



New York City Comptroller  
John C. Liu

NEWS RELEASE

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**NYCHA HAS A LOT OF EXPLAINING TO DO**

*Liu comments on NYCHA operations, raising serious fiscal and safety concerns*

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NEW YORK, NY –City Comptroller John C. Liu today called on the New York City Housing Authority (NYCHA) to accept responsibility for placing New Yorkers in danger, operating in a fiscally irresponsible manner, governing behind closed doors, and wasting millions in tax dollars on an expensive consultant report that has yet to be publicly released.

Formal comments were submitted to NYCHA earlier this week, with Liu highlighting key points at the NYCHA public hearing on its Annual Plan for Fiscal Year 2013 last night.

Comptroller Liu’s full submission to NYCHA can be found at [www.comptroller.nyc.gov](http://www.comptroller.nyc.gov)

Comptroller Liu also chided the agency for its lack of ability to fill high-level positions, reducing headcount in favor of outsourcing that adversely affects NYCHA residents, and the lack of disclosure regarding the agency’s job-related education and training programs.

“The NYCHA operation is like an onion; the more you peel back the more you want to cry,” Liu said. “The financials in their draft plan, set against the backdrop of ineffectiveness by NYCHA leadership, is a recipe for disaster, and those who feel the brunt of the pain are the residents. These serious questions demand comprehensive answers.”

NYCHA’s draft annual plan for FY 2013 can be found at:

[http://www.nyc.gov/html/nycha/downloads/pdf/Draft\\_FY2013\\_Annual-Plan.pdf](http://www.nyc.gov/html/nycha/downloads/pdf/Draft_FY2013_Annual-Plan.pdf)

Liu’s full testimony as prepared for delivery is below:

**TESTIMONY OF COMPTROLLER JOHN C. LIU  
ON NYCHA’S DRAFT ANNUAL PLAN FOR FY 2013  
AS PREPARED FOR DELIVERY**

As the Chief Financial Officer for the City of New York, I have reviewed the New York City Housing Authority’s draft Annual Plan. While NYCHA deserves some credit for its dedication to providing affordable housing, I have serious questions about its management, finances, and ability to deliver services. Public housing is an asset and the bedrock of communities across New

York City. It is so important – the life and lifeblood for more than 400,000 residents, which is why so many are here this evening, concerned.

NYCHA has a lot of explaining to do. I've submitted my detailed comments to NYCHA. But here, in 3 minutes, are my top-ten questions:

- 1) Why has NYCHA failed to install surveillance cameras and other security systems, even when it has \$42 million funds earmarked for such purposes? That's *dangerous* for NYCHA's residents.
- 2) Why did NYCHA hire the Boston Consulting Group in a reported \$10 million no-bid contract? Did NYCHA's Chairman fail to disclose his former employment with BCG? Why has NYCHA refused to disclose a report prepared by BCG with taxpayer money, which has led to a federal investigation?
- 3) Why does NYCHA want to borrow another \$500 million, when it has more than \$777 million in uncommitted and *unspent* capital-fund grants that date back several years? Won't more debt hurt NYCHA's financial stability? Isn't NYCHA risking having to give back those unused funds?
- 4) When NYCHA pays the NYPD \$70 million dollars annually, is it getting its money's worth? The 1994 agreement is outdated and hasn't necessarily proved to reduce crime, and has resulted in an intrusive trespassing program and objectionable instances of stop-and-frisk?
- 5) Why are so few NYCHA residents hired as *uniformed* officers? NYCHA needs *many* more uniformed officers rooted in its own communities, to improve police-community relations, increase the security of NYCHA residents, and lower the incidence of stops-and-frisks.
- 6) As the Section 8 program faces cuts, is NYCHA creating any safety net for its Section 8 voucher holders? Is NYCHA pushing aggressively for more Section 8 funding?
- 7) Why doesn't NYCHA's plan have more about job creation and training for residents in modernization, construction, and building maintenance, as required by Section 3 of the federal law? Let me be clear: We're looking for meaningful career employment, not just temporary jobs.
- 8) When NYCHA has spent a staggering amount automating many of its operations, shouldn't it disclose how residents have benefitted from these costs?
- 9) When city budgets are so tight, why is NYCHA leaving *federal* money on the table? Twenty-one thousand aging housing units qualified for federal operating and capital-fund subsidies when NYCHA's used up its stimulus funds and completed the associated capital work in March 2012. But only about two-thirds of these units will receive the federal operating and capital subsidies to which they're entitled.
- 10) Will NYCHA need to divert subsidies from other needy developments in order to fund the maintenance of the remaining "Federalized" units?

These are just a few of the questions about NYCHA's finances and policies in my comments on the plan, which we invite you to read.

I look forward to NYCHA officials' response to these questions, in order to ensure the fiscal integrity of the organization, as well as the delivery of critical services to its residents.

My audit bureau will also be providing answers to some of these questions. For example, earlier this week we started an audit of Section 3. Another of our audits found inefficiencies in NYCHA's CM Build program.

Providing affordable housing and employment opportunities to all of our City's families is integral to the economic health of New York City.

Thank you.

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