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**Gale A. Brewer, Borough President**

**September 6, 2017**

**Testimony of Gale A. Brewer, Manhattan Borough President  
To New York City Housing Authority  
On the Draft FY 2018 Annual Public Housing Agency Plan**

My name is Gale A. Brewer and I am the Manhattan Borough President. Thank you, Chair Shola Olatoye and members of the NYCHA Board, for the opportunity to testify today.

In light of reductions to NYCHA's operating, Section 8 administration, and Section 8 subsidy budgets by the federal government over the past year, as well as an ongoing shortfall in cumulative capital funds, I commend Chair Olatoye and her staff for balancing NYCHA's budget three years in a row. This would not be possible without the coordination among all levels of NYCHA's staff team.

I have signed on to the Alliance to Preserve Public Housing's comments to the NYCHA Board. I urge the Chair and the Board to consider the Alliance's recommendations. Additionally, I would like to speak on several specific items in the Draft FY 2018 Annual Plan. My testimony will focus most heavily on NextGen Neighborhoods, or NYCHA's infill development, since two projects are currently underway in Manhattan.

**NextGen Neighborhoods – Holmes Towers and LaGuardia Houses**

In May 2017, NYCHA announced Fetner Properties LLC as the NextGen Neighborhoods developer for Holmes Towers. Fetner's plan includes developing a 47-story building consisting of 344 units, half of which is expected to be affordable housing at 60% Area Median Income (AMI) or below. Additionally, Fetner will develop a 32,000 ft<sup>2</sup> playground as well as a 15,000 ft<sup>2</sup> fitness and health community facility in partnership with Asphalt Green, a nonprofit organization. Fetner and Asphalt Green have both committed to 50% NYCHA and local hires for the permanent jobs generated by the new building and the community facility.

I do not discount the benefits that affordable housing, jobs, and access to a community health facility will bring to some NYCHA tenants and to Upper East Side residents. I also recognize the need for NYCHA to leverage its infill projects to generate capital dollars to fund repairs at Holmes and other public housing developments. However, since NextGen Neighborhoods is supposed to actively involve residents, I have the following recommendations on how NYCHA can improve its resident engagement process:

- NYCHA must listen to *and* incorporate residents' suggestions.
  - I have testified in the past that when Holmes residents were presented with possible sites for the new construction, they opted for a location closer to the waterfront. Yet NYCHA selected the playground as the development site, a location that did not receive any votes. When my staff spoke with Holmes residents afterwards, they expressed frustration that NYCHA did not value their feedback.
  - Jessica Thomas, the previous LaGuardia RA President, said she wanted a grocery store in the new building even if “they put it on the roof.” Yet at the July 27 LaGuardia resident engagement meeting, NYCHA did not present ground-floor retail as a possibility, citing zoning allowances only for community facilities when in fact it is possible to pursue a commercial overlay via a localized ULURP.
- The NextGen Neighborhoods resident engagement process must not occur separately from NYCHA’s continued engagement with tenants on all other matters.
  - At the July 27 LaGuardia resident engagement meeting, residents who were present mentioned that they had asked their neighbors to attend, but their neighbors declined because they did not think their input would make a difference. NYCHA cannot engage residents only for special initiatives. Rather, maintaining good relationships with tenants must be a year-round priority. If residents are not receiving timely repairs after submitting multiple work order requests, then they have little reason to believe NYCHA will listen to their input about infill development.
- NextGen Neighborhoods must concretely benefit NYCHA residents on that development.
  - According to NYCHA, Holmes Towers has \$35 million in capital needs and LaGuardia Houses has \$70 million in capital needs. We already know that ground leases from the infill developments will not generate enough money to cover these amounts. Residents at the LaGuardia resident engagement meeting were unclear about how the revenues will benefit them, citing that “a long list of things not working” (i.e., repair needs in apartments) is not offset by “a short list of positive things from the new building.” Residents at all infill sites are giving up open space for the new construction. They must be guaranteed substantial benefits in return.

The first years of any major initiative are the most important in setting the tone for its effectiveness going forward. I urge NYCHA to revisit its resident engagement strategies to ensure that the model being replicated for future infill projects will be one that genuinely and effectively engages NYCHA residents and local stakeholders.

### **NextGen Sustainability**

On August 16, I met with Bomee Jung, VP of Energy and Sustainability at NYCHA, for a comprehensive briefing of NYCHA’s progress in improving heat and hot water efficiency in NYCHA buildings, its commercial and residential solar initiatives, weatherization retrofits, solid waste management, and other sustainability projects. As NYCHA moves forward with energy-saving initiatives, I urge the sustainability team to prioritize resources for communication and education, so that residents will receive timely information about improvements made to their boilers or about window repairs under the Weatherization Assistance Program.

Regarding solid waste management, I am a long-time advocate for increased recycling and food waste diversion from the trash. I also know from decades of experience that good waste management is one of the most effective ways to reduce rat activities. NYCHA has now installed

recycling bins at all of its developments. The next step is to carry out ongoing outreach to residents. I hear from resident leaders over and over again that the most effective way to ensure NYCHA residents know the proper way to recycle is via door-to-door engagement. If NYCHA is serious about making recycling work, then there must be sufficient funding and personnel resources to roll out recycling education that reaches every tenant.

New York City will not reach OneNYC's goal of zero waste to landfills by 2030 if NYCHA is not part of the effort to divert food waste, which makes up 35% of the total waste stream. I understand that NYCHA is considering a pilot to install in-sink food waste disposers in 26 Lower East Side developments. To ascertain the feasibility of this pilot, I and my staff visited the Newtown Creek Wastewater Resource Recovery Facility and spoke with various sustainability experts about the impact of sending liquefied food waste into the city's water treatment facilities. I am supportive of the pilot with the following recommendations:

- NYCHA must continue exploring other ways of food waste diversion for buildings not connected to the Newtown Creek Wastewater Resource Recovery Facility.
- When evaluating the impact of the pilot, NYCHA must continue to work with the Department of Environmental Protection (DEP) to address advocates' concerns regarding combined sewer overflow and managing nitrogen level in the waterways.

### **Job Training and Section 3**

Over the summer, staff and interns from my office reached out to NYCHA residents to learn about their experiences with NYCHA's job training programs through the Office of Resident Economic Empowerment & Sustainability (REES). Below is a distillation of what we found:

- Despite comprehensive career training offered through the NYCHA Resident Training Academy (NRTA), the time commitment required — 8 weeks of full-time training with no stipend — means trainees would have to forego wage-earning opportunities to attend. This makes committing to NRTA impossible for many people.
- For those who cannot commit to NRTA, some have gone out and paid for their own OSHA training separate from NYCHA and have not been able to get employment through Section 3.
- For Section 3 and construction job placements through REES, the employment is often not permanent.

With multiple NextGen Neighborhoods projects moving forward, I encourage NYCHA to allocate additional resources to REES to address these resident concerns, specifically in the area of construction job training and placements. I commend NYCHA for its commitment to adhere to Section 3 criteria for eligible projects and to "Section 3 like" construction hiring standards if a project does not trigger Section 3. Now is the time to strengthen REES so more NYCHA residents can access these trainings without incurring a financial burden.

### **PACT (Permanent Affordability Commitment Together) Initiative**

I remain cautiously optimistic of RAD (Rental Assistance Demonstration) conversion of unfunded NYCHA developments into Project-Based Section 8 through PACT. In light of NYCHA's \$17 billion in unmet capital needs, unfunded developments within NYCHA's

portfolio must not be neglected. Using RAD conversion to leverage funds for these developments is a needed step.

Here again, I am concerned about a lack of timely communication to residents. Unlike other large developments in NYCHA's portfolio, many PACT buildings are small and scatter-site. These smaller sites have robust resident leadership such as the excellent Ms. Cynthia Tibbs of WSUR Brownstones. However, resident leaders in smaller developments do not have the same resources or capacity as their larger NYCHA counterparts. I continue to urge NYCHA to form a resident body that brings all tenant leaders from PACT/RAD buildings together. This body can:

- Provide ongoing support among resident leaders whose buildings are transitioning out of public housing and into Project-Based Section 8 housing; and
- Serve as a counterpart to NYCHA's current network of Resident Associations and Citywide Council of Presidents (CCOP), which are only open to public housing residents.

Finally, in light of the current federal administration, NYCHA must operate PACT with a close finger on the national pulse of the viability of current and future Section 8 subsidies. Public housing under HUD Section 9 is a valuable source of permanent affordable housing. NYCHA must ensure that permanent affordability is guaranteed before taking any development out of public housing and into Section 8.

## **Summary**

In summary, I urge NYCHA leadership to:

- NextGen Neighborhoods
  - Listen to and incorporate residents' suggestions for construction that will happen in their development.
  - Engage with residents in all areas such as prompt response to repair requests to maintain ongoing trust with residents.
  - Ensure concrete benefits for residents living in developments identified for infill construction.
- Sustainability
  - Prioritize resources for communicating with residents about energy efficiency upgrades in their buildings and to conduct door-to-door recycling education.
  - Pursue all food waste diversion options, including a pilot to install in-sink food waste disposers for the processing of food waste via Newtown Creek Wastewater Resource Recovery Facility.
- REES Training
  - Improve accessibility of REES training so NYCHA residents can attend trainings without incurring a financial burden.
- PACT
  - Convene resident leaders from RAD and PACT developments in a council similar to CCOP.
  - Ensure that permanent affordability under Section 8 is guaranteed before taking any PACT building out of public housing and into Section 8.

Thank you for the opportunity to testify. I look forward to continue working with you to ensure quality housing and robust economic opportunities for the city's public housing residents.