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SENATOR THOMAS K. DUANE

29th SENATORIAL DISTRICT • NEW YORK STATE SENATE



**TESTIMONY BY NEW YORK STATE SENATOR THOMAS K. DUANE
BEFORE THE NEW YORK CITY HOUSING AUTHORITY PUBLIC HEARING
ON THE DRAFT 2013 ANNUAL PLAN**

July 25, 2012

My name is Thomas K. Duane and I represent New York State's 29th Senate District, in which Amsterdam Houses, Amsterdam Addition, 344 East 28th Street, Fulton Houses, Chelsea-Elliott Houses, Chelsea Addition, and Harbor View Terrace are located. As the State Senator representing the residents of these New York City Housing Authority (NYCHA) developments as well as residents of Section 8 Leased Housing and other NYCHA units, I am particularly concerned about New York City's public housing stock and the well-being of its residents. Thank you for this opportunity to submit testimony on NYCHA's Draft Annual Plan for Fiscal Year 2013 (Draft Annual Plan).

This year, NYCHA successfully completed its implementation of its Mixed-Finance Modernization Plan (federalization), which effectively eliminated the Authority's structural deficits for public housing. I was proud to co-sponsor its requisite State enabling legislation. I am dismayed, however, that despite this new funding stream, NYCHA faces alarming reductions in overall federal operating, capital and administrative funding. As we advocate for restorations in federal funding as well as city and state contributions, we must work together to ensure that all available resources are expended as efficiently as possible and in the best interest of existing and future residents.

Given that all stakeholders recognize the fiscal challenges that NYCHA continues to face, the Authority must heed the call of residents, public housing advocates and elected officials, and terminate its outdated 1995 Memorandum of Understanding with the New York City Police Department (NYPD) for "special police services" and vehicles. There is no reason for NYCHA to be making unconscionable annual payments of close to \$75 million to the NYPD; like other New Yorkers, public housing residents pay for police protection with their taxes. Likewise, there is no reason NYCHA should have to make \$23 million in annual payments in lieu of taxes (PILOT) while other non-profit housing providers are exempt from PILOT requirements. This inequity is inexcusable. These funds would be much better spent on preserving NYCHA's aging buildings, improving residents' living conditions and closing the Authority's recurring \$61 million operating deficit.

I wish to draw special attention to the continuing crisis in building maintenance that is adversely impacting countless NYCHA residents. Constituents and a number of media outlets have reported extremely long delays on many essential repairs and maintenance projects in individual

apartments as well as common areas. If such delays were to occur in any other New York City apartment building, tenants would bring an HP action or go on rent strike and landlords would be penalized by City and/or State agencies for violating the Warranty of Habitability. As you know, public housing residents lack such recourses. I understand that the Authority has sought to improve customer service and to streamline its service request process, but constituents who have contacted my office are primarily concerned about the timeliness and quality of repairs, not the process by which they make the complaints. They often report yearlong waiting periods, or sometimes more, for shoddy work that often must be redone shortly after completion. This is unacceptable. While I appreciate that NYCHA has created a Work Order Task Force to reduce inefficiencies, I continue to hear complaints from constituents and I urge the Authority to marshal all necessary resources to expedite apartment repairs.

I share the concerns about the Draft Annual Plan expressed by the New York City Alliance to Preserve Public Housing (the Alliance) and particularly object to the inclusion of the initiatives set forth in Plan NYCHA: A Roadmap for Preservation, which has not been adequately vetted by the public. Frankly, I was deeply disappointed that NYCHA's plans to become a Move to Work (MTW) authority, apply for the Rental Assistance Demonstration (RAD) program, use inclusionary zoning programs to sell property and development rights and other extremely consequential Plan NYCHA proposals were only slightly more clear and detailed in the Draft Annual Plan than in NYCHA's previous public presentations. Furthermore, while I understand that MTW could reduce the Authority's administrative burden and enable new revenue streams, NYCHA has failed to assure residents and advocates that it will not take advantage of the program's more sinister provisions, including significant rollbacks of residents' rights, should the more resident-friendly "MTW Basic" not pass Congress. I strongly believe that any MTW proposal must include binding proscriptions of any contract revision that would curtail the rights of NYCHA residents in the future. In addition, I urge NYCHA to subject the MTW, RAD and inclusionary zoning proposals to rigorous and standalone public reviews, including specific and comprehensive written proposals, 45-day review periods, and public hearings. While I have supported many inclusionary housing incentives, I believe that any private development on NYCHA land should trigger the Uniform Land Use Review Procedure to maximize public input. NYCHA should also take steps to engage its residents and facilitate their input on these initiatives through the provision of technical assistance and, when possible, the use of local Community Boards' expertise.

I am also concerned that the Draft Annual Plan fails to go far enough to address the employment and training needs of NYCHA residents, especially in light of the obligations under Section 3 of the 1968 Housing and Urban Development Act (Section 3). While the Draft Annual Plan highlights the Authority's many successful job placement efforts—from the targeting of its new staff positions and positions with its contractors toward residents to its laudable initiative to facilitate residents' access to green jobs training and positions at large institutions such as Lincoln Center and the Brooklyn Navy Yard—the net number of residents benefiting from NYCHA's Section 3 efforts falls far short of the tens of thousands of residents who are currently unemployed. I urge NYCHA to continue exploring new options for maximizing the employment of its residents. For example, NYCHA should look to increase its residents' employment opportunities through a formal agreement with the NYPD. I am deeply concerned that, despite the U.S. Department of Housing & Urban Development (HUD) determination that NYCHA's

contract with the NYPD triggers Section 3 requirements, only 2% of Uniform Police Officers hired in 2011 are NYCHA residents. Of course, as I said above, I would prefer that NYCHA terminate its contract with the NYPD, but as long as NYCHA continues to pay for police protection from its HUD operating subsidies, it must abide by HUD's requirement. In addition, NYCHA should promote GED programs as part of its newly enforced community service requirement to greatly improve younger residents' job prospects.

Lastly, as NYCHA seeks to "rightsize" its apartments to maximize availability for the 184,046 families on its wait list, it must ensure that the rights of existing residents are respected. Residents report confusion about the process, a lack of understanding about their rights, and insufficient resources to cover the costs of moving. NYCHA should develop a clearer and more consistent process for conducting transfers and development managers should, to the greatest extent possible, meet face-to-face with residents who are asked to leave their homes to explain the Authority's actions and offer residents an apartment in their buildings or at least in their developments. This potentially traumatic experience, while in the service of providing public housing to more New Yorkers in need, must nonetheless be managed as humanely as possible.

As NYCHA finalizes its plan for Fiscal Year 2013 and beyond, I urge the Authority to utilize the tremendous resources it has in its tenant associations, the Resident Advisory Board, and the Citywide Council of Presidents, and to work together with its surrounding communities. This collaboration could prove particularly helpful in addressing such controversial policies as the proposed sale and development of buildings and empty plots of land as well as the Authority's stated desire to take advantage of marketing opportunities. Ultimately, however, we must work together to permanently close the budget gap by eliminating NYCHA's exorbitant and unparalleled payments to the City and demanding more public funding to preserve our precious stock of public housing for future generations.

Thank you for your consideration of my comments. I look forward to continuing to work with NYCHA to preserve safe, affordable and decent public housing for New York's most vulnerable and disadvantaged residents.