



THE CITY OF NEW YORK
OFFICE OF THE PRESIDENT
BOROUGH OF MANHATTAN

BOROUGH PRESIDENT GALE A. BREWER
TESTIMONY TO THE NYC HOUSING AUTHORITY ON THE FY2015 ANNUAL
PLAN AND SIGNIFICANT AMENDMENTS TO THE FY2014 ANNUAL PLAN
JULY 24, 2014

Thank you for the opportunity to testify today. My name is Gale Brewer and I am the Manhattan Borough President, representing the borough's 102 NYCHA developments totaling 53,570 units of public housing. Included in this number is the First Houses in the Lower East Side, built in 1935 as the first NYCHA development in NYC; the Gaylord White Houses, opened in 1939 as the first NYCHA development built exclusively for seniors; the Baruch Houses, the largest NYCHA development in Manhattan with 2,391 units; and Community District 11 in East Harlem, which has the second highest concentration of public housing in the country.

Behind these statistics are names and faces of many long-time NYCHA residents that I personally know. These are constituents that my office has been working with for over twelve years, starting from when I was a City Councilmember: Polly Spain, Ethel Velez, and Rose Bergin, just to name a few. I mention the residents because they are what make up NYCHA. I strongly believe that any plan and proposed amendments must be developed in a way that doesn't disconnect policies from the very residents that they are meant to serve.

I would like to express my appreciation for Chair Shola Olatoye and the many NYCHA staff who have worked closely with my office to resolve questions about repairs, waiting lists, and Section 8 for tenants. NYCHA's size and scope can rival some of the country's largest cities. I know it isn't easy to manage such a large agency. Much work still needs to be done and I look forward to continue working with NYCHA to improve the quality of life for all residents.

I want to speak on several topics today regarding NYCHA's draft FY2015 Annual Plan and the two significant amendments proposed for its FY2014 Annual Plan.

First, I applaud NYCHA's amendment to modify its tenant selection eligibility, restoring DHS-referred homeless clients from N-4 back to the highest need-based priority level of N-0. This is a timely and much needed reversal in light of the City's over 50,000 homeless individuals, including over 10,000 families in shelters and more than 20,000 children. For FY2015, I urge NYCHA to first assign 750 homeless families with working members in the household into permanent apartments. I also encourage NYCHA to similarly restore its housing priority for people with disabilities and to consider increasing the transfer priority for domestic violence victims to the highest T-0 level.

NYCHA's other significant amendment to the FY2014 Annual Plan is the Flat Rent Policy. Under this policy as per federal regulations, NYCHA residents who are paying less than 30% of their annual household income *and* less than 80% of Fair Market Rent on their units will see their rents increase. I urge NYCHA to clearly communicate what the Flat Rent Policy is with those expected to be affected by this policy, and how families may apply for rent hardship if

needed. This includes reaching out in a household's preferred language and having NYCHA staff ready to answer questions on this new policy that can be difficult to understand.

Additionally, I understand that NYCHA is working with HUD to request a five-year phase in period for the Flat Rent Policy instead of the three years required under HUD guidelines.¹ This is a sensible request, as an 8% to 10% rent increase can be burdensome for any household. I encourage NYCHA to continue working with HUD to ease the transition for those affected by the Flat Rent Policy.

Regarding the draft FY2015 Annual Plan, I have the following comments:

Safety. Concerns for safety and security remain one of the top issues that prompt NYCHA residents to reach out to my office. Instances of crime in NYCHA developments jumped by 31% over the past five years, almost ten times more than the City's increase. The Lincoln Houses in East Harlem, where Mayor de Blasio spent a night last year as a mayoral candidate, reported 60 incidents of major crimes in 2013, doubled from five years ago. I have constituents concerned about their own safety in places they've called home for decades.

We have talked about improving NYCHA's safety and security for years. We all know what needs to be done: install functional security cameras, fix broken locks on building entrances, repair lighting, and work with NYPD and social service providers to tackle gang activities and drug issues. It's now time to commit the resources to make change happen.

On July 8, Mayor de Blasio and City Council announced \$210 million to reduce violent crimes in 15 NYCHA developments. This is a great first step toward improving NYCHA safety.

At the June 30 Manhattan town hall meeting, NYCHA's VP of Operations Brian Clarke stated that over \$50 million of the funds diverted from paying NYPD was used for maintenance and repair. I believe this is a better use of the money and I urge the administration to permanently revoke NYCHA's "special services" MOU with the NYPD.

I also join my colleagues and advocates from the NYC Alliance to Preserve Public Housing to call for the elimination of NYCHA's \$29 million annual PILOT payment and \$2 million payment for special pick-ups by the Department of Sanitation. These funds can be used for better purposes such as improving the conditions and safety of NYCHA buildings.

Repairs and Maintenance. Another common concern among my NYCHA constituents is the lack of timely repairs, maintenance, and cure of code violations. I commend the reduction of NYCHA's outstanding work orders between April 2013 and May 2014 from 274,000 to 78,000. However, my office has worked with residents who have waited for years without receiving the necessary repair.

Rosalyn Perry is a long-time tenant at the Wagner Houses in East Harlem. She lives at the top floor of her building. For years, she's had leaks in her ceiling due to clogged drainage pipes on the roof. The water leak has damaged her bathroom and kitchen. She now has a caved wall in her bathroom and vermin has entered her apartment through the holes. On July 17, Ms. Perry took time off from work for a repair appointment, but the worker did not knock on the door and only left a slip. She has consistently sought help from Management but says she was "given the run around." She doesn't know how long she has to keep waiting and feels frustrated for not having her apartment repaired.

¹ HUD PIH Notice 2014-12

Currently, NYCHA's Customer Contact Center repair monitoring system is separate from the City's 311 Citizens Service Center, and its code enforcement system is not under the purview of HPD and DOB recordkeeping. The result is a lack of accountability for NYCHA's own systems, which cannot be easily accessed or evaluated by a third party. NYCHA boasts of four-day turnover time for basic repair requests, but what about people like Rosalyn Perry? Residents cannot find out where they are in the repair process or how much longer they must wait. For tenants whose work orders were improperly closed out without the actual work being performed, there is no recourse for them to hold NYCHA accountable. Residents should be able to use both CCC and 311 to track their repair requests. NYCHA must increase transparency on its repair process and provide code enforcement information publically via HPD and DOB databases.

Rental Assistance Demonstration (RAD). The FY2015 Annual Plan includes NYCHA's proposal for participation in HUD's Rental Assistance Demonstration program, or RAD. I am concerned about this inclusion. RAD places public housing into the hands of private entities for long-term management. Presumably, RAD rental assistance from HUD to the managing entity will offset NYCHA's operating costs. But this risks the privatization of affordable, public housing. NYCHA has identified the Ocean Bay Apartments in Bayside as its first RAD site under what appeared to be a closed-door process. How was this site selected? How many more sites does NYCHA plan to enter into RAD? Why wasn't there a separate hearing held for such a significant potential change in how NYCHA manages one of its developments? There are too many outstanding questions surrounding this opaque process for NYCHA to move forward. All plans for RAD must be halted, and any future consideration must include residents in the planning process in which RAD is not the only option.

Moving-To-Work. Similar to RAD, I have concerns regarding NYCHA's plan to become a Moving-To-Work entity under HUD. This program exempts strict enforcement of housing regulations in exchange for flexible use of HUD funding. NYCHA has stated that its intention is to free up restrictions on the use of federal funds, but if flexibility comes with a risk of losing units of affordable housing or causing households to pay higher rent, then I believe NYCHA will violate its mission to "increase opportunities for low- and moderate-income New Yorkers by providing safe, affordable housing." NYCHA must bind its stated intention via a Memorandum of Understanding, making it explicit that it will not waive tenants' rights or impose new restrictions. Any future change to this original intention must undergo a thorough public review process at accessible locations during convenient times for stakeholders who wish to provide comments.

Land Lease/Infill Development. Many NYCHA properties possess development rights that can be an asset to the agency's future financial stability. Knowing this, it is imperative that future land lease or "infill" development plans engage NYCHA residents, community members, local businesses and organizations, and other stakeholders in a comprehensive community planning process. NYCHA must do this for *each* potential development site. This includes reaching out to residents with materials in multiple languages and holding public hearings at locations and times that are accessible to most working individuals. Community oversight via the ULURP process must also be in place. NYCHA must ensure all land lease and infill development proposals will align with its mission to provide opportunities for affordable housing, particularly for low-income households, and that no infill developments will adversely impact the availability of and access to open space, gardens, and playgrounds.

Sustainability. Aside from ensuring proper planning and sustainability of NYCHA's built structures, I also encourage NYCHA to start considering how to reduce the carbon footprint of building operations, including strategies to introduce recycling and composting in NYCHA developments. I applaud NYCHA for installing in-sink food disposers as a standard appliance each time a kitchen is renovated; I know of recycling and composting efforts taking place in NYCHA developments under the leadership of dedicated resident volunteers. All of these efforts must be scaled up. New York City has a goal of doubling its total waste diversion to 30% by 2017. For this to happen, NYCHA involvement is critical, and I look forward to working with you to make NYCHA developments a greener and healthier place for all residents.

Monitoring and enhancing Section 3 Job Placement and Business Concern Outcomes.

We are all too familiar with the lack of employment opportunities and related job training programs faced by NYCHA residents, which result in the highest unemployment rates being felt in public housing. NYCHA can better administer and monitor the current Section 3 regulation that is specifically designed to ensure housing authority contractors hire local NYCHA residents to perform entry level and more skilled jobs such as demolition laborer, painter, maintenance assistant, elevator apprentice, carpenter, and electrician. Section 3 is a HUD act regulation we've had to comply with since 1968. It's been over 45 years and yet today, we are still unable to identify, train, place and retain sufficient qualified public housing residents and do so with an effective model that is both replicable and scalable. In fact, an audit from the Comptroller's office, released yesterday, showed a high failure rate of contractor to meet Section 3 hiring or Resident Hiring Program requirements and an overall underinvestment in employing NYCHA residents by contractors.

I also have the same questions regarding whether any progress is being made toward the Section 3 Business Concern provision encouraging NYCHA to contract with companies that are at least 51% or more Section 3 resident-owned. Much monitoring, tracking, and reporting of Section 3 compliance and outcomes is needed. Such transparency will go a long way to help residents benefit from meaningful employment (prevailing wages) and would help NYCHA partner with contractors committed to achieving Section 3 goals. We all feel the sense of urgency on this issue and must make up for lost time, so in the short-term NYCHA should consider bidding out contracts to Section 3 companies only and to work with existing contractors to increase the percentage of NYCHA hires dramatically from current levels.

Resident Engagement. Finally, I want to reiterate the importance of resident engagement in all facets of NYCHA's operations and planning. I commend the multilingual presentations, the availability of interpreters, and accessibility of locations at recent NYCHA townhall meetings. However, resident engagement also means timely dissemination of meeting information and holding hearings at convenient hours for working individuals. I would also like to see NYCHA residents being engaged from the very beginning of a project's planning process or when NYCHA is considering a significant change. Ocean Bay Apartment residents should have been included in the process of planning the future of their homes before NYCHA submits a proposal to HUD. I am optimistic that under the new administration, NYCHA will proactively engage its residents in a more comprehensive manner.

Thank you for your time and for the opportunity to testify.