

# Budget Squeeze Forcing HA to Cut Headcount 300 Over Next 4 Years

By DAN ROSENBLUM | Posted: Monday, March 30, 2015 5:30 pm

The Housing Authority will shed 300 positions over the next four years to address chronic shortfalls in its budget. Additionally, the agency is continuing to sharply reduce overtime, HA Chair Shola Olatoye testified at a March 26 City Council Public Housing Committee hearing.

The headcount is expected to decline from 11,318 this calendar year to 11,001 by 2019, according to a Council analysis of the agency's operating plan. Discounting benefits, salary costs are estimated to drop by 5 percent over the next four years.

## Save \$64M Annually

The HA did not immediately identify the titles and whether the reductions would come from attrition.

The savings will amount to \$63.7 million dollars this year. The agency has also reduced overtime to save money.

"We have really made some hard decisions in the summer of 2014 and eliminated all non-emergency unscheduled overtime," Ms. Olatoye said during the agency's preliminary budget hearing. The cuts have resulted in work orders being filled more slowly, a deteriorating quality of life for residents, less pay for employees and problems synching worker and tenant schedules.

The agency spent \$84 million on overtime costs last year, mostly for Maintenance Workers and skilled-trade laborers.

## 'No Question We Need Staff'

"There's no question that we need more staff at the front line to get the work done," she said. "And also to ensure the safety of our employees going forward."

A \$98.2-million deficit in this year's budget is expected to grow to \$287 million by 2019 and could surpass \$400 million in a decade, Ms. Olatoye said. A \$115-million decrease in Federal funding—already sharply reduced from historic levels—unfunded housing units that are not



## 'GRAVE' CONCERNS

'GRAVE' CONCERNS: Housing Authority Chair Shola Olatoye confers with agency officials during a March 26 City Council budget hearing. The agency is preparing to eliminate 300 positions by 2019 to cope with a growing budget deficit.

receiving Federal funding and growing employee and pension costs were straining the agency's resources, she added.

"The existing financial model for public housing is unsustainable," she said. "And as the funding figures suggest, there is no easy solution in sight for NYCHA's grave fiscal predicament."

In one bright spot, the state is likely to provide money for capital repairs. In his executive budget, Governor Cuomo proposed sending the HA \$25 million, with the State Assembly pushing for \$125 million. Teamsters Local 237 President Greg Floyd advocated for Mr. Cuomo and the State Senate to agree to the larger amount.

### **Wants It Well-Targeted**

"I'd like to see the money used efficiently," he said. "Not wasted on supplies that we didn't need, not wasted on services we don't need."

This year, the city has provided \$105 million for lighting upgrades, roof repairs and security upgrades at 29 HA developments. The city has also forgiven millions of dollars in payments the NYPD has charged for patrols, which will save the HA at least \$70 million annually through 2019.

In an irony pointed out by the Council's Public Housing Committee Chair, Ritchie Torres, the city collects nearly \$80 million more in payments from the HA than it gives to the agency, even as the agency appealed for more subsidies. He said that Madison Square Garden, many hospitals and cultural institutions got huge tax exemptions "and yet the largest provider of affordable housing for the poorest of our residents in our city receives no incentive whatsoever."

### **Blames GOP for Shortfall**

Shortly before the end of the three-hour hearing, tenants who have cycled through the city's shelter system appealed to the HA for permanent housing. Mr. Torres said there were 250,000 people vying for 5,000 apartments that open up each year, and he criticized Republicans in Congress for standing in the way of adequately funding public housing.

"To the extent that you're struggling to find housing, it's not because people like me don't have empathy for the struggles you're facing. It's that we don't have supporters in Washington," he said.

The HA last week also named Michael P. Kelly to replace Cecil House, who announced earlier this month he would step down as General Manager. Mr. Kelly had stints managing public housing in San Francisco, Washington D.C. and Philadelphia, and was previously the HA's General Manager from 2009 to 2011.

## **Worth the Gamble**

Asked March 25 about Mr. Kelly having left the Philadelphia Housing Authority after he acknowledged having an extramarital affair with one of his staffers, Mayor de Blasio called him “extraordinarily experienced.”

“Human beings make mistakes, but if they own up to it, and they don’t do anything that harms the work, I think it’s right to give someone another chance,” he said. “But in terms of the quality and experience he brings, it’s unparalleled in the nation and I think he’s going to help up continue to make NYCHA a better place.”