

**TESTIMONY FROM NYCHA CHAIR & CEO GREG RUSS**  
**NYCHA'S WINTER PREPAREDNESS**  
**COMMITTEE ON PUBLIC HOUSING**  
**WEDNESDAY, JANUARY 15, 2020 – 1:00 PM**  
**COUNCIL CHAMBERS, CITY HALL, NEW YORK, NY**

Chair Alicka Ampry-Samuel, members of the Committee on Public Housing, and other distinguished members of the City Council: good afternoon. I am Greg Russ, NYCHA's Chair and CEO. I am pleased to be joined by Joey Koch, Chief of Staff; Brian Honan, Vice President of Intergovernmental Relations; and other members of NYCHA's team. Thank you for inviting me here today; I am grateful for this opportunity to testify before this esteemed body for the first time. It's been an honor to meet members of the Council, and I look forward to a productive relationship. I would also like to acknowledge our collaboration with the federal monitor Bart Schwartz and his team, and Regional Administrator Lynne Patton and her team at HUD.

I've spent my entire career in public housing – about half a century – because I believe in its ability to transform lives and communities. In cities such as Chicago, Detroit, and Philadelphia, I helped turn around struggling public housing authorities and deliver to residents the improved quality of life they deserve. I also led public housing authorities in Minneapolis and Cambridge, Massachusetts. I joined NYCHA because I want to make a lasting difference for New Yorkers and this organization. In the past five months, I've appreciated getting feedback from residents, employees, elected officials, and other community stakeholders on how NYCHA can transform, for today's residents and the generations to come. I look forward to speaking more with you about my vision for the Authority.

Delivering basic services to residents such as heat and hot water is at the core of our responsibilities as a landlord, and we know how impactful heating outages can be for residents. As part of our long-term plan, *NYCHA 2.0*, we are embarking on a significant transformation to improve our operations and better serve residents, in partnership with the federal monitor. Thank you for the

opportunity to discuss some of this work in the area of heating services. As a result of our efforts, we've reduced the time it takes to restore heat outages by 73 percent (from 30 hours in 2017-2018 to 8 hours in 2018-2019) and brought down substantially the number of outages.

## **The Foundation for Transformation**

The foundation for NYCHA's transformation is the HUD agreement signed last January, our partnership with the federal monitor and others in the community, and Mayor de Blasio's support.

On December 5, the monitor, Bart Schwartz, approved our heating action plan, which we developed in partnership with his team and in accordance with the requirements of the HUD agreement. The action plan outlines the procedures and protocols we'll follow to prevent and respond to outages in our aging heating plants. It also details how we will communicate with residents about outages and repairs, provide warming centers in certain scenarios, and investigate outages that cannot be restored within 12 hours. The action plan is posted on our website; we will inform resident leaders about it at cluster meetings in February and are currently training staff on it.

We are also creating individual heating action plans for every development. Action plans for the 20 developments with the most heating issues have been posted online and provided to residents, and we're on track to complete action plans for the rest of our portfolio by the end of January. These individual plans acknowledge that each development has its own unique challenges that need to be addressed. For instance, Baruch Houses is in a flood zone and susceptible to constant flooding, and its boilers have exceeded their life expectancy, requiring frequent welding; this development is getting a new steam heating plant that's elevated nearly 15 feet above sea level, and other improvements. It should be noted that many of Baruch's outages last year were planned for construction-related work, and that the rate of outages there has declined this year. As another

example, the action plan for Whitman Houses details how it's currently a mobile boiler site that's getting a new boiler plant, instantaneous hot water heaters, and vacuum tanks.

Per the agreement, we are required to restore outages within an average of 12 hours, with 85 percent of outages having to be resolved within 24 hours. In the last heating season, we met this requirement by resolving 96 percent of total heat outages within 24 hours (1,169 outages). Fewer than 1 percent of outages last year (49 outages) lasted longer than 24 hours. As of January 12, we are resolving over 95 percent of outages within 24 hours this heating season (370 out of 387 outages). No heating outages have lasted more than 48 hours this season, compared to 352 such outages in the 2017-2018 season.

### **Heating Improvements**

Our heating operation is vast: At our nearly 2,300 buildings across the city, we have more than 1,700 boilers, about 1,500 vacuum tanks, and over 800 instantaneous water heaters. Our approximately 550 full-time heating staff include heating plant technicians, maintenance workers, plumbers, oil burner specialists, and their supervisors; they maintain systems that span boiler plants, heat distribution pipes, and apartment radiators.

NYCHA's buildings and infrastructure are old, so it's an unfortunate reality that there will be breakdowns in our heating equipment and systems. But in focusing on preventative maintenance and repairs and implementing operational improvements, we've been able to reduce the number of outages: for the period of October 1 to January 12, the number of total heat outages decreased from 1,188 in 2017-2018, to 601 in 2018-2019, to 387 this year – a 67 percent reduction.

We introduced planned outages scheduled for warmer days in the 2018-2019 heat season, so that we could do necessary repairs to improve the heating system's performance and prevent unplanned outages when the weather is

colder. As of January 12, there have been 106 planned heat outages this season, and they're restored within an average of 8 hours.

Our intense focus on responding to outages has reduced the length of outages significantly. From the 2017-2018 heating season to last year's heating season, we brought down the average time to restore total outages by 73 percent, from 30 hours to 8 hours. We're maintaining that average this season; it's well below the 12-hour restoration target, and we want to bring it down even more.

As outlined in the heating action plan, our efforts to improve heat service for residents include:

- Implementing a 24/7 staffing model for repair teams;
- Establishing a 24/7 Heat Desk that monitors potential service disruptions from various data and dispatches staff accordingly;
- Hiring 70 heating plant technicians, 12 full-time plumbing teams, and 8 temporary plumbing teams to support our enhanced staffing model;
- Activating a Situation Room, when necessary, to help coordinate the response to outages;
- Conducting a daily call to strategize on service issues;
- Performing annual summer inspections of heating equipment and making necessary repairs;
- Investing \$20 million in City operating funding to replace over 500 heating equipment components, such as hot water boiler replacements, heat control panels, and tanks;
- Bringing on third-party management of the heating plants at over 40 developments and utilizing contractors for specialized repairs across our portfolio;
- Staging high-demand heating parts in satellite storerooms in all five boroughs;
- Staging 62 mobile boilers across the city;

- Improving the tracking of outages and assets, and examining (with the monitor's team) the root cause of outages to prevent future occurrences; and
- Opening warming centers for residents when necessary.

As part of our transformation efforts, we're also enhancing our communication with residents. That includes:

- Ensuring that residents are notified of outages, or in advance of scheduled repairs, via building flyers and robocalls.
- Enabling residents to automatically let us know if they're still experiencing a service disruption when they receive robocalls alerting them of service restoration. This data helps us better address lingering issues.
- Improving the process for collecting resident data on outages in other ways, such as updating the questions residents are asked when submitting heat complaints through the Customer Contact Center (CCC) or MyNYCHA app. This facilitates issue diagnosis and repair staff deployment.
- Posting information about outages on our website, as well as apartment temperatures for the developments where we're installing indoor temperature sensors. Our website provides more transparency than ever, enhancements guided by our discussions with advocates and residents. We're also posting information about outages on social media.

In addition, we're rolling out an upgraded MyNYCHA app that will allow residents to receive notifications about outages on their smartphone. We do request that residents report issues through either the CCC or MyNYCHA system, as this enables us to most effectively respond to issues. MyNYCHA is available in Spanish, and our CCC representatives can connect callers to an interpreter who speaks their language.

## **Going Forward**

Of course, replacing aging, faulty infrastructure is critical to improving heat service for our residents. Over the next four years, we are replacing 310 boilers across 76 developments with \$930 million in City, State, and federal funding. Since 2018, we've installed 77 boilers as part of this pipeline. Through our PACT preservation initiative, we will also repair or replace another approximately 600 boilers.

However, outages are not always due to boiler failures – they are often due to issues with other parts of NYCHA's aging infrastructure, such as distribution systems and heating components. An example of this is the recent outage at Independence Towers, which was caused by a break in underground steam pipes. This is why we're taking a comprehensive approach to improving heat service, planning investments in heating systems as a whole: underground distribution systems, pipes in walls, heating components, and boilers. And we're not just replacing in kind, but are putting in place more effective systems. For instance, to improve hot water service, we're incorporating modern designs in our new heating plants, decoupling hot water equipment from heating equipment so that issues with one don't affect the other.

HUD's Energy Performance Contracting (EPC) program is enabling us to replace boilers and modernize heating systems with assistance from energy service companies, without spending capital dollars upfront (the improvements are funded by the cost savings from reduced energy consumption). Four EPCs are currently investing over \$271 million at 72 developments, and we are on track to exceed our total investment goal of \$300 million by next year, several years ahead of schedule. This work improves the distribution of heat throughout buildings, reduces overheating and underheating, and makes the heating system greener and more energy efficient. We hired three temporary staff to speed the resolution of heating complaints at developments with new indoor temperature-based heating controls, and will hire two additional temporary staff to investigate

potential heating issues. These new controls generally provide temperatures of 72-74 degrees, which may be lower than some residents are accustomed to.

Through the State's Weatherization Assistance Program, we plan to bring \$30 million in energy and water efficiency upgrades, including new boilers, to up to 8,000 apartments in 65 developments. To date, nearly \$12 million of work is underway or complete at 30 developments.

Last month, we released a design-build RFP to transition the heating system at eight developments to high-efficiency, clean electric heat pumps, enhancing the system's performance and residents' comfort. This month, we released an RFP seeking a team to retrofit a select building to achieve near net-zero energy performance by 2021. Together with our other energy-efficiency work, this trailblazing, first-of-its kind demonstration project will help the City meet its ambitious climate change goals, while improving residents' quality of life.

Other ways we will improve service to residents include issuing more user-friendly handhelds for staff, developing a plan to assist vulnerable residents in the event of a heat outage, creating a work order quality assurance program, and evaluating this heat season (once it concludes) as well as our resident communication systems. We will also continue to install apartment temperature sensors at a total of 58 developments, technology that enables us to better deploy staff and analyze data.

## **Conclusion**

We know that outages are very impactful to our residents, and providing reliable and comfortable heat is a top priority for NYCHA. We're committed to continued progress in this area, by making substantial improvements to our operations as well as strategic investments, from new heating plants and systems to an improved staffing model. These efforts are driven by a fundamental premise: Residents must be at the center of everything we do. While we have reduced the

time it takes to restore heat outages by 73 percent, and have significantly reduced the number of outages, there's much more work to be done.

Thank you for your partnership – we cannot transform NYCHA without you and our other stakeholders. We look forward to our continued collaboration, and are happy to answer any questions you may have.