

**TESTIMONY FROM NYCHA INTERIM CHAIR AND CEO KATHRYN GARCIA
EXAMINING NYCHA'S NEW AGREEMENT WITH HUD
COMMITTEE ON PUBLIC HOUSING
MONDAY, MARCH 11, 2019 – 10:00 AM
COMMITTEE ROOM, CITY HALL, NEW YORK, NY**

Chair Alicka Ampry-Samuel, members of the Committee on Public Housing, and other members of the City Council: good morning. I am Kathryn Garcia, NYCHA's Interim Chair and CEO. I am pleased to be joined by David Pristin, Executive Vice President of External Affairs. Thank you for this opportunity to discuss how we're moving forward with our partners to transform the Authority, become a better landlord, and improve the quality of life for the hundreds of thousands of New Yorkers we serve.

My first official day as NYCHA's Interim Chair and CEO was February 19, 2019. This was a few weeks after the January 31st signing of the Administrative Agreement between NYCHA, the U.S. Department of Housing and Urban Development (HUD), the U.S. Attorney for the Southern District of New York (SDNY), and the City of New York. Mayor de Blasio asked me to join General Manager Vito Mustaciuolo and lead the agency through this critical transition period. While in this position, my primary responsibilities are to prepare the Authority for the arrival of the Monitor and ensure the Authority meets the early requirements of the Agreement.

The Agreement's overarching goal is to remedy the deficient physical conditions in NYCHA properties, to benefit our residents across the city. NYCHA is under the supervision of a Monitor selected by HUD and the U.S. Attorney's Office in consultation with the City and NYCHA. As you know, Bart Schwartz started his position as Monitor on March 1. We have met with Mr. Schwartz a number of times already and look forward to working with him and his team. Based on our initial discussions, his focus is on engagement with residents and holding the Authority accountable for meeting our commitments to improve the lives of residents.

As part of the Agreement, the City will provide \$1 billion for capital expenses over the next four years and \$200 million per year in capital funding for at least the six years following – for a total of at least \$2.2 billion in capital funding. This is in addition

to Mayor de Blasio's unprecedented financial support to NYCHA, which includes approximately \$4.3 billion in capital and operating funds to replace roofs and boilers, fix facades and upgrade heating systems, and more.

The Agreement requires NYCHA to remediate living conditions at NYCHA properties by specific deadlines and to meet strict, objective compliance standards regarding lead paint hazards, mold growth, pest infestations, and inadequate heating and elevator service. We are in the process of setting up systems and have established a dedicated unit to track the Authority's progress on all the deadlines outlined in the Agreement. I would like to update this body on some of the immediate work that has been done over the last few weeks in advance of pending deadlines.

With respect to lead paint hazards, the Agreement required NYCHA to address any lead-based paint hazards in apartments that are occupied by a child under the age of 6 within 30 days of the Agreement's effective date. NYCHA reported to the SDNY and the Monitor that as of March 2, NYCHA inspected 2,854 child-under-6 apartments and corrected identified deficiencies in 2,122. As of March 2, there were 171 apartments to which NYCHA attempted access for inspections and 344 apartments to which NYCHA attempted access to eliminate the lead hazard. NYCHA is working with these residents to obtain access and remediate these units as quickly as possible. Accomplishing this goal would not have been possible if NYCHA had not been working on achieving compliance ahead of signing the agreement, and these numbers may shift slightly as we validate the data.

To improve our performance in heat and hot water delivery and in accordance with the Agreement's requirements, starting immediately residents will receive notification of heat outages via robocalls, and the Monitor will be notified of any heating outages. These notifications to residents are currently in effect, and we are working with the Monitor to provide the notifications in his preferred format.

Beginning October 1, 2019, we will be required to resolve heating outages within an average of 12 hours, with 85 percent of heating outages having to be resolved within 24 hours. Currently, heating outages, on average, are being resolved within 10 hours.

The Agreement also requires NYCHA to create a 24/7 “Heat Desk” to monitor heating metrics and dispatch staff to resolve issues during heating season by March 31, 2019. The Heat Desk is already in place and operational. By the end of the year, NYCHA will introduce indoor temperature sensors at 44 developments that have the ability to track temperatures through a computerized Building Management System.

By 2026, NYCHA is required to replace or address approximately 500 boilers – 297 through the capital program and 200 through work done in connection with our PACT Section 8 conversions. As we announced last week, this work is already underway with the selection of contractors to replace 9 boiler plants serving 11 developments and 24,000 residents. Construction on these projects will begin this spring and will be completed by 2022.

Earlier this year, NYCHA launched the “Mold Busters” program to combat mold at developments citywide. Mold Busters involves an updated mold inspection protocol; a new and comprehensive standard remediation procedure; new hands-on training for staff, including on the root causes of mold; and new tools for staff to effectively and efficiently identify and remediate mold. The program requires staff to document the response to mold work orders, promoting accountability. It incorporates a faster timeline for repairs and remediation, as well as follow-up inspections after work is completed to ensure there has been no recurrence. By 2024, there may not be a second mold complaint in a 12-month period, no more than 15 percent of mold complaints shall cover more than 10 square feet, and mold may not reappear more than three times in a single year. Critical to success in eliminating mold will be NYCHA’s roof replacements and repairs of plumbing leaks.

NYCHA is in the process of hiring additional elevator mechanics to meet the repair needs. By 2024, we will replace or address 425 elevators – 275 through the capital program and 150 through the PACT program.

And lastly, NYCHA will hire an expert in pest control and 20 additional exterminators, and will install concrete basement floors and 8,000 door sweeps, to reduce the rat, roach, and mouse populations.

In support of our work, and as part of the Agreement, NYCHA will establish new departments and units, including an Environmental Health and Safety Department and a Quality Assurance Unit, within 45 days of the Monitor's appointment.

For me, the agreement NYCHA and the City reached with HUD is vital because it allows us to do the real work of turning public housing around. We can proceed with the XRF testing of all 135,000 apartments where lead paint has not been ruled out, and get to work eliminating any hazards. We can proceed with improved operations that have reduced heating outages and reduced response times. We can proceed with implementing a landmark labor contract that provides residents with seven-day service and better building maintenance. We can proceed with NYCHA 2.0, our plan to fully renovate more than 60,000 apartments across NYCHA and make \$24 billion worth of badly needed repairs.

We have a lot of work to do. And at the end of the day, while we all need to fight for more State and federal support, and while we look forward to working closely with our Monitor, we believe it's going to be the City of New York and New Yorkers – like this Council and the workers and the residents of NYCHA – who are going to turn NYCHA around. The agreement gives us the tools and the ability to continue that work.

Thank you for the opportunity to testify. I am now happy to answer any questions you may have.