

**TESTIMONY FOR NYCHA GM MICHAEL KELLY**

**THE MAINTENANCE OF PUBLIC HOUSING DEVELOPMENTS**

**ASSEMBLY STANDING COMMITTEE ON HOUSING**

**TUESDAY, OCTOBER 26, 2010 – 11:30 AM**

**250 BROADWAY, ASSEMBLY HEARING ROOM 1923, 19<sup>TH</sup> FLOOR**

**Chairman Vito Lopez, distinguished members of the Committee, and to all the members of the State Assembly — it is my pleasure to be with you today. I am Michael Kelly, General Manager of the New York City Housing Authority (NYCHA). And joining me this morning are Gloria Finkelman, NYCHA’s Deputy General Manager for Operations and Brian Clarke, Assistant Deputy General Manager of Operations for Support Services.**

**I want to thank Chairman Lopez, the Committee, and the State Assembly under Speaker Sheldon Silver’s leadership for your enduring commitment to NYCHA families. And I want to especially thank Chairman Lopez for your vision**

and leadership during the passage of legislation that brought needed Shelter Allowance support to the Authority, and also during the successful Federalization of the Authority's 21 state and city built developments.

I am grateful for the opportunity to discuss the maintenance and, ultimately, the preservation of New York City's public housing—an issue that is both central to NYCHA's mission and deeply personal to the lives of the families we serve.

As you can imagine, scheduling availability for maintenance and service requests is based on staffing capacity. Given the severe budget deficit of recent years, between 2005 and 2009 Operations lost 1,540 skilled employees. Meanwhile, work orders for skilled professionals—notably carpenters, painters and

plasterers—soared, from 180-thousand in 2005 to 250-thousand this year.

NYCHA respects and understands our residents' frustration over the current backlog of repair and maintenance work. No one wants to solve this problem more than NYCHA and the Authority is working every day to develop solutions to do just that. Undertaking both the critical repairs needed to preserve the structural integrity of our buildings and the restoration of individual apartments, requires that NYCHA strike a balance that maximizes our current resources and develops new funding strategies and partnerships that will take us beyond our current capacity to address these issues.

This morning, I would like to discuss several approaches NYCHA is considering for how we meet this challenge, the work we have done to make our maintenance and repair

system more fair and transparent, and the longer-term strategy that we are developing in conversation with the many groups—in public service and the private sector—who believe as we do, that public housing is vital to the future of New York and the nation.

### Chronic Underfunding Left NYCHA Vulnerable as Public Housing Stock Aged

The single greatest challenge facing housing authorities across the nation is the preservation of our buildings.

Perhaps no national resource is as intimate to people's lives as is public housing. Public housing is much more than a collection of hallways and bedrooms, of kitchens and playgrounds—for more than 400-thousand New Yorkers, public housing is home. For 76 years, NYCHA's 2,604 residential buildings have been central to the lives of

generations of New York families. Time alone, even in the best of circumstances, would pose a challenge for preserving this valuable resource for the future. But, in addition to the wear inherent from daily life, NYCHA has contended with more than a decade of under-funding—each year adding to our structural deficit and hampering the Authority’s ability to meet the maintenance needs of our aging housing stock.

Throughout the last presidential administration, public housing authorities across the country received only 85 percent of their eligible Operations subsidy. And during that same period, Capital programs were dramatically under-funded, as well.

Fortunately, President Obama came into office in 2009 with a renewed commitment to public housing, devoting valuable resources to public housing authorities in the

American Reinvestment and Recovery Act because, as the President said, “to maximize economic productivity and opportunity in a 21st Century economy, federal policy must reflect the new metropolitan reality—that strong cities are the building blocks of strong regions, which in turn, are essential for a strong America.”

No one is more committed to strong cities than Mayor Michael R. Bloomberg. The Bloomberg Administration has been a steadfast friend to NYCHA families, working with State leadership and the City Council to develop new strategies to preserve, strengthen and secure public housing in New York.

While NYCHA is fortunate in our city and state leadership and in a renewed commitment from federal government, we must contend with the history that, over time, has posed significant challenges to the Authority’s fiscal

strength. In addition to multi-year, chronic under-funding of federal operating and capital subsidies, management of the now federalized State and City built developments, which had largely been unfunded since 1998, also reduced the Authority's ability to maintain our buildings and apartments.

In 2005, NYCHA's Comprehensive Needs Assessment (CNA) identified a five-year, seven-and-a-half billion dollar need to fully address repair and maintenance issues across the Authority. Currently, NYCHA only has one-and-a-half billion dollars to address such repairs. Clearly, meeting this challenge will require that we work together—housing officials, elected leaders, community stakeholders, residents and friends of public housing.

Under the leadership of Chairman John B. Rhea, Vice Chairman Earl Andrews, Jr. and Member Margarita

López, NYCHA is currently developing a comprehensive Five Year vision—a strategic Plan to Preserve Public Housing that is an unprecedented collaboration with partners in New York and across the country that we believe will serve as a vital roadmap for addressing our current maintenance and repair backlog, as well as other challenges in the future.

### The Changing Face of Maintenance and Repair Work at NYCHA

As NYCHA has worked to meet the repair and maintenance needs of our aging housing infrastructure, the strategy for how we best serve our residents and preserve our buildings has evolved. Several years ago we realized that, in addition to the increased costs inherent in our former de-centralized system, it did not provide



critical measurements for how we could improve service nor did it allow for an Authority-wide assessment of our maintenance demands.

In 2004, NYCHA proposed the creation of a centralized call center aimed at improving service delivery to residents, standardizing data entry for service requests, reducing the backlog of repair and maintenance work and eliminating duplication of work orders, formerly known as “work tickets.”

As I mentioned, at that time the Authority’s system for monitoring, handling and responding to service issues and maintenance requests was de-centralized. Housing Assistants or receptionists at each development handled all requests for maintenance work. Residents could only make requests Monday through Friday, between the hours of 8:30 AM and 4:30 PM, and residents did not receive a

scheduled date for when the issue would be addressed. As a result, approximately 20 percent of all attempted apartment maintenance could not be completed because no resident was available when the tradesperson visited the home. Finally, the de-centralized system had no transparency and very limited reporting capability.

In 2005, NYCHA launched the first Centralized Call Center (Center) for developments in Staten Island. Later that year, Queens developments were incorporated into the Center. Manhattan developments were added in 2006. And Bronx and Brooklyn developments were encompassed in 2007. Last year, the Center became its own department and was aptly renamed the Customer Contact Center (CCC). We also expanded the CCC's client base to include public housing and leased housing applicants, Section 8 participants and Section 8 landlords. And just this year,

the CCC procured a language line service to assist customers with Limited English Proficiency, representing a more than \$560,000 annual investment.

Today, the CCC is one of our most important tools in addressing the backlog of repair work, primarily because for the first time we know, Authority-wide, what our need is. 115 trained professionals staff the CCC and handle over two million calls a year. They are available 24 hours a day, seven days a week to handle emergencies. And NYCHA maintains extended hours of 6 AM to Midnight, Monday through Friday during which residents may call to schedule repair work.

We have an electronic ticketing system in place that sets priorities based on urgency, with emergency work orders—those that address an immediate threat to life, health and

safety to the resident or NYCHA property—being responded to by NYCHA employees within 24 hours.

The CCC allows us to use data for intelligent reporting, so that we can continue to improve the system and our service. And, perhaps most important, the system is scalable, which means it can be expanded to cope with increased use.

### How Does a Resident Get a Repair?

I would like to take you through a standard case when a NYCHA resident has a repair issue.

First, the resident will call the CCC and be greeted by a courteous professional, trained to assess the resident's issue. The call taker notes the resident's contact record information on the Service Request and updates information as necessary. The call taker will schedule a

**maintenance or Skilled Trades Service Request**

**appointment and our system will dispatch a NYCHA employee between 8:30 AM and 4:30 PM, Monday through Friday, to address the resident's concern.**

**I should mention that NYCHA adheres to union guidelines that stipulate skilled tradespersons may only serve in a single, specific capacity—so a plasterer may not also work as a painter.**

**At the initial visit, the maintenance worker will verify and assess the repair request; if it is within his or her job description, the worker will make the repair. If the maintenance worker assesses that the repair must be performed by a skilled tradesperson, such as a plumber or plasterer, he or she assigns the resident a reference inspection number and asks that the resident call the CCC after 48 hours to schedule the repair. When the resident**

calls with his or her reference number, they will receive a scheduled date for the repair work based, as I mentioned, on staffing availability.

### NYCHA is Developing a Strategy to Improve Maintenance and Repair Response Time

Our centralized system allows for a standard, transparent and fair process for how we address our residents' maintenance and repair needs. And since the development of the CCC, NYCHA has made significant progress in measuring our capital needs and forming strategies to address them.

But more remains to be done to continue the critical infrastructure repairs and upgrades vital to maintaining our aging buildings; to meet the maintenance and modernization demands of our individual apartments; and

to hire the skilled men and women who are indispensable to performing this work.

Fortunately, under Chairman Rhea's leadership, the Authority has become more nimble amid a changing economic landscape and an inhibited ability for government to provide additional funding. Last year, Chairman Rhea created the Office of Public-Private Partnerships to help foster the collaborations that will further close the gap between our existing funding and what the Authority truly needs to preserve public housing for the future.

In the short-term, NYCHA has also developed several strategies that will help us continue to rebuild the Authority's infrastructure and reduce wait times for individual repair work.

We are looking into re-appropriating \$7 million of Capital Administrative funds for work order items.

We are working to streamline our procurement contract system so that NYCHA can further expedite maintenance and repair work.

We are reevaluating our Capital Program so that we are focusing on the kinds of “umbrella” repairs that will reduce the need for maintenance work. For example, if we have a building with a high volume of requests for plaster work, it may be because the roof needs to be replaced.

NYCHA is examining our current staffing levels as compared to our existing need so that we can “right-size” our operation, making sure that each trade is properly represented among our professions corps.

Finally, because of the foresight and diligence of the NYCHA Board, for the first time in almost a decade, we



have been able to fill positions rather than lose them to turnover and attrition. Fiscal Year 2010 will see 218 new positions added to Operations.

### NYCHA is moving in the Right Direction

NYCHA has begun to right the ship, but meeting this challenge will require all hands on deck, working together for the future of this valuable City, State and National resource.

NYCHA is committed to working with our partners in the State Assembly and in the City Council, as well as at the Department of Housing and Urban Development and the many community stakeholders, both public and private, who share our vision for strengthening and preserving public housing for future generations.

Over the last five years, NYCHA, Chairman Lopez and the State Assembly have worked together to bring vital funding from shelter allowances and Federalization grants into the Authority to serve the families of public housing. As we develop the Plan to Preserve Public Housing, I look forward to continuing our enduring partnership to address the Authority's maintenance and repair needs so that housing in New York City continues to be a home for hundreds of thousands of New Yorkers for the next 76 years and beyond.

Thank you very much and I look forward to taking your questions.