

Mayor's HA Revival Plan Will Move Out 1,000 Administrators

By DAN ROSENBLUM | Posted: Friday, May 22, 2015 3:45 pm

With the Housing Authority facing a serious economic crisis, Mayor de Blasio unveiled a plan May 19 that would affect nearly 1,000 administrative employees over the next three years, with the vast majority of them to be transferred to other agencies, and as many as a quarter of the HA positions eliminated by attrition using buyouts.

Speaking at an East Harlem community center, Mr. de Blasio and HA Chair Shola Olatoye released details of the "NextGeneration NYCHA" plan, which aims to modernize and slim down the agency as a response to years of slashed Federal and state funding.

'NYCHA's Worst Crisis'

The Mayor warned that a \$17-billion capital-spending gap and a one-month cash surplus for operations signaled that the agency faced financial calamity if it didn't reshape itself. "This is, at this moment, the worst financial crisis in the history of NYCHA," he said. "That's what these years of disinvestment have taken us to."

In removing the 1,000 workers from the HA payroll through transfers and attrition, the de Blasio administration expects to save \$90 million annually. The space consolidations and other measures from the headcount reduction would further reduce administrative costs by 2 percent, housing officials said.

"The basic ground rule will be that people who are now in some of those administrative roles will have either another opportunity in a different city agency, or they'll have an opportunity for a buy-out," Mr. de Blasio said. "So we're going to make opportunities available. There's no lay-offs in this plan. We're looking for other alternatives for those workers."

The plan would reduce the HA's back-office staff from 22 percent of its employees to 15 percent, according to the agency. The administrative headcount reached a recent peak of 3,500 in 2002 and it declined by 26 percent through 2010. It has hovered at roughly 2,600 since then. Service levels



AN AGENCY IN CRISIS

AN AGENCY IN CRISIS: Mayor de Blasio last week describes the financial hole faced by the Housing Authority as his administration released the 'NextGeneration' plan. Part of the strategy to save money and generate revenue includes shedding or transferring 1,000 positions. Looking on is HA Chair Shola Olatoye.

won't change, according to the HA.

Tracks Recent Turnover

The report said the attrition would be consistent with the average rate over the last seven years, which was roughly 9 percent annually, according to HA data. That would be equivalent to 234 jobs lost per year.

In its report, the HA said other agencies could handle many of the operations such as fleet management, call centers, legal services, mailing and procurement. Specifically, the HA leases its own office space and designs its infrastructure and buildings, which is typically handled for other agencies by the Department of Citywide Administrative Services and the Department of Design and Construction, respectively.

Some of the redundant functions are a "vestige" of the Federal and state roles in funding and organizing the agency, according to the report. City Council Speaker Melissa Mark-Viverito praised the transition.

'Very Creative'

"Right now, NYCHA has been operating kind of in a silo and on its own," she said. "Yet, there is some level of involvement that is needed of other city agencies. So the idea of integration so that it's more fluid and that they coordinate more closely, I think, is a very creative aspect and something that I had not seen before in all the conversations we've had."

Many unions representing the agency's employees haven't yet weighed in. The implementation plan said the HA "intends to meet with the various unions in the coming weeks to discuss the impact on the employees."

"We are studying the NYCHA plan and we will cooperate with the city where we are able to," said Hank Sheinkopf, a spokesman for Teamsters Local 237, which represents front-line staffers.

To save money, the agency intends to transfer 24 community centers to the Department of Youth and Community Development and 17 senior centers to the Department for the Aging, which District Council 37 has rallied against, citing the potential privatization of up to 100 unionized jobs.

'371': Misses the Mark

In a statement, Local 371 President Anthony Wells said the plan "misses the mark" for proceeding just before summer, when demand for services is at a peak. "These workers have worked in our NYCHA centers their entire careers, and many of them live in public housing," he said. "They know the communities. They can relate to NYCHA residents. Our track record shows that dedicated NYCHA workers do this job better than outside contractors, who don't have the same level of training or accountability."

The NextGeneration plan, which seeks to save \$4.6 billion in capital spending and generate a \$230-million surplus over the next decade, is the third initiative over the past decade to attempt to increase revenue and close spending gaps while speeding up repairs to the crumbling public-housing stock. But the latest strategy has a wider scope than the 2006 “Plan to Preserve Public Housing” and 2012’s “Plan NYCHA.”

Mr. de Blasio also intends to entice developers to build 10,000 units of affordable housing on underused HA land by allowing them in return to charge luxury prices for other rental units they develop on the properties, which could generate \$500 million for the authority. The HA also seeks to increase its rent collection, tap more Federal Section 8 subsidies and raise the prices for resident parking permits.

Waiving Fees to City

The Mayor has already proposed to waive more than \$100 million in payments to the city in lieu of taxes and to the NYPD for police services.

Ritchie Torres, the Council’s Public Housing Committee Chair, said the plan included “painful choices.”

“If we nothing, or we do too little, the Housing Authority will collapse under the weight of its own financial insolvency,” he said.