

**TESTIMONY FROM NYCHA'S EXECUTIVE VICE PRESIDENT OF CAPITAL PROJECTS
STEVEN LOVCI
NYCHA'S CAPITAL SPENDING OF CITY FUNDS
COMMITTEE ON PUBLIC HOUSING WITH THE SUBCOMMITTEE ON CAPITAL BUDGET
THURSDAY, NOVEMBER 18, 2021 – 2 PM
REMOTE HEARING (VIRTUAL ROOM 3)**

Chairs Alicka Ampry-Samuel and Helen Rosenthal, members of the Committee on Public Housing and Subcommittee on Capital Budget, other distinguished members of the City Council, residents, and members of the public: good afternoon. My name is Steven Lovci, NYCHA's Executive Vice President of Capital Projects. I am pleased to be joined by Annika Lescott, Executive Vice President of Finance and Chief Financial Officer; Eva Trimble, Executive Vice President for Strategy and Innovation; Oliver Osterwind, Vice President for Project Management in the Capital Projects Division; Brian Honan, Vice President of Intergovernmental Relations; and other members of NYCHA's team. Thank you for this opportunity to discuss NYCHA's capital program, which is committed to preserving and modernizing public housing for NYCHA's residents and the City of New York.

Considering the Authority's significant capital needs – \$40 billion and climbing – we are incredibly grateful for the Council's partnership and funding. Without your support, many important projects that contribute to residents' quality of life would not be feasible, such as playground and basketball court renovations, new entrances, security cameras, and exterior lighting installations.

NYCHA's Capital Program Scope & Strategy

As the largest public housing authority in the nation, NYCHA manages a vast capital program that preserves and modernizes more than 2,200 buildings housing nearly 400,000 residents residing in over 2,400 acres across every borough of the city. However, decades of federal disinvestment has left our buildings needing \$40 billion worth of major repairs – an astronomical figure that grows at the rate of about \$1 billion a year. To best address the significant

needs of our developments and to protect our investments, NYCHA established a “logical building sequence” when planning work. This begins with sealing the building envelope – roofs and facades – and then turning to building systems like heating plants; we can then move to interior renovations and grounds.

NYCHA’s Capital Projects Division (CPD) is responsible for implementing capital construction projects from planning and design through construction and closeout. Over the past two years, CPD has focused on the building sequence and comprehensive design strategies, executing projects with the highest degree of safety and quality. The portfolio includes roof replacement, masonry repairs, heating plant replacement, elevator modernization, infrastructure upgrades, grounds improvements, exterior lighting, lobby entrances, and CCTV, to name a few.

NYCHA's City Capital Plan – Sources & Uses

NYCHA’s 10-year (2022-2031) City Capital Plan totals \$4.6 billion. The majority of these funds, or \$4.4 billion, are Mayoral. More than half of those funds (\$2.8 billion) are allocated toward projects that address the HUD Agreement pillar areas, such as heat, elevators, lead, and mold.

NYCHA’s City Council funding totals \$125 million in the 10-year plan. The discretionary allocations from Council Members are an essential source of funds for vital quality of life projects that benefit residents greatly, such as playground and basketball court renovations, exterior lighting installation, security enhancements, and other community amenities.

Progress through Partnership

NYCHA takes responsibility for the frustrations around City Council discretionary projects. And we are committed to improving our performance through new management and partnerships. For instance, CPD hired a new

government liaison in 2020 to streamline communication between all parties. We also established a project management team whose assignments involve City discretionary-funded projects; a significant benefit of this enhancement is that staff are more knowledgeable about the complexities of City procurement.

To enhance transparency, NYCHA recently joined Checkbook NYC. And by moving from paper to electronic submission of registration packages for the Comptroller's Office this year, we are speeding up the contract registration process while also providing ready insight into the status of these packages.

As I mentioned, Council Members are a vital partner to the Authority, especially when it comes to identifying projects that will go a long way in improving residents' quality of life. Our partnership with residents and other stakeholders is also furthering our work. For instance, CPD's Connected Communities initiative leverages public-private partnerships to enhance residents' quality of life through improvements to outdoor spaces at our developments; the initiative also serves as a roadmap for dialogue and engagement with our partners.

We know how important it is to engage residents, development staff, elected officials, and other members of the community in the planning, design, and implementation of projects. Our goals of accountability, transparency, and increased participation with partners are supported by our new Standard Procedure of Stakeholder Engagement, which rolled out with training this year.

Conclusion

NYCHA strives every day to be a good steward of the funding we receive to preserve public housing and provide a better quality of life for residents. However, we know we need to continue improving the timeliness of City discretionary-funded capital projects.

I would like to emphasize again that NYCHA's partnership with the Council is crucial, and we value it highly. From our many meetings and conversations, we've taken your suggestions to heart and incorporated them into the way we do business. Your support and generosity are critical; we wouldn't be able to complete many of the capital projects that matter most to residents with federal funding alone.

Thank you. We are grateful for your support and are happy to answer any questions you may have. And we look forward to keeping you updated on the status of our efforts to improve our developments as well as residents' quality of life.