

Stringer: HA Losing Millions in Rent Keeping Vacant Apartments Off Market

By DAN ROSENBLUM | Posted: Monday, June 29, 2015 5:00 pm

As a group of religious leaders and public-housing tenants rallied at City Hall last week to call for Housing Authority Chair Shola Olatoye to step down because of frustration getting apartments repaired, Comptroller Scott Stringer defended her, even as he released a report critical of the beleaguered agency.

“I want to work with the NYCHA Chair, and I am not with that,” he said of the resignation call. “I believe very strongly that her heart’s in the right place; she’s trying. Obviously I have been a critic. I have not been afraid to call out the Chair and the NYCHA governing establishment, but I very much want these audits to translate into direct action.”

\$8 Million in Lost Rent

During that June 24 press conference, he detailed an audit that found the agency has kept apartments off the rent rolls for an average of seven years while it did repairs, leading to more than \$8 million in lost rent. He described some of the findings as

“mismanagement that can only be described as spectacular.”

Mr. Stringer, who had released at least four audits of the agency over the previous 18 months, said Ms. Olatoye inherited a troubled agency, and he hinted a future report would reveal even more chronic issues.

“The audits that we’re doing that are still forthcoming, you’re going to see a pattern of neglect on the part of the NYCHA hierarchy that goes back before this administration,” he said.

Greg Floyd, the president of Teamsters Local 237, which represents 8,000 HA workers, said he feared an imminent privatization of public housing through a Section 8 conversion, regardless of who led the agency. “Who’s going to take her place? I’d go for more of a policy change rather than someone stepping down,” he said.

He said the HA should have been housing homeless families in the vacant apartments.



'Spectacular Mismanagement'

‘SPECTACULAR MISMANAGEMENT’: City Comptroller Scott Stringer criticizes the Housing Authority June 24 for delays in filling vacant apartments that left \$8 million off the agency’s rent rolls. Still, he declined to back a group of tenants who called for HA Chair Shola Olatoye to step down. Teamsters Local 237 President Greg Floyd stands to his left.

Councilwoman Laurie Cumbo, who joined the press conference at the Raymond V. Ingersoll Houses in Brooklyn's Fort Greene, said it wasn't an attack on the Chair, but a call to improve the agency. "I think that anytime anyone has an opportunity to become Chair of NYCHA that particular individual is going to be inheriting decades of challenges," mismanagement and neglect, she said.

2,300 Vacancies

Mr. Stringer said the HA's 178,000 apartments included 2,342 vacant units, even while the agency had a backlog of more than 273,000 households waiting to secure an apartment.

The audit looked at how well the agency tracked a sample of apartments from July 2012 through April 2015. As of last September, there were 1,366 off-roll units—those empty for a long period of time for repairs or for non-residential uses—312 of which had been left vacant while they awaited repairs.

In a sample of seven developments, some apartments—considered "on-roll" because they were occupied or being turned over to a new tenant—took 116 days to fill, far longer than the HA's 40-day goal. And 80 were open for more than a decade, with one at the Harlem River Houses vacant since 1994.

The report also said lax security enabled squatters to move into three apartments in the Harlem River Houses and two apartments in the Ravenswood Houses in Queens.

"Look, this is not a new problem," Mr. Stringer said. "We've now taken a look at NYCHA's finances, at its inventory controls and its housing conditions. At some point we have to say enough is enough. We have to break the cycle of ineffectiveness and deliver housing to New Yorkers in need."

HA Takes Issue

The HA accepted the bulk of the Comptroller's recommendations, which included modernizations, hastening turnover of apartments and monitoring empty units. But it disputed the conclusions, saying its 1-percent vacancy rate was the lowest it had been in a decade. According to its data, the available vacant and off-roll apartments were down to about 2,200 from 6,100 in 2008. And in a statement, a spokesperson said the "NextGen NYCHA initiative"—which seeks to pare down the agency's responsibilities and close a \$16-billion capital-needs gap in light of decreased Federal funding—would address many of the capital repairs and rent-collection issues raised in the audit.

"With thousands of families on the waiting list for public housing and residents with critical pending transfer needs, managing and turning over our vacant apartments effectively and efficiently is vital to our operations," the spokesperson wrote.

On Twitter, the HA referred to HUD Regional Administrator Holly Leicht and Community Service Society President David R. Jones, who sharply rejected calls for Ms. Olatoye to step down. A

tweeting debate between a de Blasio administration official and Eric Sumberg, a spokesman for Mr. Stringer, concluded with Mr. Sumberg pointing out the hundreds of thousands of people on the HA's waitlist.

“Please share with our friends in Washington and Albany!” the HA wrote in response.