

**TESTIMONY FROM NYCHA CHAIR & CEO SHOLA OLATOYE  
CHRONIC HEAT AND HOT WATER FAILURES IN NYCHA HOUSING  
COMMITTEE ON PUBLIC HOUSING WITH THE COMMITTEE ON OVERSIGHT &  
INVESTIGATIONS  
TUESDAY, FEBRUARY 6, 2018 – 10:00 AM  
COUNCIL CHAMBERS, CITY HALL, NEW YORK, NY**

Speaker Corey Johnson, Chairs Alicka Ampry-Samuel and Ritchie Torres, members of the Committees on Public Housing and Oversight and Investigations, and other distinguished members of the City Council: good morning. I am Shola Olatoye, Chair and CEO of the New York City Housing Authority.

I am pleased to be joined by Deborah Goddard, NYCHA's Executive Vice President for Capital Projects, and Cathy Pennington, Acting Executive Vice President of Operations. Vito Mustaciuolo is also with us – an HPD institution who will be joining NYCHA later this month as Acting General Manager. Vito's experience and expertise will greatly benefit our NextGeneration NYCHA turnaround efforts.

Before we start, I'd like to extend congratulations to all the new leadership at the Council: Speaker Johnson, Chair Torres, and especially Council Member Ampry-Samuel, for your recent appointment as Chair of the Committee on Public Housing. On behalf of NYCHA, we look forward to partnering with you.

Basic services, like heat and hot water, go to the heart of NYCHA's responsibility as a landlord. This winter presented the longest stretch of below-freezing days the city has experienced in nearly 60 years. Even with significant preparation, NYCHA's aging infrastructure and dedicated staff were no match for the historic weather in early January. As temperatures dipped and heating systems failed, our residents bared the brunt of these outages – something we can all agree is unacceptable.

We have been candid about NYCHA's financial challenges: a \$3 billion loss in funding since 2001, leading to a daunting backlog in capital improvement needs. We understand what it means to our residents when NYCHA doesn't get the funding we need to carry out our mission. We are doing everything we can, working around the clock to restore heat for residents as quickly as possible. However, if we truly want to resolve this issue,

we must address the root cause of these problems and secure sufficient funding.

We would like to thank Mayor de Blasio for making unprecedented investments to strengthen and preserve public housing in New York City. He has committed \$1.3 billion to fix nearly 1,000 roofs and more than \$500 million to repair facades at more than 400 buildings. The Mayor has also relieved NYCHA of nearly \$300 million in payments to the City since 2014.

With the Mayor's recent \$13 million investment for immediate boiler repairs, we will be able to shore up equipment and respond faster to heating emergencies. And with his most recent commitment of \$200 million to fund heating infrastructure upgrades, we will be able to replace outdated boilers and modernize heating system controls and hot water-making technology at 20 developments, benefitting 45,000 residents.

To be clear, we did not just turn to investing in our heat-related infrastructure in the last few weeks. We have made significant investments over the years. And as part of our five-year capital plan, we are investing \$772 million in heat-related programs with Federal, State, and City funding as well as investments from our Energy Performance Contracts, an important part of our NextGen Sustainability Agenda.

As much as we know that replacing our aging infrastructure is the key to reducing the number and duration of outages, we also know that we have an obligation to provide better service to our residents now. We have increased our efforts to ensure our heat and hot water equipment is working efficiently. This includes performing annual summer preventative maintenance on our boilers, making significant welding repairs and repairs to boiler controls.

When there is an outage, the hardworking women and men at NYCHA who serve our residents respond vigorously. Throughout the winter, and particularly during this cold spell, staff labored around the clock in challenging conditions to quickly resolve outages, going above and beyond to serve New Yorkers.

We implemented additional measures aimed at improving our response time and ability to address emergency situations. Starting December 29, when the National Weather

Service first predicted the extreme cold weather, we:

- Activated 24/7 roving teams of specialized staff to respond quickly to outages;
- Launched the Heat Desk, a dedicated triage tool to manage outages;
- Established a “Situation Room” staffed by our Office of Emergency Management, Operations, the Heating Department, Procurement, Resident Engagement, and External Affairs to coordinate quick responses to the outages. From January 4 through January 10, the Situation Room was staffed around the clock. From January 11 through January 12, it was staffed from 7 a.m. to 11 p.m.;
- Initiated 16- or 24-hour boiler watches at problematic boiler plants;
- Increased the number of staff working at the Customer Contact Center;
- Activated emergency contracts to procure heating equipment and temporary boilers;
- Partnered with other City agencies for additional resources;
- Notified residents about outages and completed repairs through robocalls, flyers, and social media; and
- Communicated with elected officials by assigning a dedicated contact person in our Office of Intergovernmental Relations for each borough and through regular email updates.

Through these efforts, we were able to resolve 89 percent of outages within 24 hours during the cold spell.

As we take a close look at our operations, the fact is that the failure of our equipment during the extraordinary weather conditions is exactly what disinvestment looks like. The sustained and severe lack of funding for vital infrastructure over decades is what you, Chair Torres, have described as “demolition by neglect.”

We agree wholeheartedly that residents shouldn’t have to put up with heat and hot water outages. So I hope that this hearing is, in part, a call to action: NYCHA needs more funding to replace infrastructure past its useful life and maintain our buildings in a state of good repair.

We know that the issues brought by decades of neglect will not be solved overnight. But

we look forward to working with the City Council and other partners to corral the resources NYCHA needs and residents deserve. Until then, NYCHA is committed to responding to every outage as quickly as possible and continuing to improve our customer service. Thank you for your support. We are happy to answer any questions you may have.