

# Layoffs Likely for 250 At HA; Unions Lash Out

By DAVID SIMS | Posted: Monday, June 17, 2013 5:00 pm

The Housing Authority will close more than 100 community centers and senior centers, which will mean layoffs for some 250 employees, because of cuts enacted under the Federal sequester, Chairman John B. Rhea told the City Council June 13.

Social Service Employees Local 371 President Anthony Wells said that the HA had not informed workers that they would be losing their jobs until the night before the hearing. “Everybody knows the sequester is coming. They never said anything concrete. But while we’re sitting here, they’re telling workers their last day is Aug. 31,” he said in an interview. “It may be improper practice; it’s certainly outrageous.”

## Cites \$205M Cut by Feds

Mr. Rhea said HA’s Federal subsidies were being reduced by \$205 million due to sequester cuts in Washington, and the agency’s reaction seemed to largely focus on continuing outsourcing, with 69 community centers and 37 senior centers potentially living on under the wing of non-profits as part of a Department of Youth and Community Development “Cornerstone” program.

“We will not waver in our determination to advance sound, if sometimes unpopular, initiatives to secure the future of public housing,” Mr. Rhea said. “We realize that our actions to mitigate these new reductions will have a tangible and lasting impact on the residents who depend on the services we provide, as well as the employees who provide them...however, the realities of the present moment are stark and unavoidable.”

Mr. Wells put it more bluntly. “The Chairman has always made it clear: HA does not want to provide direct social services anymore,” he said. “This is an attack on workers and civil service; it’s privatization.”

## Questions Savings

He said he did not believe the contracting-out of community centers to non-profits would save the city much money, if any. “The numbers look cheaper to me, or at least comparable” if the work is kept in-house, he said.

“This is about contracting out. The city is willing to put money into the program, but only if it’s given to the private contractors,” he continued. “He said there’s no executive cuts because they’ve had some. We’ve had layoffs, we’ve had attrition, and we don’t get spared, so why do they get spared? And their salaries are higher than us.”

HA General Manager Cecil House told the Council that the agency expected to save \$50 million “through reductions to our labor costs,” including furloughs for certain workers, the elimination of a summer seasonal caretaker program, and the closing of the centers.

“The discontinuation of programming at community centers is a devastating result for residents, as well as the approximately 200 employees that would be affected,” Mr. House said. Mr. Wells pegged the number at closer to 250.

### **‘Negative Impact on Youth’**

“We recognize that the cancellation of crucial programming will have a serious, negative impact on our youth, their families, and senior citizens,” the HA GM continued. “We regret deeply that we’ve been forced to go down this path.”

Teamsters Local 237 President Gregory Floyd, who represents the majority of HA workers, said he could not make sense of Mr. Rhea’s plans, for which he also received no advance warning.

“The HA is very secretive; they won’t tell you anything until the last minute, and you can’t believe anything he’s saying because he was sitting on \$1 billion,” he said, referring to a fund devoted to capital repairs that the HA had even as it dealt with a huge backlog in work orders.

“Nothing’s been laid out to me and I don’t know what his plan is. I don’t know how he plans on finishing destroying the Housing Authority,” Mr. Floyd continued. “He has money he doesn’t manage properly, he wasted \$10 million on a consulting report, it goes on and on and on. The repairs are backed up, now you’re playing catch-up.”

### **Thompson: Fire Rhea**

Mayoral candidate William C. Thompson Jr. added to the pile-on, saying in a statement that Mr. Rhea should be fired for his delayed reaction to the sequester cuts.

“To punish low-income New Yorkers, most of whom are people of color, for HA’s gross mismanagement, is unjust and unacceptable,” he said. “I demand that Mayor Bloomberg fire Commissioner Rhea. Commissioner Rhea completely failed to prepare for Federal funding cuts that have been expected for a long time and continues to oversee HA’s perpetual deficits.”

As Mr. Rhea was explaining the sequester cuts to the Council, the State Legislature voted to reform the agency’s board to have its members serve part-time without a salary. The board will grow from four to seven, with three members required to be HA residents.

### **‘Still Investing in Housing’**

“Across the country, cities have abandoned public housing, but we refused to do that,” Mayor

Bloomberg said in a statement on the reforms. “We continued to invest and support our public housing system, and these reforms will help us continue to improve it—in spite of a decade [of] cutbacks by Congress.”

“The New York State Legislature has taken a critical step towards making the New York City Housing Authority more accountable, more efficient and more responsive to tenants and taxpayers,” Manhattan Borough President Scott Stringer, who suggested the reforms in a 2012 report, added.