did the de
7 Blasio Administration negotiate this agreement with
8 Bank of America?

9 DEBORAH GODDARD: No, we negotiated.

10 PUBLIC ADVOCATE JAMES: You negotiated?

11 DEBORAH GODDARD: Yes.

12 PUBLIC ADVOCATE JAMES: So what is
13 preventing you from negotiating with other banks that
14 do business with the City of New York [background
15 comments] to replace all boilers in the system and
16 save money ultimately as a result of energy
17 conservation?

18 [background comments]

19 DEBORAH GODDARD: We...

20 SHOLA OLATOYE: So I was just gonna say...
21 Just to take a step back, the [background comment]
22 emergency performance program is a HUD program;
23 [background comment] it is something that HUD
24 provides approval to Housing Authorities to actually
25

2 capture whatever savings [background comments] and
3 utilize it for energy improvements...

4 PUBLIC ADVOCATE JAMES: Correct.

5 SHOLA OLATOYE: and if we did not have
6 HUD approval, whatever savings would be generated
7 would be recaptured by the federal government. So we
8 have to apply for HUD approval for the energy
9 performance contracts; this is the largest... I believe
10 it's the largest in the country; we have received
11 approval for that and that's what we're executing.

12 PUBLIC ADVOCATE JAMES: So going forward,
13 are you applying to HUD for additional energy; is
14 that in the pipeline... [crosstalk]

15 DEBORAH GODDARD: Yes.

16 PUBLIC ADVOCATE JAMES: and for how much?

17 DEBORAH GODDARD: Right now we have an
18 application down there for 160... [background comments]
19 100-110; we are expecting to go forward with another
20 one in 2019. This is gonna be a continuous process
21 for us.

22 PUBLIC ADVOCATE JAMES: Is there any way
23 to expedite those applications so that we can get all
24 of these boilers replaced?

2 DEBORAH GODDARD: I don't think... EPCs
3 are, frankly, not the best way for us to replace
4 boilers. The boiler plants... so for instance, we are
5 doing Patterson; that's a \$10 million job; it is
6 difficult to generate enough utility savings to pay
7 for that kind of capital cost. We also, I wanna... and
8 my VP for Sustainability can give you more
9 information; we are in fact prioritizing under EPCs...
10 the BMC system, Council Member Torres, that you
11 referenced, so we can give you more information on
12 that **[inaudible]**... [crosstalk]

13 PUBLIC ADVOCATE JAMES: And my last
14 question is: [bell] In anticipation of next year's
15 winter period; what do we plan on doing that we did
16 not do this season?

17 DEBORAH GODDARD: And I'll turn that over
18 to my colleague at Operations.

19 CATHY PENNINGTON: So we have a number of
20 initiatives underway. We received some additional
21 funding from the City to address some immediate needs
22 this winter and some of that money is being used to
23 hire temporary staff, oil burner specialists,
24 plumbers, plumber helpers have been hired to
25 supplement our heating team. We also are going to

2 make repairs in 10,000 senior housing units of
3 windows because we had a number of complaints about
4 drafty windows also contributing to heat loss, so we
5 have already started that program that we are
6 repairing windows. And then before next winter we
7 are already in the RFP planning process to replace
8 eight boiler plants at Union Avenue and Claremont
9 Houses. We are also going to change our fuel sources
10 in our mobile boilers at Patterson, Independence and
11 Pelham; those are oil-run mobile boilers; they will
12 be converted to gas, which is more reliable in
13 extreme weather, and we are also purchasing five new
14 boilers and we have also rented some boilers already.

15 CHAIRPERSON TORRES: I just wanna quickly
16 interject. It seems to me all the information that
17 NYCHA would need to fully know the health of its own
18 heating systems is not centralized in a single
19 database; it seems to be scattered among multiple
20 databases. When it comes to information about your
21 heating systems, how many databases do you have?

22 [background comments]

23 SHOLA OLATOYE: Give us a moment while we
24 just... [crosstalk]

25 CHAIRPERSON TORRES: So I... I... I...

2 SHOLA OLATOYE: we wanna get you the
3 precise answer **[inaudible]**... [crosstalk]

4 CHAIRPERSON TORRES: I can try to help
5 you here. I don't know the... [background comment] but
6 I know you have Chaz I [sp?]...

7 DEBORAH GODDARD: Correct.

8 CHAIRPERSON TORRES: which sends
9 notifications about the failure of a boiler...

10 DEBORAH GODDARD: Uhm-hm.

11 CHAIRPERSON TORRES: You have Chaz II,
12 which allows for sensors in individual apartments;
13 you have Maximo, which is for work orders..

14 DEBORAH GODDARD: Uhm-hm.

15 CHAIRPERSON TORRES: you have Siebel,
16 which is complaint service requests. Do you have
17 more databases than that?

18 [background comments]

19 BOB MARANO: That's the ones that I know
20 about.

21 CHAIRPERSON TORRES: Okay, so
22 information... but you might have more; you're just not
23 aware of whether you have more?

24 BOB MARANO: No; that's it.
25

2 CHAIRPERSON TORRES: So where do you put
3 information about your energy use and consumption;
4 that's Chaz II? What about your energy costs; what
5 about utility costs; where does that information go,
6 in which database.

7 BOB MARANO: That is held by a uh...
8 there's an outside company called Energy Solve; it's
9 our Unisystem; that's for billing; that keeps track
10 of billing by **[inaudible]**... [crosstalk]

11 CHAIRPERSON TORRES: Is that a different
12 database?

13 BOB MARANO: metered uh utilities. It's
14 a software as a service function; I'm gonna defer to
15 Bomee, our Vice President of Energy and
16 Sustainability.

17 [background comment]

18 BOME E JUNG: Hi, **[inaudible]**... [crosstalk]

19 CHAIRPERSON TORRES: Do you know the
20 number of databases NYCHA has?

21 BOME E JUNG: Should I... Do I... Do I need
22 to... [crosstalk]

23 CHAIRPERSON TORRES: Oh yes; I'll swear
24 you in. Do you... [background comments] Do you affirm
25 to tell the truth, the whole truth and nothing but

2 the truth in your testimony before these committees
3 and to respond honestly to council members'
4 questions?

5 BOME E JUNG: I do.

6 CHAIRPERSON TORRES: So how many
7 databases does NYCHA have?

8 BOME E JUNG: So the... to your question
9 about the billing consumption data; that lives, as
10 Bob said, in our billing management system, which is
11 Unis [sic]. We track some consumption information;
12 namely, daily consumption of oil and gas, in a Legacy
13 system called EFS **[inaudible]**... [crosstalk]

14 CHAIRPERSON TORRES: So that's a
15 different database?

16 BOME E JUNG: That is a different
17 database.

18 CHAIRPERSON TORRES: Okay.

19 BOME E JUNG: And then we have Siebel and
20 Maximo, and then there is Chaz, which as you've
21 noted, does some rudimentary automation of the boiler
22 plants and sends out **[inaudible]**... [crosstalk]

23 CHAIRPERSON TORRES: Can you speak
24 louder? Can you speak in the mic?

2 BOME E JUNG: I don't think I've been
3 asked to speak louder ever before in my...

4 CHAIRPERSON TORRES: Yeah.

5 BOME E JUNG: So... [interpose]

6 CHAIRPERSON TORRES: Well there's a first
7 time for everything, so.

8 BOME E JUNG: Right. So there is Unis,
9 which tracks our utility costs and our utility
10 consumption, the information that comes from our
11 utilities. There is EFS, which records the daily
12 consumption of fuel and gas; that is a separate
13 database. There is Chaz, which as you noted, sends
14 out notifications and does monitoring and some
15 automation of the boiler plant function. There is
16 Maximo, which is the work order system that we've
17 already discussed, and there's Siebel.

18 CHAIRPERSON TORRES: And not all of these
19 databases communicate?

20 BOME E JUNG: No, not all of these
21 databases... Yes, that's correct... [crosstalk]

22 CHAIRPERSON TORRES: Okay. So is the... is
23 the ultimate objective to consolidate these databases
24 so that all the information that one would need is in
25 one place?

2 BOMEJ JUNG: The goal is to have a
3 platform that allows us to look at information across
4 these databases for performance management purposes,
5 yes.

6 CHAIRPERSON TORRES: 'Kay. So what is
7 the plan of action and the timeline for creating a
8 building management system?

9 BOMEJ JUNG: So we are in the process of
10 adopting a new set of protocols for building
11 management systems; we will be installing these new
12 systems over the summer this year, starting this
13 year. Primarily this is a system that replaces Chaz
14 and this system will allow us not only to absorb the
15 functions of Chaz but also give us the infrastructure
16 to be able to inter-operate with these other
17 databases and have a reporting platform that can
18 integrate these various sources of information.

19 CHAIRPERSON TORRES: Okay. I wanna give
20 my colleagues an opportunity.

21 CO-CHAIRPERSON AMPRY-SAMUEL: Okay, thank
22 you. We will now open it up to our other Council
23 Members, so first we will hear from Council Member
24 Van Bramer.

2 COUNCIL MEMBER VAN BRAMER: Thank you
3 very much. First of all, I just wanna say, Madam
4 Chair, that we've done a lot of good work together;
5 143,000 units out of 175,000 having no heat or hot
6 water represents a complete and utter collapse of
7 public housing in New York City, because if it's 10
8 degrees outside and you don't have heat and hot
9 water, it's 10 degrees inside and you might as well
10 not have a house. But I wanna say a few things about
11 the chain of command, because you are here getting
12 grilled, and I have to say I've been at over a
13 thousand hearings in my 9th year as a City Council
14 Member now; this is one of the worst that I've ever
15 seen in terms of performance. You're here, but you
16 report to somebody, right; your direct report is... is
17 it the First Deputy Mayor or?

18 SHOLA OLATOYE: Deputy Mayor Alicia Glen.

19 COUNCIL MEMBER VAN BRAMER: Right. And I
20 understand that she's a very smart person and she
21 knows a lot of things about a lot of things,
22 [background comments] so what I'd like to know is;
23 how often do you meet with her; how often are your
24 direct reports to Alicia Glen?

25 SHOLA OLATOYE: Weekly.

2 COUNCIL MEMBER VAN BRAMER: Weekly. And
3 is she responsive to the needs of public housing
4 residents?

5 SHOLA OLATOYE: We work very closely
6 together and the investment that we have to date is
7 reflective of that support.

8 COUNCIL MEMBER VAN BRAMER: Is that
9 investment enough and is it good enough for the
10 residents of public housing?

11 SHOLA OLATOYE: Council Member Van
12 Bramer, you will not get an agreement that we don't
13 have so much more to do; I will not say that, and I
14 don't think she would say that either, but what...
15 [crosstalk]

16 COUNCIL MEMBER VAN BRAMER: Well then
17 because she's so smart, she should probably do better
18 at funding and doing things for residents of public
19 housing. I just wanna say this to you; Chair, we've
20 done some good work together in Queensbridge,
21 Ravenswood and the Woodside Houses and you're getting
22 grilled here and appropriately so, because a lot has
23 gone wrong, but you, by protecting the Deputy Mayor,
24 don't do any service to yourself or to the residents
25 of public housing; I wanna go beyond, because Alicia

2 Glen reports to somebody too, and that's the Mayor of
3 the City of New York, right?

4 SHOLA OLATOYE: Correct.

5 COUNCIL MEMBER VAN BRAMER: So how often
6 do you meet with the Mayor of the City of New York?

7 [background comments]

8 SHOLA OLATOYE: I meet with the Mayor on
9 a sort of as-needed basis; we absolutely have been in
10 touch [bell] much more regularly, as you can imagine,
11 over the last several weeks, uhm but over the course
12 of the last four years [background sneeze] there's
13 been... bless you... there's been, you know, quarterly,
14 at least, you know, important sit-down sessions with
15 the Mayor on various issues as it relates to the work
16 of the Housing... [crosstalk]

17 COUNCIL MEMBER VAN BRAMER: When was the
18 last time you met with the Mayor?

19 SHOLA OLATOYE: I was with the Mayor last
20 Thursday.

21 COUNCIL MEMBER VAN BRAMER: Meeting on
22 this crisis?

23 SHOLA OLATOYE: On this and other issues,
24 yes.

2 COUNCIL MEMBER VAN BRAMER: Okay, 'cause
3 I just want to state for the record one of the
4 things.. [interpose]

5 SHOLA OLATOYE: Last Wednesday, excuse
6 me.

7 COUNCIL MEMBER VAN BRAMER: uh we were at
8 the Woodside Houses with the Mayor, because that was
9 one of the developments that went down in this
10 crisis, but the Woodside Houses is not among your top
11 20 and among the \$200 million that are being funded.
12 I was in that boiler room with the Mayor of the City
13 of New York and the gentleman who runs all of your
14 boilers -- who is not here today by the way and I
15 thought he was very knowledgeable -- and those
16 boilers there are very old, many of them, but we're
17 not in the plan at the Woodside Houses. Isn't it
18 shortsighted not to fund and replace those boilers
19 now instead of waiting until they go down as well
20 and, a. forcing the people in the Woodside Houses to
21 go through themselves another moment of crisis, but
22 also won't it be even more expensive at the time?
23 'Cause if you're not replacing the boilers and if the
24 Mayor's not putting up the money to replace the
25 Woodside Houses as well, you're just waiting for that

2 to go down as well, another system to go down,
3 another development to go down; the money needs to be
4 there not just for those 20 worst, but for all of the
5 ones that have boilers that are 40, 50, 60 years old
6 'cause you're just waiting for them to collapse as
7 well, aren't we?

8 SHOLA OLATOYE: So do we need more
9 resources? Absolutely. Uhm I think, as you know, at
10 Woodside the outage that you experienced there was a
11 national grid issue.. [crosstalk]

12 COUNCIL MEMBER VAN BRAMER: I understand.

13 SHOLA OLATOYE: and not specific to..
14 [crosstalk]

15 COUNCIL MEMBER VAN BRAMER: I understood.

16 SHOLA OLATOYE: to our portfolio, to the
17 infrastructure there. So your point is well taken
18 and again, I've been a loud and vocal advocate for
19 the resources that this agency needs in order to
20 replace its outdated infrastructure. I'll give it
21 over to Deborah Goddard, who can speak specifically
22 about the criteria that was used to allocate the
23 resources from last week.

24 DEBORAH GODDARD: Good afternoon. They
25 are hard choices, given the lack of resources we

2 have, but we do look at what is failing now most; we
3 look at the remaining age, and as I said, we look at
4 work tickets to identify what is causing the most
5 problems, as well as what are so old that... or...

6 Barry's [sic] not... Barry's older, but **[inaudible]**,
7 what boilers for which we can't get parts and that's
8 what we prioritize. We have a need of approximately
9 \$725 million for boilers alone, so we prioritize up
10 against those three pieces of information.

11 COUNCIL MEMBER VAN BRAMER: Well I look
12 forward to hearing from our very, very smart Deputy
13 Mayor, because maybe she can help get us out of this
14 crisis. Thank you.

15 [background comments]

16 CHAIRPERSON TORRES: Yeah, I actually
17 wanna interject very quickly, because there was a --
18 speaking of the Deputy Mayor, there was an article in
19 *Politico* dated January 31, 2018 holding that the
20 City's Housing Development Corporation was planning
21 to issue \$43.5 million in financing for a 163-unit
22 development in Queens in Astoria Houses, but City
23 officials -- it was said to be Alicia Glen -- pulled
24 the bonding authority just days before the HDC Board
25 voted to include it in a larger package of financing

2 in November; that shift stalled the retrofit of four
3 boilers at Astoria Houses. So the article in
4 *Politico* claims that the City's decision to withdraw
5 bond financing had the effect of indefinitely
6 delaying the retrofit of four boilers at Astoria
7 Houses. It's worth noting that those four boilers
8 serve over 3,000 residents and over 1,000 apartments.
9 Did City Hall consult with NYCHA before making a
10 decision that would indefinitely delay the retrofit
11 of your boilers?

12 DEBORAH GODDARD: If I can just clarify
13 one... well a significant piece of that story. The
14 developer, Durst Corporation, had agreed to provide
15 new burners to our furnaces; that was specifically to
16 benefit the affordable housing that was to be built
17 by that organization. Right now our emission stacks
18 -- when they built the new housing, their housing
19 would've been taller than the emission stacks, it
20 would've caused them problems probably with their
21 environmental clearance at DCP, so in order to build
22 that building they were gonna install the four new
23 burners.

2 CHAIRPERSON TORRES: So you're expecting
3 no improvements in the four boilers at Astoria
4 Houses...? [crosstalk]

5 DEBORAH GODDARD: So I just wanna make it
6 clear; [background comment] we actually have Astoria
7 on our list to be addressed with federal funds, but
8 that particular aspect, putting the burners in, was
9 solely to benefit the affordable housing that was
10 gonna be developed by the Durst Corporation...

11 [crosstalk]

12 CHAIRPERSON TORRES: Okay, so the article
13 seems to suggest that it would benefit the boilers at
14 Astoria Houses; are you suggesting that's inaccurate?

15 DEBORAH GODDARD: No, it was all about
16 the emissions and the new housing that was gonna be
17 built.

18 CHAIRPERSON TORRES: So it has nothing to
19 do with the boilers at Astoria Houses?

20 DEBORAH GODDARD: No.

21 CHAIRPERSON TORRES: So that article was
22 inaccurate?

23 DEBORAH GODDARD: It was inaccurate.
24
25

2 CHAIRPERSON TORRES: Okay. Okay. And do
3 you have a position on the tax exempt bond financing
4 decision that was made by City Hall?

5 DEBORAH GODDARD: I don't know anything
6 about it; I do know that... [interpose]

7 CHAIRPERSON TORRES: Well it was... it was...

8 DEBORAH GODDARD: all agencies

9 **[inaudible]**... [crosstalk]

10 CHAIRPERSON TORRES: it was part of the
11 agenda for NYCHA's board meeting on January 31st, so
12 there was obviously some interest... [interpose]

13 SHOLA OLATOYE: So... yeah...

14 CHAIRPERSON TORRES: and specific
15 reference [background comment] to tax exempt bond
16 financing... [crosstalk]

17 SHOLA OLATOYE: Thi... This...

18 CHAIRPERSON TORRES: in relation to
19 Astoria Houses.

20 SHOLA OLATOYE: This is a... [background
21 comment]

22 CHAIRPERSON TORRES: So it would be odd...
23 [interpose]

24 SHOLA OLATOYE: So...

25 CHAIRPERSON TORRES: Yeah.

2 SHOLA OLATOYE: just to finish the
3 thought -- so one, a very complicated project that
4 involved financing, as you indicated, as the article
5 indicated, from other sources. There were some
6 commitments that that developer chose not to live up
7 to, and so that was the... the outcome of the loss of
8 financing was in response to that, so this was not a
9 NYCHA... there were some benefits that were supposed to
10 come from the project to Astoria Houses... [interpose]

11 CHAIRPERSON TORRES: What are those
12 benefits?

13 SHOLA OLATOYE: There were some
14 pedestrian things and other **[inaudible]**... [interpose]

15 DEBORAH GODDARD: They were actually,
16 again, all related to taking care of some of the
17 damage that would be done naturally by construction
18 of the new housing, so there was gonna be repair of...
19 and improvement of some sidewalk; I believe there was
20 repair of a parking lot; some of those things like
21 that. I don't have the whole list right now; I could
22 get it to you.

23 CHAIRPERSON TORRES: I wanna move on.
24
25

2 CO-CHAIRPERSON AMPRY-SAMUEL: Okay. We
3 have been joined by Councilwoman Gibson, and next
4 we'll hear from Council Member Grodenchik.

5 COUNCIL MEMBER GRODENCHIK: Thank you
6 Madam Chair. Thank you, uh Mr. Speaker and thank
7 you, Mr. Chairman for convening this hearing today.
8 I wanna say for the record, as is Chair Torres and
9 Chair Alicka Samuel... Sambray [sic]... **[inaudible]** your
10 name... butchered your name too... [background comment]
11 That's okay; you got Grodenchik right. I am also a
12 proud NYCHA alum, having grown up in Pomonok Houses
13 in Councilman Lancman's district; my family was there
14 for 50 years and 6 months; we were refugees from the
15 Bronx, we came from the Bronx in 1956; we emigrated.
16 I am, frankly... I came here to listen today, but I am...
17 on my way in I heard the report by the *Daily News*; I
18 am absolutely staggered by what I have heard today;
19 this is not the NYCHA that I grew up in, this is not
20 the NYCHA that I knew; I know it's been a long time
21 since I've lived in public housing, but I just am
22 blown away by what I've heard today. And the thing
23 that bothers me the most, Madam Chair, I think is
24 that there doesn't seem to be a sense of urgency
25 among the senior staff here today. I regret having

2 to make that statement because I know that you show
3 up to work every day and you're trying, but it just
4 doesn't seem that there's any sense of urgency among
5 the senior staff at NYCHA. The fact that 80 some odd
6 percent of the residents of New York City public
7 housing, the best public housing in the United States
8 of America, could be without heat at some point this
9 winter, even in this cold weather, is just beyond my
10 imagination, I can't understand that and I have not
11 heard any answer today that really explains that.

12 I do want to ask you several questions.
13 First, you told Councilman Van Bramer, when he asked,
14 that you meet on a regular basis with Deputy Mayor
15 Glen; was Deputy Mayor Glen aware of the fact that
16 over 80% of the residents of NYCHA had been without
17 heat at some point this winter?

18 [bell]

19 SHOLA OLATOYE: You know we meet weekly
20 and receive... and she receives daily... [crosstalk]

21 COUNCIL MEMBER GRODENCHIK: I know you
22 meet weekly; I asked you a direct question; I'd like
23 to know if she was... [crosstalk]

24

25

2 SHOLA OLATOYE: Well one, my job is to
3 provide her the information and that's what I've
4 done.

5 COUNCIL MEMBER GRODENCHIK: Okay, so she
6 was aware? Are you saying she was aware **[inaudible]**...
7 **[crosstalk]**

8 SHOLA OLATOYE: I provide reports... You'll
9 have to ask her if she knew specifically to that
10 report so **[inaudible]**... **[crosstalk]**

11 COUNCIL MEMBER GRODENCHIK: She's not
12 here this morning, she's busy somewhere else. I
13 asked you a direct question. Was she aware? Yes or
14 no; you're under oath... **[crosstalk]**

15 SHOLA OLATOYE: I... I can't... cannot answer
16 that question **[inaudible]**... **[crosstalk]**

17 COUNCIL MEMBER GRODENCHIK: Okay, you
18 can't answer that question. So... **[background**
19 **comments]** At any point during the time that you've
20 spent at NYCHA -- and Miss Glen and you have been her
21 since the beginning of the current administration --
22 we are investing billions and billions of dollars,
23 and I think everybody here agrees with that,
24 everybody on this panel and I think everybody in the
25 room; we need new housing in the City of New York;

2 there's no question, but as a homeowner I understand
3 that if my roof is leaking I'm not building an
4 addition onto the house till the roof is repaired.
5 Have you at any time had a discussion with Miss Glen
6 or the Mayor that maybe we should be diverting some
7 of these resources into NYCHA? Because even though
8 the federal government is no longer providing funding
9 at the level that they did when I was growing up at
10 NYCHA, that does not absolve the citizens of this
11 city from providing for the people -- over 400,000;
12 [clapping, background comments] some estimates
13 600,000 people living in NYCHA. Have you ever had
14 that conversation that maybe we could take a few more
15 bucks away from new housing and provide it for the
16 people at NYCHA?

17 [background comments]

18 SHOLA OLATOYE: As you can imagine, this
19 is a difficult policy **[inaudible]**... [crosstalk]

20 COUNCIL MEMBER GRODENCHIK: It is a very
21 difficult process, yes.

22 SHOLA OLATOYE: And... and probably not... I
23 don't win friends in trying to take away resources...

24 [crosstalk]

2 COUNCIL MEMBER GRODENCHIK: I don't envy
3 you right now, believe me.

4 SHOLA OLATOYE: from... from other... from
5 other sources, but yes, we have had those
6 conversations and I think ultimately that's the
7 discussion that, you know this body and the Mayor and
8 others will decide. You know we've been very clear
9 about the needs of public housing, about the capital
10 needs, and while also recognizing that the City has
11 an affordable housing crisis; I get that those are
12 difficult policies that... [crosstalk]

13 COUNCIL MEMBER GRODENCHIK: It does have
14 an affordable housing crisis, and I'm just gonna end
15 with this statement, Mr. Speaker and the two
16 chairmen. If we don't get this thing together and
17 wrestle this to the ground, we are going to have a
18 much larger affordable housing crisis than anybody
19 ever imagined; we already have 60,000 people living
20 in shelters every single night and each and every day
21 that we fail to fix this problem, that problem is
22 gonna get worse and worse. Thank you.

23 [clapping]

24 CO-CHAIRPERSON AMPRY-SAMUEL: Thank you.
25 We've been joined by Council Member Salamanca and

2 Council Member Levin [sic]. Next we'll hear from
3 Council Member Mark Treyger.

4 COUNCIL MEMBER TREYGER: Thank you to
5 both Chairs and to the Speaker for holding this very
6 important hearing.

7 Chair Olatoye, do you recall a historic
8 February 2014 Council hearing at Carey Gardens in
9 Coney Island, co-chaired by my colleague Ritchie
10 Torres and myself?

11 SHOLA OLATOYE: I do know that that
12 happened; I don't believe I was actually on the job
13 yet.

14 COUNCIL MEMBER TREYGER: Right. Do you
15 recall the impetus for that hearing?

16 SHOLA OLATOYE: I believe it was the pace
17 of the Sandy recovery was ultimately the issue..

18 [crosstalk]

19 COUNCIL MEMBER TREYGER: The impetus for
20 the hearing were boilers. Do you recall a March 2015
21 press conference that you attended with Mayor de
22 Blasio in Red Hook announcing a \$3 billion FEMA grant
23 to repair Sandy-damaged developments?

24

25

2 SHOLA OLATOYE: I don't recall the
3 specific press conference, but I do know that that is
4 a resource commitment from FEMA.

5 COUNCIL MEMBER TREYGER: Today is
6 February 6, 2018; do all of my Sandy-damaged NYCHA
7 developments have permanent boilers functioning
8 today?

9 DEBORAH GODDARD: No, they do not...
10 [crosstalk]

11 COUNCIL MEMBER TREYGER: That... That's all
12 I needed to hear. Uh you testified... [crosstalk]

13 DEBORAH GODDARD: And if I may, they do...

14 COUNCIL MEMBER TREYGER: that funding
15 shortages are the main source of chronic heating
16 problems; is that correct?

17 SHOLA OLATOYE: I believe we've talked
18 about a number of things; funding... [crosstalk]

19 COUNCIL MEMBER TREYGER: But is funding
20 shortage the main source of chronic heating
21 problems...? [crosstalk]

22 SHOLA OLATOYE: It is absolutely one of
23 the primary reasons.

24 COUNCIL MEMBER TREYGER: Okay. So it's
25 been over five years since Sandy, with close to \$3

2 billion and we still have developments with temporary
3 boilers where residents do not have regulated heat --
4 either too hot or too cold. [background comments]

5 So why should we have confidence in NYCHA to resolve
6 heating problems with adequate funding when the
7 record says otherwise?

8 [background comments]

9 DEBORAH GODDARD: So let's just be also
10 clear that the agreement [bell] with FEMA for the
11 money was 2015, so it's not been three years yet that
12 we have been working with the \$3 billion. To your
13 point, we are going into all construction this year;
14 we are making progress on our heaters. I do wanna
15 point out that there have been some problems early on
16 with our temporary boilers; they performed without
17 going down during the season today. When Redfern
18 went down, it was not the temporary boiler; we fixed
19 the problem outside of that plant.. [crosstalk]

20 COUNCIL MEMBER TREYGER: Respectfully,
21 respectfully, the stories that I heard by the
22 residents today were the same stories that I
23 witnessed with my own two eyes years ago, when I went
24 door to door in Carey Gardens and O'Dwyer Gardens and
25 Surfside in my district where I saw residents with

2 their children wrapped in blankets sitting by an open
3 oven, which is a carbon monoxide danger, and I
4 testified at that hearing in Carey Gardens that I
5 never wanna see that again, and today we continue to
6 deal with the same problems, [background comments]
7 with billions of dollars. So it's not just a money
8 issue; it is a management of money issue, or a
9 mismanagement of money. [background comments,
10 clapping]

11 Now as you have noted, these are
12 violations in laws and rules; has there been a
13 discussion about a rent rollback for the residents
14 who have been subjected [background comments] to the
15 loss of heat?

16 [background comments]

17 SHOLA OLATOYE: So we have not and do not
18 plan to [bell] change... [crosstalk]

19 COUNCIL MEMBER TREYGER: Chair...

20 SHOLA OLATOYE: Well do you wanna hear...

21 COUNCIL MEMBER TREYGER: they have not
22 been getting the services which they are legally
23 required to receive; NYCHA, at minimum, at minimum
24 owes them a rent rollback or rent reduction for the
25

2 services that they have not been given. [background
3 comments, clapping]

4 CO-CHAIRPERSON AMPRY-SAMUEL: No hand
5 clapping, please, please, please... [crosstalk]

6 COUNCIL MEMBER TREYGER: **[inaudible]**... And
7 secondly, we heard from the Speaker and both Chairs
8 about the need, and I think you have agreed, that
9 there is a need to hire additional folks to deal with
10 the heating problems; at minimum, I think that there
11 should be a waiver of the DCAS exam fee for NYCHA
12 residents, because you have people with the skills
13 and the qualifications and the interest to work in
14 the very developments which they live in.

15 And I'll ask the last question. You've
16 noted that the Deputy Mayor Alicia Glen oversees the
17 NYCHA portfolio; during the recent bomb cyclone deep
18 freeze period, did she accompany you to any of the
19 impacted developments during that deep freeze period?

20 [background comments]

21 SHOLA OLATOYE: No, she did not.

22 COUNCIL MEMBER TREYGER: No, she did not.

23 So let me just say this; we are dealing with a crisis
24 in NYCHA, a crisis in confidence and if we are to be
25 honest about their problems, we all need to honest

2 about that problem, and we are committed in this
3 Council to make sure that NYCHA gets the funding that
4 it deserves, but we need confidence that you will use
5 the money the right way to help the residents
6 [clapping] that we all serve. [background comments]
7 I thank the Chairs for their time.

8 [background comments]

9 CO-CHAIRPERSON AMPRY-SAMUEL: Please, no
10 outbursts, please. Please, no back and forth.
11 Everyone, please. Please. Thank you.

12 CHAIRPERSON TORRES: I just wanna seek
13 clarification on your answer earlier regarding the
14 boilers at Astoria Houses. Is there work that was
15 supposed to be done to make the boilers more energy
16 efficient and extend the life of the boiler?

17 DEBORAH GODDARD: No.

18 CHAIRPERSON TORRES: Okay, 'cause I have
19 an email here from City Hall...

20 DEBORAH GODDARD: Uh-huh.

21 CHAIRPERSON TORRES: indicating that
22 there is supposed to be work at NYCHA to make the
23 boilers more energy efficient and also contribute
24 \$550,000 to extend the life of the boiler. So is
25 that inaccurate; is...

2 DEBORAH GODDARD: The burners were not
3 about extending the life of the boiler; it was about
4 addressing the emissions so the developer could get
5 his environmental review. The \$550,000 would have
6 replaced what are called mud legs that would have
7 been an improvement; it was not a necessity. We are
8 in fact replacing the boilers at Astoria in a federal
9 program.

10 CHAIRPERSON TORRES: Okay. Thank you.

11 CO-CHAIRPERSON AMPRY-SAMUEL: Okay, next
12 we'll hear from Council Member Rosenthal.

13 COUNCIL MEMBER ROSENTHAL: Thank you so
14 much, Chairs. Thank you, Chair Olatoye for coming
15 today and bringing your staff. First of all, I think
16 I am definitely gonna have to confess I'm getting
17 old; I really can't hear some of the things that you
18 guys are saying, so I would really like to hear loud
19 and clear from your tech person and then also from
20 your IT person, because it all went really fast for
21 me. So if the gentleman in the back row could come
22 up. Thank you. And just so I don't have to call you
23 gentleman, can you just say your name again, please?

24 BOB MARANO: Bob Marano.

25 COUNCIL MEMBER ROSENTHAL: [laugh]

2 BOB MARANO: Bob Marano.

3 COUNCIL MEMBER ROSENTHAL: Bob Marano.

4 Thank you... [crosstalk]

5 JAVIER ALMODOVAR: Javier Almodovar.

6 COUNCIL MEMBER ROSENTHAL: And the woman...

7 sorry; may I ask your name again?

8 BOMEET JUNG: Me?

9 COUNCIL MEMBER ROSENTHAL: Yeah.

10 BOMEET JUNG: I'm Bomee Jung.

11 COUNCIL MEMBER ROSENTHAL: I'm...

12 BOMEET JUNG: Bomee Jung.

13 COUNCIL MEMBER ROSENTHAL: Bonee Chung?

14 BOMEET JUNG: It's Bomee Jung.

15 COUNCIL MEMBER ROSENTHAL: Bomee Jung.

16 BOMEET JUNG: Would... Would you like for me

17 to spell it; it's an unusual name... [crosstalk]

18 COUNCIL MEMBER ROSENTHAL: I apologize;

19 it's my lack... [crosstalk]

20 BOMEET JUNG: Well I'm happy to spell my

21 name...

22 COUNCIL MEMBER ROSENTHAL: No, no, no; I

23 got it. I got it. Thank you so much. From what I

24 heard is that Mr. Marano, when Council Member Torres,

25 the Speaker and Council Member Samuel were going

2 through the list of the different databases that you
3 have and the information that you use for each
4 database, you seemed to say that they all talk to
5 each other so that, you know, they all somehow work
6 together so you can get the information out of it
7 that you need. Did I hear you right or could you say
8 that again?

9 BOB MARANO: I said that Siebel and
10 Maximo talk to one another.

11 COUNCIL MEMBER ROSENTHAL: Siebel and
12 Maximo?

13 BOB MARANO: Yes. [bell] There is
14 bidirectional interfaces between both of those
15 systems.

16 COUNCIL MEMBER ROSENTHAL: With
17 permission, Chair, I need a couple more minutes; I
18 promise it'll go fast. Uhm so that's two of the five
19 that you seem to say exist and when I say five,
20 there's actually a sixth, 'cause there's a private...
21 you outsource the energy billings; right?

22 BOME E JUNG: I'm sorry, outsource the
23 energy... [crosstalk]

24 COUNCIL MEMBER ROSENTHAL: Billing.
25

2 BOME E JUNG: Oh that... that's one of the
3 five that I mentioned; we... [crosstalk]

4 COUNCIL MEMBER ROSENTHAL: Okay, so you
5 have five and two talk to each other?

6 BOME E JUNG: Yes.

7 COUNCIL MEMBER ROSENTHAL: Okay. That,
8 in my mind's eye, is not a comprehensive building
9 management plan, you know so the thing that I hear,
10 at the end of the day, hearing all my colleagues, is
11 that management leadership is set up to fail, because
12 she can't... if she's not getting the answer to these
13 broader... she can't get the answer to these bigger
14 questions, right? How could she know how many
15 boilers are down because an individual unit has a
16 part that's broken versus a boiler piece that's
17 broken versus a boiler with, you know, one of those
18 quick-fix ones that's parked out on the road is
19 broken, or possibly the heating tanks are broken? I
20 don't even know how you start to think about fixing
21 it if you don't know really what the magnitude of the
22 many myriad of problems could be going on -- Is it a
23 staffing problem? Is it a parts problem? Is it a
24 parts problem because you don't have the parts from
25 the original boiler which are actually doing an

2 amazing job, they just need these parts but the... I
3 don't know where... how we begin, because you don't
4 have a data system that can pull it all together so
5 we know... [crosstalk]

6 BOB MARANO: I would like to..

7 COUNCIL MEMBER ROSENTHAL: I mean why
8 aren't you asking for a comprehensive, you know,
9 residential building management program? And are you
10 asking for that; are you asking the Deputy Mayor for
11 that?

12 BOB MARANO: First I would like to say
13 that outage information and things that are broken
14 and the things that you're mentioning... [crosstalk]

15 COUNCIL MEMBER ROSENTHAL: Please don't
16 explain to me how specific little things talk to
17 another specific little thing. I'm talking about a
18 large picture... I've got three pages of questions
19 about data that our central staff has put together
20 that you can't answer, [background comments] and I am
21 trying to be helpful and saying that I think what you
22 need to ask the City to fund is a comprehensive
23 building maintenance platform where everything can
24 talk to each other in addition to training people not
25 to handwrite things in books, which we know not only

2 happens with the boilers; happens with CCTV as well.

3 So all I'm saying is, why.. we're here to help you out
4 here; why wouldn't you be asking us during budget
5 season to be asking to fund for you guys a
6 comprehensive building management program?

7 CHAIRPERSON TORRES: So we have to get an
8 answer and then we need to move on.

9 SHOLA OLATOYE: Thank you for your
10 question and I appreciate it and it's something that
11 we are already working on and we'll come back to you
12 with more information and potentially a request for
13 resources.

14 [background comments]

15 COUNCIL MEMBER ROSENTHAL: Thank you.

16 CO-CHAIRPERSON AMPRY-SAMUEL: Okay. I
17 just became aware that the Mayor was just doing a
18 press conference outside, just now, and the Mayor was
19 just asked if public housing tenants deserve the same
20 standard of living as private tenants, and the Mayor
21 stated, "People in public housing deserve the very
22 best living standard we can give them with the money
23 that we have." [background comments] Do you agree
24 with that statement?

2 SHOLA OLATOYE: So one, obviously I
3 didn't know the Mayor was doing a press conference
4 and I don't know the context of what he just said,
5 but I know that we share an agreement that our
6 residents deserve a safe, clean and connected
7 community and I know that he's committed to that.

8 [background comments]

9 CO-CHAIRPERSON AMPRY-SAMUEL: So NYCHA --
10 just you, Chair -- the statement says: "People in
11 public housing deserve the very best living standard
12 we can give them with the money that we have." So my
13 question is: Do you agree with that statement, from
14 your position?

15 SHOLA OLATOYE: I think people should
16 have the same living conditions that I have and that
17 you have, period. I also, in this job, recognize the
18 limitations that we are experiencing; does that make
19 me happy about it? Absolutely not. But I know,
20 because I decided to work for this Mayor, that he
21 believes that every New Yorkers, every American has
22 the right to a safe and decent place to live; I know
23 that. I also know we are managing a system that has
24 been long -- and I won't spend a lot of time on
25 disinvestments -- but that's our reality, and so we

2 are trying to improve it. Will we make mistakes?

3 Yes, but there is a lot of work to be done and I know
4 he is committed to getting it right.

5 CO-CHAIRPERSON AMPRY-SAMUEL: Okay.

6 Thank you. Council Member Richards.

7 COUNCIL MEMBER RICHARDS: Thank you,
8 Chairs. And I want to in particular focus in on the
9 plight of Redfern Houses, which residents were
10 without heat and hot water on and off for two weeks,
11 as you know, and I thank you and Brian for being
12 responsive during that period. However, there were
13 serious breakdowns and systematic failure during that
14 period. One; there were no robocalls that went out;
15 there was not a warming center that opened up;
16 individuals' tickets were being closed out, although
17 they were still without heat, and I think the most
18 troubling part of this was the failure of compassion
19 for these residents. You know we can get into the
20 weeds of everything, but it should be about
21 compassion as well.

22 I wanted to know, what do we have in
23 place; how are you working with OEM? Because when
24 people are without heat and hot water, especially in
25 below zero degree weather, I wanna know; what does

2 the coordination look like with the Office of
3 Emergency Management, because it is deemed an
4 emergency at that period? Residents weren't given
5 basic necessities, like blankets and perhaps... you
6 know there are other things that we could've
7 entertained -- a heater -- something that could've
8 ensured that residents -- although they understood
9 there was a problem, the City could've responded in a
10 better fashion in that way. So I wanna know about
11 coordination with OEM during these sort of
12 emergencies.

13 SHOLA OLATOYE: So I'll take it and then
14 I'll turn it over to our incoming GM. One, we work
15 very closely, particularly in instances around
16 emergencies, with OEM and were in constant
17 communication with them particularly during this cold
18 spell. We at one point had, I believe an OEM warming
19 bus that was provided to Redfern and Redfern was...
20 [crosstalk]

21 COUNCIL MEMBER RICHARDS: But OEM never
22 responded to Redfern.

23 SHOLA OLATOYE: Then I'll correct the
24 record and... [crosstalk]

25 COUNCIL MEMBER RICHARDS: Alright. Okay.

2 SHOLA OLATOYE: and we'll come back to
3 that. But as you know, Redfern was a particular
4 outlier in the number of and the complexity of the
5 interruptions that we faced there. You and I were on
6 the phone when you were in the community center where
7 we, you know, kept it open later -- senior center, I
8 believe -- where we kept it open for the residents so
9 that they could have heat. So... [interpose]

10 COUNCIL MEMBER RICHARDS: But there was
11 no heat in the center, so I just... [crosstalk]

12 SHOLA OLATOYE: And...

13 COUNCIL MEMBER RICHARDS: wanna make sure
14 that I'm very... [background comments] that I'm
15 correcting that... [crosstalk]

16 SHOLA OLATOYE: Okay, but I believe...

17 COUNCIL MEMBER RICHARDS: and then, you
18 know, it did come on eventually... [crosstalk]

19 SHOLA OLATOYE: Thank you. Thank you.

20 COUNCIL MEMBER RICHARDS: but there was
21 no heat even in **[inaudible]**... [crosstalk]

22 SHOLA OLATOYE: So it's a point of both
23 acknowledging the complexity of what Redfern
24 presented to us and then your question about our
25 coordination with OEM. We absolutely, in times of

2 emergency, reach out the them; they reach out to us,
3 whether it's in the need of do we need additional
4 resources; do we need a warming bus; is there a need
5 to open a temporary shelter; that tends to be the
6 last resort if the outage is going to go for a
7 protracted period of time... [interpose]

8 COUNCIL MEMBER RICHARDS: So I'll just
9 say -- 'cause I have limited time -- that did not
10 happen in Redfern and the heat was on and off for two
11 weeks. So in the future I'm hoping that we're gonna
12 really correct the situation. I also wanna dig into
13 that number, 707, which needs to be abolished, quite
14 frankly, in my opinion [background comment] and it's
15 not just related to the heat and hot water issues, as
16 your new GM Vito, who I adore, witnessed just last
17 week, you know, residents have continuous problems
18 with this hotline, whether it's heat and hot water;
19 whether it's mold; whether it's things that need to
20 be intimately taken care of in their apartment, their
21 tickets are continuously being closed out without
22 action being taken. He got to see it firsthand and
23 hear it from residents -- unplanned; I didn't tell
24 these residents to show up in their manager's office;
25 they were just coming in to get assistance. I wanna

2 know, should we keep this number or should residents
3 be calling 311; how are we tracking these complaints?
4 Vito, how are we gonna ensure that the system you
5 have with HPD is something that we can have in place
6 at NYCHA...? [crosstalk]

7 CHAIRPERSON TORRES: This will be the
8 last question for...

9 VITO MUSTACIUOLO: Right. Thank you very
10 much and I do want to publicly [bell] state that I
11 appreciate the overwhelming support that I have
12 received since the announcement of me coming in as
13 General Manager in the next few weeks.

14 You know I have [background comment] the
15 last weeks been out to almost a dozen developments
16 throughout all five boroughs and this is a learning
17 process for me, and I do believe that one of the
18 reasons why the Mayor asked me to join NYCHA is to
19 bring some of the best practices that we've developed
20 over the years at HPD. And I do believe that there
21 is room for improvement. I don't think that the
22 system is broken; I think it needs to be improved. I
23 do need to spend more time with the residents; that's
24 going to be my first charge, right, because they are
25 the ones who can best tell me what the problem is. I

2 have already asked for a review of the existing
3 system from, intake to disposition and I hope that
4 when I start on my first day I will actually be able
5 to implement some changes on day one.

6 COUNCIL MEMBER RICHARDS: Alright, last
7 two questions. So I wanna move to the future; how
8 are we going to ensure that these boilers are staffed
9 and that in case of an emergency we have staffing
10 that's available? Lastly, we just wanna know where
11 we're at with Redfern, in particular, with their
12 boiler system; I know we do have investment there.
13 And then lastly, I just wanna put on the record that
14 I think \$200 million is too little, I think we need a
15 billion dollars in this budget to really address the
16 systematic issues not just relating to the boiler
17 systems but to other things as well. So I wanna put
18 that on the record and be clear that \$200 million,
19 while it's great, it's a good start; a billion
20 dollars will get us moving into a place that
21 residents deserve.

22 SHOLA OLATOYE: So future state, Cathy,
23 and then Redfern specifically, Deborah Goddard.

24 CATHY PENNINGTON: Thank you, Council
25 Member. I did wanna also comment that during this

2 heating crisis we did facilitate eight warming
3 centers, not at Redfern; at other locations...

4 [interpose]

5 COUNCIL MEMBER RICHARDS: Thank you.

6 CATHY PENNINGTON: and one of the lessons
7 that we learned was that we do need to establish some
8 protocols -- What triggers opening a warming center?
9 So that's one of our take-backs; we need to define
10 that better so that we can [background comments]
11 mobilize ourselves more quickly, and I certainly
12 appreciate that the residents of Redfern suffered
13 through intermittent, up and down services, so we're
14 very sorry about that.

15 I mentioned earlier about some of the
16 short-term things that we are doing, but I do wanna
17 highlight the benefit that we see coming as far as
18 resources for operations by transferring 69 of our
19 developments to a third-party boiler room management
20 system; it will enable us to shift our staff,
21 particularly our heating plant technicians, to be
22 able to manage fewer plants, meaning, we will
23 increase our staffing because we are not laying
24 anyone off; we are adding resources to the
25 management. So the goal for this coming year is that

2 69 developments will be under a new boiler room
3 management program and the staff who used to work
4 there will be transferred to supplement services at
5 other properties, and we think that is really going
6 to better prepare us moving forward. And at the same
7 time, just to be certain, we are continuing to fill
8 all of our vacancies; we have not stopped -- despite
9 the civil service issues and the testing challenges,
10 we have continued filling all of our vacancies for
11 our heating division.

12 COUNCIL MEMBER RICHARDS: Don't forget my
13 question on 707 and... and... yeah, and... [crosstalk]

14 CATHY PENNINGTON: The fun... yes and our
15 new GM, I didn't hear him say that before, but he's
16 made it [background comments] clear the whole
17 communication with our residents is... [background
18 comment] needs a new look.

19 COUNCIL MEMBER RICHARDS: 'Kay. And
20 status of Redfern's boiler.

21 DEBORAH GODDARD: I don't have it in
22 front of me; we can get it to you right away.

23 CHAIRPERSON TORRES: I wanna move on to
24 the next; before I do, I just wanna... one quick
25

2 question about databases. Is the database for CCC
3 compatible with the database for 311?

4 [background comment]

5 BOB MARANO: Yes it is.

6 [background comment]

7 CHAIRPERSON TORRES: So it's the same
8 database?

9 BOB MARANO: Yes it is; it is based on
10 the Siebel system and 311 uses the same Siebel
11 system.

12 CHAIRPERSON TORRES: So why not have 311
13 for both public and private housing if it's the same
14 database?

15 BOB MARANO: We did look at that when we
16 first implemented, but for decisions back then, I
17 can't answer why.. [crosstalk]

18 CHAIRPERSON TORRES: Why did you decide
19 against it?

20 SHOLA OLATOYE: So if I might, we... this
21 was, as you know, one of the things that was outlined
22 in NextGeneration NYCHA as something that we would
23 explore further in terms of trying to do shared
24 services. At the time, it's believed 311 was/is...
25 either was or currently is being completely redone

2 and was too far along, effectively, to incorporate
3 our workflow and information system. We did get some
4 recommendations from the Mayor's Office of Operations
5 to improve our system, which included an updated IVR
6 system and some other fixes that we put to our
7 system, but... [interpose]

8 CHAIRPERSON TORRES: So what do you mean
9 too far along? If it's the same database and it's
10 compatible, why is it so difficult to integrate the
11 two of them?

12 SHOLA OLATOYE: You'll have to talk to
13 the Mayor's Office of Operations, who runs 311, but
14 we did spend some time looking at this and it was
15 considered, at the time, and perhaps we should go
16 back to them -- I hear your point -- but there was a
17 major effort to rehaul 311 at the time -- this was in
18 2014 or 15 -- and so we've made some improvements on
19 our side, with their support and direction, but we
20 can go back to them and see where they are in their
21 process and if there is opportunity [inaudible]...
22 [crosstalk]

23 CHAIRPERSON TORRES: The next Council
24 Member is Council Member Diaz.

2 COUNCIL MEMBER DIAZ: Thank you,
3 Mr. Chairman Torres. I was the first one that came
4 here this morning and I've been sitting here
5 listening to all the questions and I have noticed
6 that all the questions have been answered by the
7 people surrounding you, Madam Chairwoman. Let me ask
8 you a question. Those people surrounding you that
9 have been answering the questions, a few days ago,
10 when they accuse you of lying to this body, you said,
11 and the Mayor also supported you, that you did that
12 because you were ill-advised by the people under you.
13 Are those people the same ones sitting next to you
14 now?

15 [background comments]

16 SHOLA OLATOYE: I appreciate the question
17 and... [background comments]

18 COUNCIL MEMBER DIAZ: Just yes or no?

19 Yes or no?

20 SHOLA OLATOYE: I appreciate the
21 question; I have always endeavored to tell the truth,
22 so... [crosstalk]

23 COUNCIL MEMBER DIAZ: A simple question;
24 I don't want **[inaudible]**. Are those people...
25 [crosstalk]

2 SHOLA OLATOYE: There...

3 COUNCIL MEMBER DIAZ: surrounding you...

4 SHOLA OLATOYE: I rely on my team and I'm
5 not going to give you heads today; I rely on my team
6 to provide me information; we have set up a
7 compliance department to ensure that that information
8 is accurate, and if any of us have misspoken, we will
9 make every endeavor to correct the record posthaste.

10 COUNCIL MEMBER DIAZ: I... I... uh you know,
11 I remember when the Mayor was a candidate for Mayor;
12 he went with Al Sharpton, Rev. Al Sharpton and they
13 spent the night in public housing and then in
14 morning, candidate de Blasio said, "If I get elected,
15 I will fix this." But the same people that are
16 surrounding you were there then, or most of them,
17 they weren't there then, and I'm afraid.. I am afraid,
18 and I might be wrong, [bell] that the Mayor has put
19 you in front to get all the heat, and **[inaudible]**
20 you, but the people responsible, the real responsible
21 for the discrimination and the racism done to our
22 people that live, black and Hispanics that live in
23 public housing are those surrounding you. And I will
24 say that if the Mayor really wants to help and comply
25 with the promise that he made that if he got elected

2 he will fix the public housing. We've been asking
3 for your resignation; we have been asking for your...
4 [crosstalk]

5 SHOLA OLATOYE: I heard.

6 COUNCIL MEMBER DIAZ: for you... we have
7 been asking for your resignation, but today sitting
8 here I noticed that all those who surround you are
9 the ones that know, are the ones that are answering
10 the questions and you... sometimes you are sitting
11 there patiently, listening to them and I say, a clean
12 house has to be done; [background comments]
13 otherwise... [crosstalk]

14 SPEAKER JOHNSON: Folks; could...

15 **[inaudible]**... [crosstalk]

16 COUNCIL MEMBER DIAZ: otherwise the
17 discrimination -- and I'm... listen the words that I'm
18 using -- the discrimination and racism [bell] done to
19 our people will continue. Thank you very much.

20 [background comments]

21 CHAIRPERSON TORRES: I'm actually gonna
22 interject, since... 'cause I do have to ask questions
23 about **[inaudible]**... You indicated earlier, in response
24 to questions from Councilman Diaz that you make every
25 effort to correct the record. As you know, there was

2 a DOI finding that testimony that you submitted to
3 the Council on December 7th was factually false; have
4 you responded to that letter in writing; have you
5 submitted a letter to the City Council correcting the
6 record?

7 SHOLA OLATOYE: I appreciate the question
8 and I've always endeavored to tell the truth to this
9 body and will continue to do so. I know that a
10 letter was sent to the Speaker and to this body
11 specific to this issue -- we have a copy of the
12 letter; I believe we can... we can share that with you
13 again. I know that my team [background comment] met
14 with you and the Speaker and the other Chair around
15 this issue to provide context and if there are more
16 questions as it relates to my December 6th [sic]
17 testimony, I'd be happy to receive them and give you
18 those answers, but today... [interpose]

19 CHAIRPERSON TORRES: Do you acknowledge
20 that your testimony was false at the time you gave
21 it?

22 SHOLA OLATOYE: As I said, I absolutely
23 hear the question and I believe that I am... you know,
24 was endeavoring to tell you the truth...

25 CHAIRPERSON TORRES: Yeah.

2 SHOLA OLATOYE: and... and continue to do
3 so today [sic]... [crosstalk]

4 CHAIRPERSON TORRES: So... So I'm not
5 concerned with your belief; what concerns me is
6 whether your testimony that those 4,200 units were
7 inspected by HUD-certified professionals. Was that
8 factually accurate?

9 SHOLA OLATOYE: So as I said to you... I
10 mean I know that you have a letter and we sat down
11 and talked [**inaudible**]... [crosstalk]

12 CHAIRPERSON TORRES: I know, but we're in
13 a public forum, so it has to be stated for the
14 record... [crosstalk]

15 SHOLA OLATOYE: understood, I understand...
16 and I believe that that letter actually went into
17 detail and as well as our meeting to provide you
18 context, absolutely... [crosstalk]

19 CHAIRPERSON TORRES: Was it factually
20 false? Yes or no.

21 SHOLA OLATOYE: I absolutely hear the
22 question and if there are [**inaudible**]... [crosstalk]

23 CHAIRPERSON TORRES: Okay, I know you
24 hear my question; I want you to answer my question...
25 [crosstalk]

2 SHOLA OLATOYE: Yes.

3 CHAIRPERSON TORRES: Yeah.

4 SHOLA OLATOYE: So like I said, I believe
5 we provided you information to your question.

6 CHAIRPERSON TORRES: So there were three...
7 there are three possible explanations: [background
8 comments] either you knew and lied or you came to
9 know and then withheld the truth or you did not know
10 what you should have known. You have said... your
11 staff has indicated that you did not know; that you
12 were misinformed, so my question is, who misinformed
13 you?

14 SHOLA OLATOYE: So thank you for your
15 question... [crosstalk]

16 CHAIRPERSON TORRES: Yeah.

17 SHOLA OLATOYE: and I, as I said, I'm not
18 gonna get into names and... and individual personnel
19 decisions in an open forum. One of the important
20 things... [interpose]

21 CHAIRPERSON TORRES: I'll ask a different
22 question then.

23 SHOLA OLATOYE: Okay.
24
25

2 CHAIRPERSON TORRES: The person who
3 misinformed you, has that person been held
4 accountable?

5 SHOLA OLATOYE: We have... as part of our
6 compliance effort, we are working to ensure that
7 every data... [crosstalk]

8 CHAIRPERSON TORRES: Has that person been
9 held accountable?

10 SHOLA OLATOYE: every data point that
11 that person... [crosstalk]

12 CHAIRPERSON TORRES: Has that person been
13 held accountable? Yes or no?

14 SHOLA OLATOYE: that person and others is
15 accurate to the best of our knowledge.

16 CHAIRPERSON TORRES: Has that person been
17 held accountable?

18 SHOLA OLATOYE: As I said, I'm not going
19 to get into individual personnel discussions...
20 [interpose]

21 CHAIRPERSON TORRES: I'm not asking you
22 to reveal the identity of the individual...

23 SHOLA OLATOYE: That's fine.

24 CHAIRPERSON TORRES: I'm asking whether
25 the person who misinformed you... and again, it is

2 unreasonable to expect an agency head to know every
3 minute detail in an agency as complex as NYCHA...

4 [crosstalk]

5 SHOLA OLATOYE: Thank you.

6 CHAIRPERSON TORRES: Having said that,
7 you should have known the basic facts of a lead
8 safety program that has been the subject of a federal
9 investigation for two years; you had weeks to prepare
10 in advance of the committee hearing; I was asking a
11 question about those 4,200 units with the most
12 vulnerable children; that is a question to which you
13 should have known the answer.

14 SPEAKER JOHNSON: Let me just interject
15 here. So Madam Chair, I understand that you feel
16 constrained, for whatever reason, in answering the
17 Chair's questions [background comments] -- if folks
18 could remain quiet -- it is not unreasonable, given
19 that he's not asking you to reveal a name, to
20 acknowledge that... because we have taken at face value
21 what you've said to us and what your spokesperson has
22 said publicly to the media, that you were briefed
23 incorrectly and not given proper information by staff
24 ahead of that hearing; you provided context that it
25 was a six-and-a-half-hour hearing, that you sat and

2 testified and answered every question to the best of
3 your ability and that you spent a significant amount
4 of time preparing for that hearing in understanding
5 all of the issues that were gonna be raised and one
6 question, which was an important question, you gave
7 an answer which now we know was inaccurate and I as
8 Speaker have taken at face value that you were not
9 sufficiently or properly briefed by staff. It is not
10 inappropriate for the chairs of these committees to
11 ask -- we're not asking who -- Has the person who did
12 not brief you properly; have they been held
13 accountable in some way? I think that's a reasonable
14 question; I even think reasonable to know who that
15 was, but we're not asking that right now. Has that
16 person been held accountable?

17 SHOLA OLATOYE: So one, again...

18 [interpose]

19 SPEAKER JOHNSON: We're not even asking
20 what accountability means, we're just asking, has
21 that person been held accountable?

22 SHOLA OLATOYE: Have we had conversations
23 about... are we having conversations about the
24 integrity of our data? Absolutely.

25

2 SPEAKER JOHNSON: No, we're not lookin'..
3 [crosstalk]

4 SHOLA OLATOYE: How that information gets
5 to the executive level, absolutely. How that
6 information gets to me, absolutely, and that is a
7 message that is being... [background comment] that is a
8 message that is being delivered... [crosstalk]

9 SPEAKER JOHNSON: Madam Chair, you're not
10 answering the questions.

11 SHOLA OLATOYE: throughout my... throughout
12 the organization. I'm trying to be as truthful as
13 possible... [crosstalk]

14 SPEAKER JOHNSON: Has the Corporation
15 Counsel told you that you can't answer these
16 questions?

17 [background comments]

18 ZACHARY CARTER: Good morning Councilman.

19 SPEAKER JOHNSON: Good morning.

20 ZACHARY CARTER: Actually, good
21 afternoon.

22 CHAIRPERSON TORRES: I'm sorry; can you
23 raise your right hand?

24 SPEAKER JOHNSON: Good morning,
25 Counselor.

2 ZACHARY CARTER: I'm not testifying; I'm
3 here advising.

4 CHAIRPERSON TORRES: You... You have to
5 raise your right hand; you cannot speak on the record
6 without raising your right hand. [background
7 comments]

8 ZACHARY CARTER: Sure, I'll do that.

9 CHAIRPERSON TORRES: Okay. Do you swear...
10 Raise your... Do you swear to tell the truth, the whole
11 truth and nothing but the truth in your testimony for
12 today's committees and answer honestly in response to
13 council members' questions?

14 ZACHARY CARTER: Yes I do.

15 CHAIRPERSON TORRES: Thank you.

16 SPEAKER JOHNSON: No, I just asked... I
17 mean are you not able to answer this question 'cause
18 you have been advised by counsel to not answer these
19 questions?

20 ZACHARY CARTER: She has not been advised
21 by counsel not to answer your question; she has
22 answered your question; you may not... [background
23 comments] it may not be the answer you want, but it
24 is her honest and earnest answer. As she has said,
25

2 you were provided a letter... this letter is addressed
3 directly to you...

4 SPEAKER JOHNSON: To me?

5 ZACHARY CARTER: Yes, Speaker Corey

6 Johnson; the letter dated January 25, 2018 from Paul
7 Rodriguez, the Counsel to the Mayor, that provides a
8 fulsome explanation directly responding to the letter
9 you received from the Inspector General for the New
10 York City Housing Authority that explains the
11 testimony that was given by the Chairman at the last
12 hearing and explains the reasons why that testimony
13 was what it was and explains how that came to be. I
14 will offer that letter, if somebody wants to bring it
15 up to you... [crosstalk]

16 SPEAKER JOHNSON: Uh... uh Counselor, I've
17 read that letter and that letter was helpful in
18 providing some context...

19 ZACHARY CARTER: Good.

20 SPEAKER JOHNSON: but that letter did not
21 answer all of our questions and that's why we have
22 public hearings, because it's our charter-mandated
23 authority to do oversight on agencies; we take that
24 responsibility seriously and we are going to do
25 oversight in a fulsome manner, so that is why we are

2 asking questions, and if you could tell by I think
3 the Chair's questions just before my own, that we are
4 doing this in a respectful manner; we are doing it in
5 a calm manner; we are not even pressing in the way
6 that we maybe should, and we are not getting an
7 answer to a basic question, which is wanting some
8 level of accountability. That letter that you just
9 presented does not answer that question. If you
10 could tell me where that -- if I could have a copy of
11 the letter -- I mean I don't know where in the letter
12 it talks about the answer to... it talks about the HUD
13 training in 2016; it talks about DOI and whether or
14 not the testimony was accurate; it talks about the
15 inspections being suspended in 2012; it goes on and
16 says that NYCHA has confirmed to us that all visual
17 assessments for lead paint conducted in the 2017
18 cycle were completed by inspectors who did have the
19 certification. NYCHA is closer reviewing... "NYCHA is
20 closer reviewing how the incorrect information was
21 provided to the Chair. We and NYCHA regret this
22 error and appreciate the opportunity to inform you of
23 the latest information we have learned. We have been
24 assured that the Authority's new Compliance Division
25 will participate in the review of hearing testimony

2 and preparation going forward to provide an
3 additional check on information provided to the
4 Council. The Authority and the City respect the
5 Council's hearing process and look forward to working
6 together to improve **[inaudible]**, which we know is our
7 shared goal. Regards, Paul Rodriguez, Acting Counsel
8 to the Mayor." That doesn't answer our question. So
9 I don't know why you're presenting with this letter
10 if it doesn't answer the question.

11 ZACHARY CARTER: Well in my view, it
12 does, and let me explain the reason why... [crosstalk]

13 SPEAKER JOHNSON: Okay, that would be
14 helpful.

15 ZACHARY CARTER: I think it's clear from
16 the letter that there was a source of confusion about
17 the nature of the training that was being asked
18 about. There were two trainings and two
19 certifications; one was NYCHA's and one was HUD's.

20 CHAIRPERSON TORRES: I'm sorry, but
21 that's not true... I... I asked the question; I asked
22 specifically about the HUD-certified training and
23 then you asked about EPA; I said the HUD-certified
24 inspection, right? Inspections require HUD
25 certification; remediation requires EPA

2 certification; abatements require EPA certification.

3 I was very clear in what I was asking.

4 ZACHARY CARTER: Your question may have
5 been very clear, but the answer was mistaken; it was
6 not a purposeful misstatement, it was simply a
7 mistake. There is no single person involved in the
8 preparation of the chairman who was responsible for
9 that mistake; it was a **[inaudible]**... excuse me one...

10 [crosstalk]

11 SPEAKER JOHNSON: Counselor... but
12 Counselor, this... this is... this is... this is...

13 ZACHARY CARTER: No, excuse me; if you
14 permit me to finish...

15 SPEAKER JOHNSON: Okay. Your answer is a
16 departure from everything that's been told of us in
17 the last two weeks. What has been told of us on one
18 on one meetings, private meetings, individual
19 meetings, conversations with the Mayor's Office and
20 with NYCHA, was that she was not prepared properly,
21 so if you are now saying that has changed, that there
22 was a mistake and there was confusion on the answer
23 to the question...

24

25

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date February 9, 2018