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TRANSCRIPT: MAYOR DE BLASIO APPEARS LIVE ON INSIDE CITY HALL

Errol Louis: Welcome back to Inside City Hall. It's been a very busy start to the week for Mayor de Blasio who, today, announced a \$2 billion settlement with federal prosecutors over conditions in public housing as well as a budget deal with the City Council just minutes ago. Joining me now with more details on all of that, live from the Blue Room at City Hall, we've got Mayor de Blasio –

Mayor Bill de Blasio: It's the Blue Room, Errol, that's right.

Louis: Yes, good to see you in front of the Alexander Hamilton portrait there.

Mayor: He's still here. He's still here.

Louis: I want to start with the bad news – the NYCHA settlement, the consent decree. One thing that I found extraordinary, after more than a decade even of reporting on this stuff, was the levels of deception that were involved. Painting over false – broken or missing doors to try and fool the inspectors, putting danger signs up so that people wouldn't walk into certain rooms, having people run ahead of the inspectors to kind of fake things for them. And I'm wondering, thinking back to your days when you were the HUD Regional Director, did you ever encounter anything like that in New York or anywhere else?

Mayor: I did not but again what we know from this investigation by the federal government – but we've known for a long time – there have been a lot of problems in the institutional culture of the Housing Authority in some cases going back decades.

Certainly the lack of investment in the Housing Authority goes back decades and I think the two realities are interconnected. I think the institutional culture degenerated over the years as the work got harder and harder and the resources got thinner and thinner and the buildings got more and more dilapidated. But it does not excuse what some individuals did and in fact the federal complaint, which is a set of allegations, we're now going to review very carefully.

And our new leadership at NYCHA – Stan Brezenoff, our chair; Vito Mustaciuolo, our general manager – are going to look right down to individual cases. If we find any individual who is still

working with us and has done something inappropriate, there are going to be real consequences for those folks because you can't accept it.

We need help from the federal government, it's true. We can't fix the problems without it but we also intend to be very straight forward about the status of our compliance with federal laws and rules. The monitor is going to be helpful. We're going to have a whole new compliance apparatus to help us do that.

I need and expect federal support to fix the problems afflicting 400,000 New Yorkers. We want to get that support based on the truth.

Louis: One thing that was striking about the agreement is that the federal government is not going to provide any money that we've talked about so often that is needed. I mean they are not agreeing to do that at all. Everything that's coming in now is coming out of the City.

Mayor: Look, the federal government should provide support more and I think that is a beginning on that pathway. I would have much preferred immediate support. I don't think it's a shock with the current administration or the current Congress that was [inaudible] forthcoming when we got that news; it was not a surprise to me.

That said, three important things did happen with the U.S. Department of Housing and Urban Development. The current funding which has been continuous over all these years – I want to give the federal government that credit. Even though they greatly reduced funding over the years, there has been continuity in funding from the federal government. I cannot say that about the State.

The State cut off funding back in the 90s and again we are still waiting for State funding that we haven't seen going back to 2015. But the federal government did agree to lift any of the holds they had on federal funding to not reduce federal funding in light of this City contribution and to expedite a number of the regulatory relief concerns that we had and come to decisions quickly because that regulatory relief could save us a lot of time and money.

Now, again, we need the same from the State with the design-build. We need to the State to [inaudible] that half-billion it still owes us and owes NYCHA to do this work. I also think, very importantly – I felt strongly that this paves the way to a form of cooperation with HUD, with the U.S. Attorney in common purpose that actually opens the door [inaudible] more federal funding when we have a different Congress and/or a different president.

By clearing the decks, coming to agreement on all outstanding issues and agreeing to a common plan of action it does pave the way for the day that I believe will come when the federal government once again seriously engages supporting affordable housing and public housing.

Louis: But, Mr. Mayor, we haven't really dealt with all the outstanding issues. You say you're going to continue to try and find out who was engaged in lying, who was engaged in the cover-up, who was engaged in all the falsification that the federal government is allegedly. I guess number one – when is that going to get done? And number two – why not just let them, if they

have the allegations that they've already talked to people – why not let them continue their investigation?

Mayor: Again, Errol, they have done their investigation for two years. These are the allegations that came out of that investigation. There's also a series of findings in the consent decree that we agree with. But the point being, now we have to determine based on the information they provide us, what to do in the case of anyone who might have done anything inappropriate. We're not going to tolerate it, I can tell you that much. We're not going to tolerate anyone doing anything going forward that's inappropriate.

Anyone who knows Stan Brezenoff and Vito Mustaciolo knows these are two public servants of very high integrity, a lot of extraordinary work in both of their careers going back decades, in both cases, serving the people of this city.

Stan Brezenoff is one of the people who helped build this city's pathway out of the fiscal crisis and just last year helped us turn around the Health + Hospitals Corporation which was literally nearly bankruptcy. He's a true expert in turnarounds. He'll be, I think, the kind of chair we need and Vito Mustaciolo is a guy who has done tremendous work getting government to be responsive to people.

Louis: But Mr. Mayor, there has been sort of, a question that's been lurking in the background. I thought you were going to get to it in your press conference today which is that you can't have something as extensive as the level of cover ups and deception that were going on up, down, sideways all throughout the Housing Authority without their being some kind of signal coming from outside the Housing Authority that they could either – they thought get away with it –

Mayor: No, I disagree –

Louis: Or they were being encouraged or allowed to so.

Mayor: I just disagree with that. When you look at the information, first of all, again the information is a set of allegations. We have not independently verified them. The things we have independently verified are in the consent decree.

We take them very, very seriously obviously. But no, unfortunately in such a vast organization, you can have a lot of people at the mid-level and lower who are doing things that the top leaders don't know about.

Louis: To the extent that the DOI, the Department of Investigation, came up with some of the first findings and were specifically thanked at the federal press conference today, are they going to lead the continuing investigation –

Mayor: Again, we – you know, this effort, the lead here has been the U.S. Attorney. We have worked very productively with the U.S. Attorney, we'll continue to do so. We're going to work closely with them on the selection of the monitor and all the steps going forward. And we have

[inaudible] as they do in ensuring that anyone who has done anything inappropriate feels the consequences. I really want to emphasize that.

This is an example and there have been others in the past. I talked about this at the press conference. Once upon a time, the NYPD was a very troubled agency. Once upon a time, the School Construction agency was a very troubled agency. There's all sorts of agencies that have had challenges. I'm not happy about that but it's fact. Good, strong leaders came along and created the change, created the culture of change, cleaned house. That's what these new leaders are going to do.

Some of this was absolutely shocking and painful to me, not things we had heard about or known about. We're going to make sure it doesn't happen again. Look, the reality is we have to focus on changing the quality of life for people in the Housing Authority, 400,000 New Yorkers. They have suffered long enough through different City administrations, State administrations, federal administrations. This is the first time in a long, long time there's a clear plan of action with a lot of resources behind it.

So, it's not all bad news actually, Errol. This is – in the midst of a lot of challenges, this is actually a path forward for people who live in public housing.

Louis: Did you tell or did your Corporation Counsel decide to make non-prosecution of NYCHA or City Hall leadership a condition of signing the consent decree?

Mayor: No, it's quite clear. It's in black and white, the corporate entity of NYCHA – as you know NYCHA is a free standing entity chartered by the federal government and the State government. It is not a direct City agency. NYCHA, as an institution, will not be charged with any criminal charges because the investigation is complete and the plan of action has been agreed to.

In other words, the federal government has agreed with NYCHA, NYCHA has agreed with the federal government on a series of steps to make up for the mistakes of the past and they're very aggressive and very important steps.

Anything involving individuals is absolute at the discretion of the U.S. Attorney and it's quite clear there in the consent decree, it's vivid in there.

Louis: Okay, we've got more to talk about including that \$89 billion budget. Stand by, Mr. Mayor. We're going to take a short break here. I'll be right back with the Mayor when we come back.

[...]

Louis: Welcome back to the program. I'm once again joined by Mayor de Blasio. Joining us from inside City Hall. And Mr. Mayor from the budget announcement, I guess the big news is the Fair Fares proposal, credit where it's due, David Jones at the Community Service Society, your appointee to the MTA board, was telling me about this at least two years ago, maybe three

and deserves a lot of credit for it. What's your initial thinking about how eligibility would be determined? Would this ride on the back on some existing category of entitlements or would you create some new way of looking at it?

Mayor: No, I think we want to work some of things that exist. First of all I agree with you – kudos to David Jones and the Community Service Society. And David as a person is one of the great consciences of this city. I'm very proud to have him as an appointee to the MTA. And the Community Service Society is legendary for doing some of the best thinking in this city. So this is a good day for them that they earned.

We want to – look I want to emphasize this – it's not a subsidies to the MTA, this will be direct to people in need, people struggling to make ends meet, so they can get these lower cost MetroCards and get opportunity. It's really to help people get to work, get to job interviews, get to education, that, in too many cases, they are being deprived of now. But yes, we want to work with existing ways that we reach out to folks with lower incomes and piggy back on that and get the support to them.

Louis: It was described as sort of an early step forward with up to about \$106 million and then a reassessment to see who gets involved but I think of this is what happens when you make a new road. It immediately gets jammed once people find out that it's there. Sort of like ferry service.

Mayor: Yes, you know that can be and sometimes the original projections play out differently because signing up for something is always a process. You always have to, you know, be part of validating who you are, one thing or another. I mean there is I think we could see a huge amount of uptick or we could see it take time. What we are going to do in the next six months is create the plan, promote it intensely. We have the \$106 million ready. We've also agreed with the City Council that if any of that money is not spent in Fiscal Year '19, it will be forwarded to the next fiscal year to continue the development of the program. But I think it is too soon to see how people are going to work with it. We've got to really create the methodology and see how people feel about it.

Louis: Okay, jumping back for just a minute to the NYCHA question – there are important budgetary implications for it coming out of the capital budget this time. But was the money already there? Where is the couple of billion dollars that is going to be allocated for NYCHA? Is that coming out of some other program? Is that coming out of reserves?

Mayor: So let's get the facts really clear. The consent decree has a minimum time frame of five years at which [inaudible] if it's requirements have been met it could be removed or for whatever number of years it needs to continue it will continue. So the base level obligation of the City on top of all existing commitments we made to NYCHA. And that was a very clear part of this agreement that I was very comfortable with.

You know, we took away the obligation that made NYCHA pay for police service. That was in my first year in 2014. I wanted that to be a permanent thing. I was very happy to confirm to the federal government that that should be a permanent reality – NYCHA gets to keep that money put it toward repairs. I'm happy to obligate my successor to that very same requirement.

So some of this was continuing the money we've already put in. We've, in this administration, added \$3.7 billion in new dollars to NYCHA that were not obligatory. The choice of this administration and this City Council, that's never been done before. But on top of it we said we will do a billion dollars over four years. Then \$200 million a year, all capital, from the fifth year on until the consent decree is over. So, the minimum amount would be \$1.2 billion. If it continues, it grows. And look this conversation with the U.S. Attorney has been going on for months and the last weeks, really was coming together. So, we had the opportunity to program it into our budget models and prepare and obviously to prepare the City Council leadership and they understood as well.

Louis: Okay very good. Jumping around now because we only have a couple of minutes – school accessibility – were are and are our schools in compliance with the ADA? What is the additional accessibility that's being paid for with this new program?

Mayor: Look, all of our new schools are in compliance with ADA, all of our schools that have gone through substantial renovation since the ADA took full effect are in compliance. That's my understanding. But you know, in my neighborhood we literally have a school that goes back to 1875. You know we have schools a lot from the early part of the 20th century. No, not all of them are fully accessible. We want them to be. Council was adamant and the Speaker, it was really a very personal mission for him to get more money into school accessibility. We will be putting \$50 million a year for the next three years into increasing the number inaccessible schools. We'll still have more work to do no doubt. But it's going to really make a huge impact.

Louis: We are going to let you go now. You've got a lot to look through to find out what's in the budget and we talk again real soon.

Mayor: Take care, Errol.

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