

TESTIMONY FROM NYCHA GENERAL MANAGER VITO MUSTACIUOLO
PROPERTY MANAGEMENT IN NYCHA
COMMITTEE ON PUBLIC HOUSING
TUESDAY, APRIL 24, 2018 – 10:00 AM
COUNCIL CHAMBERS, 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 Vito Mustaciulo, NYCHA's General Manager. I am pleased to be joined by Cathy Pennington, Executive Vice President (EVP) of Operations, and Carolyn Jasper, Vice President of Public Housing Operations. Thank you for this opportunity to discuss how we maintain and repair the homes of the hundreds of thousands of New Yorkers who live in public housing, and how we provide vital services to offer residents many pathways for opportunity.

Through NextGeneration NYCHA, our long-term strategic plan, we are strengthening our organization and striving to become a more efficient and effective landlord, delivering quality property management and repair services to all of our residents.

Now I'd like to turn things over to my colleague, Executive Vice President of Operations Cathy Pennington.

The Authority's Size and Scope

Thank you, General Manager Mustaciulo. Before I go into details about property management at NYCHA, it's helpful to discuss the Authority's size and scope, and how it's organized.

NYCHA operates 175,000 apartments in more than 2,400 buildings in 325 developments in every borough that are home to about 400,000 New Yorkers.

NYCHA's workforce totals more than 10,800 full-time employees, nearly a quarter of whom are residents and about two-thirds of whom work in Operations, providing services for our residents. We currently have:

- More than 250 property managers and assistant managers, responsible for the overall operation of developments;
- More than 300 property maintenance superintendents and assistant superintendents, who strive to keep our developments clean and in good condition;
- Over 400 housing assistants, who help residents with administrative matters;
- About 3,000 caretakers, who clean floors, take out trash, and maintain grounds;
- Nearly 800 maintenance workers, who perform basic repairs; and
- More than 1,000 staff who work in 25 different skilled trades, including carpenters, painters, plasterers, plumbers, glaziers, electricians, exterminators, and roofers.

Several members of the Operations property management team are here today. Right now, their 7,000-plus colleagues are working to ensure safe, clean, and connected homes for our residents. The Operations team is truly the backbone of this agency, and I'd like to thank them for their dedication to the NYCHA community. I would also like to thank our residents in attendance today to speak about how they work with our property management staff.

Property management at NYCHA does not take a "one-size-fits-all" approach. Our developments range in size from nearly 2,200 units at Baruch Houses in Manhattan to 13 units at College Point Rehab in Queens. We have buildings that exclusively house seniors, and others that serve working families. More than two-thirds of NYCHA's residents are seniors and children under the age of 18. We also provide housing to veterans and formerly homeless households. We have

developments at the easternmost edge of Queens, along Coney Island Channel in Brooklyn, and in the northern Bronx, near the border of Westchester County.

Development Staffing

Our developments are divided into six portfolios, each with a director and several regional asset managers, or RAMs. This management team leads our property management staff in addressing challenges, improving operations, and providing quality customer service to our residents.

Our developments are led by a property manager along with property maintenance superintendents, supervisors of grounds and caretakers, maintenance staff, and housing assistants. The staffing structure varies depending on the size of each development. The amount of staff varies as well and is based on the number of units at each development and our available budget. For instance, the budget allows 1 caretaker for every 57 units and 1 maintenance worker for every 224 units.

Delivering Services to Residents

This property management team is responsible for many different functions at our developments, including:

- Routine maintenance of grounds and buildings and trash management;
- Routine apartment inspections and basic repairs in units;
- Coordination of move-outs and new rentals, including preparing vacant apartments for new residents and conducting rental interviews;
- Administration and enforcement of leases, including working with residents delinquent on rent, appearing in court, and assisting residents with annual reviews;
- Communication with resident association leaders, local NYPD precincts, elected officials, and other members of the community; and

- Making resident referrals to programs that bolster self-sufficiency and other vital resources.

In addition to staff based at the developments, NYCHA's skilled trades staff – plumbers, plasterers, roofers, and others – serve all developments in a portfolio. Our planning units work with developments to schedule skilled trades work. This is a complex job because one repair, such as a leaky pipe, involves multiple skilled trades.

Additionally, our support services team maintains building systems, such as heating plants and elevators, and responds to after-hours emergencies.

NYCHA Property Management by the Numbers

Here are some examples of what our property management, skilled trades, and support services teams accomplished last year:

- Responded to 2.7 million maintenance and repair requests, including 386,000 after-hours or emergency repairs;
- Conducted nearly 2,000 boiler inspections and completed about 4,800 boiler repairs;
- Maintained over 3,200 elevators (which make over 3 million trips a day and 1 billion trips a year);
- Conducted more than 48,000 routine apartment inspections, completing nearly 70,000 work orders generated by those inspections;
- Signed leases with 4,000 new households;
- Completed nearly 142,000 annual reviews; and
- Liaised with more than 250 resident associations.

NextGen Operations

NextGen Operations, or NGO, is a new, localized property management model that puts more control over decision-making in the hands of property managers – those who know the needs of their developments best. Launched in 2015 as the Optimal Property Management Operating Model, or OPMOM, the NGO model is now in place at 129 developments, and we plan to roll it out to all developments by mid-2019.

Through NGO, property managers are empowered to independently make decisions that affect their developments. They have more control over their budgets and can make decisions about purchasing without going to central office, resulting in faster and better service for residents. NGO sites can use their budgets to create “model” buildings, upgrading and renovating common area spaces to make them more welcoming to residents.

Before a development moves to the NGO model of property management, staff are required to take courses on subjects such as budget management, property maintenance, and customer service. More than 800 property management staff have been trained, and remaining staff are scheduled to complete training over the next year.

NGO's Impact

Before we launched NextGeneration NYCHA, basic repairs took an average of 13 days to complete. We've brought that number down to four days across the portfolio. At our NGO developments, basic repairs are completed even faster – in 3.6 days. NGO sites complete emergency repairs and apartment turnovers about 20 percent faster than non-NGO sites, and they have approximately 15 percent fewer open work orders.

Streamlining and Improving Operations

NGO is just one way that we are making progress. We have launched a number of other initiatives to improve customer service and quality of life for residents:

- We're stretching our limited dollars to get more work done by increasing staff's ability to use contracts for specific services, such as painting, compactor chute cleaning, and exterior lighting repairs. The goal is to reduce work order backlog, increase timely responses to repairs, and provide greater flexibility to focus on what is most urgent.
- As part of our commitment to enhanced routine cleaning, staff at our developments are covering more ground – literally – using new, efficient floor-cleaning machines.
- We've equipped employees with smartphones, enabling them to open and close work orders while getting resident sign-off on the work.
- Through our development-based skilled trades initiative, we are testing a model that assigns skilled trades – carpenters, plasterers, and painters – to specific developments. This allows developments to do their own scheduling for these trades, rather than working with the central borough office. The goal is to make scheduling and assignment of the trades more efficient, ultimately cutting down on repair times.
- We've streamlined the process for creating work orders for court-ordered repairs so that this important work can be completed faster.
- We installed digital kiosks at every property management office, enabling residents to take advantage of NYCHA's online services, such as paying rent, requesting repairs, and recertifying income.
- Through new interactive tools on our website, residents and the public can track NYCHA's progress on repairs and construction.

Flexible Operations (FlexOps)

The Flexible Operations program, or FlexOps, is another way we are improving quality of life for residents. NYCHA is a 24/7 operation, but it is run from 8 a.m. to 4:30 p.m., Monday through Friday, unlike most private landlords. As a

departure from that model, FlexOps enhances service delivery through expanded, staggered work shifts.

Launched in 2016, FlexOps is now at 11 consolidations. The initiative provides more flexibility for employees; for residents, it provides cleaner buildings and after-hours meetings with property management.

In surveys conducted last fall, 18 percent more residents rated their building conditions as “excellent, very good, or good” since FlexOps was implemented at their development.

Engaging Residents

Property management staff are our ambassadors, and they play a critical role in making sure residents are aware of and connected to programs and services available through NYCHA and our partners. For example, staff use our web-based referral system to connect residents to financial counseling when they need help with budgeting in order to pay their rent; they work with our community and senior center sponsors on health and recreational resources for residents; and they participate in resident-led development projects that improve the quality of life for all residents. Our three Digital Vans travel the city, providing residents internet access and technology to search and apply for jobs, complete schoolwork, and access government resources.

Significant Challenges

We acknowledge that there is more work to be done to provide residents the quality of life they deserve. But it must be noted that we are operating under significant constraints. Our buildings are old and deteriorating – the majority of them are more than a half century old. At the same time, we have been shortchanged \$3 billion in federal operating and capital funding since 2001 to address our aging properties’ vast maintenance and repair needs. However, our

Mayor and this Council recognize the importance of preserving and strengthening public housing, and we thank you for your unprecedented and continued support.

As I step into this new role, I'm looking at NYCHA's operational challenges with a fresh lens, trying to get to the bottom of our most persistent problems so that we can identify effective and practical ways to improve. Our goal is to provide quality customer service to our residents. While many staff at NYCHA excel at customer service – going the extra mile for residents every day – we acknowledge that maintaining consistently high levels of customer service across the Authority is an area we must improve.

While we have a system in place for tracking the requests and status of maintenance and repairs, we recognize that there are gaps in our processes that lead to complaints of work not being completed or repairs taking too long to complete.

Our data show that sometimes repairs are not made because a resident is not home when staff arrive to make repairs. We can improve this through better communication with residents about scheduling and by holding staff accountable to demonstrate that they went to the apartment at the scheduled time.

A related challenge is improving communication with residents about the status of repairs. When a maintenance worker schedules a skilled trade, such as a plumber, to complete a repair, the resident may not be informed that the next repair job has been scheduled.

Compounding this problem is the fact that it often takes a number of weeks before a skilled trades repair can be scheduled, due to a shortage of staffing and an extensive backlog of work orders. We are all dismayed by the reports of unacceptable apartment conditions – residents living with holes in their walls that haven't been repaired, or repair jobs that are half-finished. Often these

situations occur because of the shortage of skilled trades staff available to finish the repairs and the challenge of scheduling multiple trades for one repair. For example, repair of a leak in the wall requires coordination with a number of different staff: a maintenance worker to confirm the leak and identify the source; a plumber to fix the leak; a plasterer to repair the wall; and a painter to paint the newly plastered wall.

To put this problem in perspective, right now we have a backlog of 32,000 paint jobs and 24,000 carpentry jobs. Put another way, each month an average of 16,200 work orders requiring plumbers, plasterers, and carpenters are created, but due to our staffing levels, we are only able to complete approximately 15,600 of those. One of our goals is to reduce this backlog and improve the timeliness of complex repairs.

However, when repairs are made, our quality assurance inspections show that about 95 percent are done satisfactorily. And last year, we responded to nearly 2.7 million work orders, including about 169,000 paint and 66,000 plaster work orders.

Decades of underfunding has meant decades of deferred maintenance and investment in our buildings, resulting in enormous capital needs. That makes repairs more complex, costly, and time-consuming. We also face challenges stemming from repeat vandalism of doors and elevators. Trash management is another major issue at many of our developments, and we are working to find effective solutions that will keep our developments clean and cut down on the amount of time staff spend dealing with trash-related problems. We appreciate the support from the City that is enabling us to address some of these issues.

These are just a few of the areas we plan to focus on, though we recognize we have many other challenges affecting our residents' quality of life. We must strive to be a more efficient landlord and focus on providing quality customer service to our residents.

To that end, we are rolling out NGO to all our developments, piloting FlexOps at select developments, using contract services to get more work done, and evaluating our development-based skilled trades pilot. We are reviewing our policies and procedures related to work orders and communication with residents, with a goal of reducing the number of work orders closed without work being done. After this winter's heating crisis, we are undertaking a comprehensive assessment of our heating operations – our procedures related to maintenance and outages, our staffing, and our use of data to inform planning and preventive maintenance.

Conclusion [GM Mustaciuolo]

Thank you, EVP Pennington.

Property management is our core business. Under NextGen NYCHA and with NextGen Operations, we are working to improve residents' quality of life with more efficient repairs and connections to invaluable services.

However, the steady, decades-long decline in federal funding imperils our work and the progress we're making. Please stand with us as we continue advocating for the increased operating funding NYCHA desperately needs from Washington.

Thank you for your support as we create safe, clean, and connected communities; we want to continue the dialogue on how we can work together to best serve residents. We are happy to answer any questions you may have.