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June 23, 2009

Testimony on NYCHA Fiscal Year 2010 Draft Annual Plan

My name is Rosie Mendez, and I am the Councilwoman for District 2. I also serve as the Chair of the Subcommittee on Public Housing for the New York City Council. Thank you for the opportunity to testify on the state of Public Housing today in New York City and the NYCHA Draft Agency Plan for 2009.

I am deeply concerned about how the lack of fair share funding of NYCHA by the US Department of Housing and Urban Development (HUD) and New York State will affect the nearly 415,000 lower- and middle-class New Yorkers, our most financially vulnerable neighbors: the senior citizens, the disabled and others often living on fixed incomes, as well as the working poor who are public housing residents. NYCHA must avoid balancing its budget on the backs of residents!

Plans that decrease access to affordable housing and increase the economic burden of low- and moderate- income households in public housing and Section 8 programs should be considered only as a last resort. While I am acutely aware of the need to ensure the Authority's long-term viability, I have significant concerns about NYCHA's plan and the future of public housing.

First, this year, thanks to President Obama, the federal subsidy has increased however, I share the concerns of advocates that NYCHA still does not receive all the federal funding they are entitled too. As it stands now, public housing authorities will receive only \$4.6 out of the \$5.5 billion required for operating subsidies. It is estimated that this will leave an operating deficit of at least \$100 million for NYCHA. I call upon Congress to remedy this situation by appropriating more funding for public housing so that NYCHA will receive its full operating subsidy.

Thanks to Senator Schumer and Congresswoman Nydia Velazquez, the plight of the 21 developments built by the City and State were brought to the attention of Congress by the introduction in the House and Senate of the *Equal Treatment Act of 2007* in the previous legislative session. The bill federalizes the 21 State and City developments (20,000 units) by including them in the count which determines the amount of operating subsidy NYCHA receives from HUD so that they will receive federal funding. Currently, their lack of dedicated funding contributes greatly to NYCHA's deficit. I urge my colleagues in Washington to continue to fight for full funding for all of NYCHA's developments.

Second, I urge NYCHA to cease their payments in lieu of taxes, or Pilots which NYCHA pays to various city agencies for added police presence, fire and other municipal services, such as Sanitation.

These payments in exchange for added services, cause excessive financial drain to the Authority's operation as a whole and must be renegotiated. While NYCHA is asked to make increased payments for increased services, my constituents and public housing residents throughout the city rarely reap the benefits. Furthermore, private landlord's and non-profit housing developers are exempt from these kinds of payments. In light of the chronic budget deficit I urge NYCHA to assess the necessity of these payments.

Third, NYCHA has decided to make 2 major policy changes without going through the process of filing an amended plan. In 2009, NYCHA amended its pet policy to bar certain types of dogs, without any opportunity for resident or public comment on the policy or the criteria being used. As a result, residents were not adequately warned of the policy change and were given very short notice to comply. I urge NYCHA to discontinue the new pet policy until residents have had the opportunity to comment. Moreover, I recently learned that in 2007, NYCHA amended its "standard of admission" to bar—for five years—remaining family members claimants, who lose their remaining family member grievances and are brought to Housing Court. Many of my constituents come to my office seeking help on these grievances. While NYCHA decides on their specific case, I always urge constituents to seek alternative housing options, often encouraging them to apply for their own NYCHA apartment. I urge NYCHA to discontinue this policy until the public and elected officials have the opportunity to comment.

While the annual plan mentions several initiatives I support including the program to install closed circuit television systems (CCTV), energy conservation plans, including a energy contracting performance program known as EPC, and its language access implementation plan, I am concerned that NYCHA has failed to address the needs of residents who having financial difficulties in these trying times by continuing to bring tenancy termination proceedings against tenants who have filed for rent adjustments. I ask that NYCHA particularly place a hold on Chronic Rent Delinquency proceedings while residents are waiting for their rent adjustments to reflect their current income.

Furthermore, I strongly urge that NYCHA fulfill the mandate of Section 3 HUD regulations to expand job and training opportunities for low income residents, especially in light of President Obama's desire to create such jobs through the stimulus funding package. While the Draft Annual Plan alludes to creating and increasing job placements with HRA, there are no details on NYCHA plans to do this. Higher incomes can help offset the deficit. Every \$100 increase in household monthly income gives NYCHA \$30 more in rent.

Affordable housing is the cornerstone of maintaining a strong economically diverse city. I am confident that, working collaboratively, we will strike the necessary balance that achieves long- term financial stability, expands affordable housing, and protects our most vulnerable households. Thank you for the opportunity to testify today.