



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, NY 10007

FOR IMMEDIATE RELEASE: April 9, 2015

CONTACT: pressoffice@cityhall.nyc.gov, (212) 788-2958

**RUSH TRANSCRIPT: MAYOR DE BLASIO AND HUD SECRETARY CASTRO ANNOUNCE
NATION'S LARGEST ENERGY SAVINGS PROGRAM FOR A PUBLIC HOUSING AUTHORITY**

Mayor Bill de Blasio: Okay. Welcome, everyone. And thank you – thank you for being with us here today at Breuckelen Houses. Breuckelen Houses – this is the original Dutch – the Dutch spelling of Brooklyn. And it is an honor to be here in Canarsie, especially with our special guest, Secretary Castro.

I can't thank him enough and will speak about him in a few minutes before speaks, but I've got to say at the outset – to have the Secretary of Housing and Urban Development for the entire United States of America visit us here in Canarsie is a great honor, and he has done so much to help this day happen where we could make this development and so many other developments in this city better for all our residents. So I'd like to start by thanking the secretary. Please give him a round of applause – a New York City welcome.

[Applause]

Really a great day for New York City – a great day for the New York City Housing Authority and all of its residents – we are announcing the nation's largest – I love this part of the announcement – the largest in the entire country – largest public housing energy-savings initiative. Anywhere you go, this is the largest – and we have HUD to thank for it – over \$100 million in energy performance contracts. That's really money people.

[Applause]

And how far it will reach? It will reach nearly 300 developments, so roughly 90 percent of all our developments will be positively affected by this. This is an extraordinary impact. This will mean retrofitting our developments, upgrading them, making them energy-efficient, making them right for the 21st century. Now, that – that, you could say, is good enough to begin with – dramatically reducing emissions and pollution, and creating a greener environment. You could say that's great, let's stop right there – “But, wait!” as they say on late night television – but, wait! There's more! The jobs – the hundreds of jobs that will be created in the process – a huge impact for the people of New York City, and we're going to make sure a number of those jobs go to NYCHA residents.

Let me thank, in addition to the secretary, all of the others who are here. I'm going to acknowledge some folks, and then other folks will be speaking later. So, if I don't mention the speaker, it's because she's speaking later – that's an example. So, I want to acknowledge the Chair and CEO of NYCHA Shola Olatoye, and thank her for her great work.

[Applause]

I want to acknowledge our new general manager – where is he? – there he is. Michael Kelly, the new general manager of NYCHA – welcome.

Our director of sustainability for the city of New York, Nilda Mesa – thank you, Nilda.

[Applause]

Our – the chair of the New York City Council Committee on Environmental Protection, Council Member Donovan Richards – let’s thank him.

[Applause]

And you’ll have a second opportunity to clap for him because today is his birthday – happy birthday, Council Member!

Unknown: [inaudible]

Mayor: And anniversary? This is really your day. All right, well done.

I also want to say whenever you say the word “jobs,” we think of our brothers and sisters in organized labor, and they’re going to play a big role in what we do to make sure that all these developments are improved. So let’s thank members of the following unions who are here with us today – the plumbers, the carpenters, the fitters, and DC9 painters – let’s thank them all for being here.

[Applause]

Now, you’re going to hear from some of my colleagues, and I’m going to say this really quick before I lead in, especially now that our senator has joined us, who’s been such a champion for the housing authority on so many fronts – but let me say this quick about why this matters. This funding is so crucial because it helps us address what – it helps us address what is a fundamental challenge for all humanity at this point. Global warming is changing our lives. Climate change is changing our lives. It’s creating new challenges. We have to get ahead of it.

Now, there are all sorts of things you can do to deal with the need for resilience. But what this city has determined is we have to get to the root cause. We have to drastically reduce our emissions. We have to stop this problem dead in its tracks.

New York City has committed to an 80 percent reduction in emissions by 2050. We are the largest city in the world to have made that commitment. This support from HUD is going to be very, very important in our ability to reach that crucial goal. If we can reach that goal, it’s going to change the environment for all of us. If we can help push other cities and countries to reach that same goal, it will have ramifications for this entire world. And this support today from HUD is a crucial piece of this. It will allow us to do what we intend to do for all public buildings. Our goal for all of our public buildings is they will be energy retrofitted by 2025. Knowing that we’ll have the support to do this in our public housing buildings is a crucial piece of that equation.

And by the way, in this city – this may not be true everywhere, but in New York City, 75 percent of our emissions – 75 percent of our pollution problem comes from buildings. So this is going to the core of the problem.

What is this going to mean, this extraordinary initiative? One million energy-efficient lights will be installed. Boilers will be upgraded, including those here at Breuckelen Houses. It’s going to be foundational stuff that improves people’s lives, creates jobs, creates a cleaner environment. Millions and millions of dollars is going to be saved in the process. If you have an energy-efficient environment, you save a lot of money, you stop wasting all that energy, and you can turn that money back to other crucial capital needs.

And we know, in the housing authority – we’ve talked about this a lot lately – there’s a fundamental financial gap in the housing authority. It’s been getting worse for years and years. The fact that with HUD’s help, we’re freeing up resources that can address other crucial capital needs is very, very important as well for the future of NYCHA.

You know, just to give you a sense of how important this is in terms of just money terms – the utility costs in this city over the last decade have increased 64 percent. And that is not because consumption went up. Consumption only went up 9 percent. 64 percent increase in costs – this is running out of control and we needed to get, again, to the heart of the problem. And this support allows us to do that.

Now, the jobs I mentioned – the jobs – as everyone can tell, when someone gets a good job and it creates a good future, it changes their whole lives. And green jobs are a lot of the future of this city and this country. So let me tell you a story of how this support from HUD is going to change people’s lives – and I’m going to give you an example of someone who’s life was already changed for the better. You’re going to hear from here in a few minutes – Shaneé Lucas. Shaneé, we welcome you. 24 years old, lives in Brooklyn’s Van Dyke Houses – Shaneé was looking for an opportunity, couldn’t find a good opportunity and a good, stable job, until she entered the Green City Force program.

Green City Force helps young NYCHA residents get prepared for employment in green jobs. Shaneé got professional certification. She got skills. She got experience. She learned how to install panels, water-saving devices. She learned how to teach other people how to conserve energy. Now she has a job as a field technician at the Association for Energy Affordability. And that’s not just a job – it’s a job with a great future for Shaneé. And she now plans to go to college to study business and go even farther in her career. Let’s congratulate Shaneé for that.

[Applause]

So, as Shaneé will attest, we are facing a crisis in our society because of climate change. But in the midst of that crisis, there’s also an opportunity to do good and to turn the crisis to something that we can create real opportunity for families and individuals from – that’s our obligation, and we can do that. And this support today from HUD is going to allow us to do this – do this on a grand scale.

Very quickly, en español –

[Mayor de Blasio speaks in Spanish]

With that, a man who – when I first called Secretary Castro, I have to tell you, it was such a good experience to call a key federal official who has such an impact on the life of this city and know there is a voice at the other end of the line who understood what the people of this go through. Why? It’s not just that Julian Castro is a great leader – he also was mayor of San Antonio, Texas for a number of years. He understands the lives of everyday people, but he also understands what it takes to run a city. And I called him up and I said, “How can we do more together?” And his answer was, “We’re going to find a way.” And today we are experiencing, for all the people in New York City, the willingness of Secretary Castro to find a way for us to save energy and create jobs for the people in this city. Let’s welcome Secretary Julian Castro.

[Applause]

[...]

Mayor: Well, speaking of going green, our NYCHA chair is devoted to making the lives of residents healthier in every way, and making NYCHA more environmentally conscious, and holding the same standards of what the quality of living should be in NYCHA as in all housing in this city. We want everything upgraded so people are experiencing the healthiest and most positive atmosphere, and that’s what our chair is devoted to – Chair Shola Olatoye.

[NYCHA Chair Shola Olatoye speaks]

[...]

Mayor: Now, I know my colleagues in public office will agree with this statement – we saved the best for last, because Shaneé Lucas’ story is certainly an inspiration, and we give her a lot of credit for finding her way up the ladder through hard work and through learning and from doing work that’s going to make this a better place for all of us. Let’s welcome Shaneé Lucas.

[Applause]

[Shaneé Lucas speaks]

Mayor: Okay. We are going to take questions on topic and then we’re going to take a few off-topic. Anyone who needs to leave before the off-topic, we understand. But let’s first take questions on topic – on topic – yes.

Question: [inaudible]

Mayor: Shola or Nilda – who wants to cover that?

Shola Olatoye, Chair, New York City Housing Authority: [inaudible] we have 328 developments, actually, and yes. And so this effort is focused on 89 developments where we believe we can realize some of the most dramatic savings because of the conditions in those properties. So that’s where we have some of our most challenged infrastructure – out – out – very old heating plants. So we’ll begin with that, but I think the key component here, again, to remember is that this is a – this is an investment that keeps on giving. And so as we begin the first set of – the first traunch of work, and we realize the savings, what HUD is allowing us to do is actually plow that savings back into additional work throughout the portfolio. So while we have identified 89 at this point, there could be more as we realize more savings that the program [inaudible].

Question: [inaudible]

Chair Olatoye: Certainly we need – you know, we have to tackle our entire portfolio. And this is one tool that we’re using, and we’ll be working with the mayor and the secretary and others to ensure that we have resources to get to the rest of our portfolio. But we recognize this is a significant amount of work and will require additional resources.

Mayor: And the broad – it certainly falls under the broad rubric that we set. Our goal is all public buildings retrofitted by 2025. Yes –

Question: [inaudible]

Mayor: [inaudible]

Chair Olatoye: For this building or – ?

Question: [inaudible]

Chair Olatoye: Right, so we expect to select our energy service partner by this fall, and construction will begin next summer.

Mayor: [inaudible] – yes –

Question: Just to be clear, is this a loan? Is this a grant? What exactly is this?

Chair Olatoye: The way that an EPC works is the housing authority partners with a private energy service company. We then select a private financial partner. So the actual resources are – it’s private capital. We then – the collateral for that loan is the projected saving. So that’s why it’s so important that A) we get competitive

bids from the marketplace, so that we can get the best – the most savings from – from the marketplace; and it also allows us to make much needed investments into our portfolio without having to put up money up front.

Mayor: [inaudible] – on topic.

Question: [inaudible]

Chair Olatoye: [inaudible]

Question: [inaudible]. Mayor, the governor's budget [inaudible] for NYCHA [inaudible].

Mayor: I'll say a couple of different things. First of all, we had asked the state for \$300 million, which is a small amount considering the massive needs of NYCHA. We ended up with \$100 million. \$100 million is certainly better than nothing – we appreciate it – but we're going to obviously be coming back in the future and asking the state to step up more to address the needs of over 400,000 residents. In terms of how we'll do it, we're going to provide a proposal that we think meets the obligations of the funding grant, and we think we'll be able to move quickly with that.

Yes –

Question: Mayor, [inaudible]?

Mayor: Well, that's a budget question, and all budget questions – all answers will be revealed when we provide the budget – so, when the executive budget is announced.

Question: [inaudible] a lot of money coming into NYCHA right now [inaudible]. How are you going to [inaudible] on time and efficiently?

Chair Olatoye: Well, I think it's also really important to acknowledge – and you're right – all of this is capital money. So it's capital money to address what is a \$16 billion dollar capital need for our portfolio. So while it is obviously tremendously welcome, it is a down payment on what is a larger – a larger need. We will continue to ensure that our resources are stewarded in the most transparent and efficient way. The way that we have already done this is by spending our capital – our federal dollars faster and in less time than we have done in any previous capital grant in our history. So we will continue along that path, and continue to make – make our progress available for review and have regular reports out to our stakeholders.

Mayor: I would like to ask a follow-up question [inaudible]. Yes, I'd like to turn the tables, Cindy, just for a minute. Cindy Rodriguez, WNYC public radio here in New York City, have you ever been to Mi Tierra restaurant in San Antonio?

Cindy Rodriguez, WNYC: [inaudible]

Mayor: You have been to Mi Tierra. Is that because you're from San Antonio?

Rodriguez: [inaudible]

Mayor: [inaudible] – Mr. Mayor, you've found – you have found –

Secretary Julian Castro, U.S. Department of Housing and Urban Development: A fellow compatriot.

Mayor: – a fellow compatriot.

Unknown: [inaudible]

Mayor: What?

Unknown: [inaudible]

Mayor: What's the neighborhood?

Unknown: [inaudible]

Mayor: [inaudible] this is the real thing we're watching here – it's a reunion.

Unknown: We're everywhere.

Mayor: It's a reunion. No, I told – the reason I did that was when I last went to San Antonio, I told Cindy. I found out she was from there and I told her I went to Mi Tierra, and this huge smile came over her face. There. Let's get back to on topic. On topic – let's do you and then Grace – go ahead.

Question: Okay. Yeah, I just wonder [inaudible] retrofitting [inaudible]? I understand [inaudible]. [inaudible]?

Mayor: Well, I'm going to start and, Nilda, you may want to jump in on this too, but let me start. The goal, again, we've put for all our public buildings is retrofit by 2025. And we want the most extensive retrofit we can achieve, because this is about meeting our much larger goal, which is a very challenging one, by the way. 80 percent reduction by 2050 means we have to fire on all cylinders. So we have our own motivation for doing the most extensive retrofits possible. Second, thanks to Secretary Castro, we have a methodology within the housing authority that allows us to keep investing constantly so we can deepen the work. Nilda, do you want to – Nilda Mesa will add to that.

Nilda Mesa, Director, Office of Sustainability: When you're going about doing energy retrofits in buildings in general, what you first want to do is find the lowest hanging fruit, and that's what NYCHA's done. So the buildings that they've selected are the ones that have the highest energy costs per square foot. And what that means is that they'll be able to take those savings, which will be a lot right up front, and then turn them over to finance more savings in other buildings. So this is actually really quite ambitious. Some of this you can't really say until the contractor is picked, and the contractor goes around and actually does their assessment of what's needed in the various buildings. But typical measures that you would use would be lighting and boilers. And so lighting is usually one of the ones that has the quickest pay-back, and that's, you know, something that allows NYCHA then to take the money and invest it in other energy savings. [inaudible]

Question: [inaudible]

Mesa: Yeah, [inaudible] not so great around here, because we just don't have that much, but solar would, I think, be on the table.

Question: [inaudible]

Mesa: I would think.

Mayor: Anything that [inaudible] is on the table. How's that for a policy? [inaudible] – my former fellow mayor will know – anything that works is on the table.

Grace –

Question: The 500 jobs that are going to be created [inaudible] priority for NYCHA residents?

Mayor: Yes.

Question: [inaudible]

Mayor: There's definitely a priority for NYCHA residents. We're just starting out and we have to shape the approach to this, but there's definitely going to be a priority for NYCHA residents. What will the jobs look like? Who wants to jump in?

Chair Olatoye: Well, just to – to follow up on that – in the beginning of this year, we entered into a project labor agreement with our building trades colleagues, which will allow us – which ensures that all capital work, which this investment is a part of, is subject to that. So all – all of this work will be union. Secondly, more than 10 percent of the apprenticeship programs within the building trades will be reserved for NYCHA residents. So this program – this initiative will also be a part of that. As part of our HUD – our HUD work, we will ensure that we have Section 3 jobs as part of this effort as well. And then, working closely with our sustainability colleagues and – and our resident economic empowerment program at the housing authority, we will be working to ensure we have a pool of qualified NYCHA residents to be – take part of this work. The jobs will take – will really run the gamut, from actual construction jobs to auditing jobs, and some of the work that I'm sure our Green City Force colleagues will – are actually doing now.

Question: Mr. Mayor, [inaudible]?

Chair Olatoye: So, the way that this works is the housing authority picks an energy services contractor. We then work to find a financial partner – [inaudible] – we get a loan, and that entity then uses the proceeds from the loan and the projected savings as collateral for the – to pay back that loan. And any additional savings that's leftover we are able to plow that back into additional work in our portfolio. So it's private capital, the loan that gets paid back, and – because one of the – again, what's really important that it is – that we get competitive bids from the marketplace. We want to see as much – as much projected savings as possible, because the more projected savings we can get, we can pay back that loan and we have more resources to plow back into our portfolio.

Question: [inaudible]

Mayor: [inaudible]

Secretary Castro: So there's a stream right now that – that's paying the energy bills that is coming from the federal government. And as you achieve savings – you know, let's say we're at 100, just to pick a generic number, and now you're down only at 60 – as you've achieved that savings, then, you know, there's a return that's gotten by the private entity, and then you're plowing the rest of it back into more energy efficiency and similar environment improvements. But – but the original funds to pay for folks energy usage are federal funds.

Mayor: Okay, we're going to do one more on-topic, then we're going to off-topic.

Question: Just to follow up on that, the [inaudible]?

Mayor: Okay, let's answer the – the allegation that they're hard to quantify. Nilda –

Mesa: Not anymore.

Mayor: Our director of sustainability has strong views on this. Go ahead.

Mesa: No. Not anymore. There's actually quite a lot of data out there that exists because so many buildings have done retrofits over the years. And so this is – this is a typical kind of a format. And one other – and to show just how these things are quantifiable and financeable, energy – [inaudible] the energy service companies that do this guarantee the savings. And so if it were hard to quantify, they wouldn't be able to guarantee the savings, and that's part of the contract.

Mayor: Excellent.

We're going to go to off-topic. We're going to do a little – but if anyone needs to go, this is a good time to run away. And – I don't get that option – so now let's do some off-topic. Yes –

Question: In her State of the City, the speaker outlined a pretty ambitious agenda – a bail fund, decriminalizing marijuana. You and your administration have not taken a position on it.

Mayor: On – on decriminalizing marijuana?

Question: On reducing [inaudible] offense.

Mayor: Well, no – the actions we've taken, you know, with that, in terms of reducing arrests, are what we believe in. We'll certainly continue to look at the situation. As I've said, we'll watch what's happened in other states as well. But – hold on everyone – keep it down so our friends in the media can hear the answers – but the position we've taken so far is what we believe we needed to do.

Question: [inaudible] speaker's proposals – a bail fund –

Mayor: Again, we – we've looked at a variety of proposals, but what we've done is what we believe we need to do. We'll always keep looking at additional data. Off topic – Grace –

Question: [inaudible] Gracie Mansion roof [inaudible]?

Mayor: Well, we've definitely seen the leaks, yeah. There's definitely been some live leaks at Gracie Mansion, and – and I mean leaks where water drips down from the roof, not the other kind of leak. The asbestos situation was then discovered in the context of trying to figure out how to shore up the roof in general. So here we'll hopefully have a long-term solution that will fix the roof, but also get the asbestos out.

Back there –

Question: [inaudible]

Mayor: I think it's a fantastic group of individuals who are deeply devoted to veterans. The proposal was generated by, you know, former brigadier general Loree Sutton, who's the head of our Office of Veterans Affairs. She has an extraordinary record serving veterans' needs. And, you know, my charge to her was put together a group that could both advise and give different perspectives on the things we need to do to help veterans, but also help us to get more resources to help veterans. And the group she's put together I think will do just that.

Question: [inaudible]

Mayor: We're reducing overtime that rent payment. We will phase it out entirely. And what I said in my platform is that's something that has to end and it will end. It's going to take us some time. There are real financial issues here, but it is the lowest increase in a decade. We are giving back substantial rebates to seniors and low-income homeowners. And over time, that will be phased out entirely.

Question: [inaudible] your thoughts on the two Republican presidential candidates who kicked off their bid [inaudible]? And also, of any of the potential Republican candidates, do see anything redeemable in their platforms?

Mayor: Did you say redeemable?

Question: Yeah, from your perspective.

Mayor: I don't agree with them on hardly anything. I mean, I have credited Rand Paul with showing some greater openness on several issues – obviously, on criminal justice reform and fairness – I commend him for talking about that issue. But there's a host of areas where I disagree with him. And I disagree with Ted Cruz on just about everything. So, you know, they – but look, that party has to sort out its nominee from a very large field, and, you know, when they do, then the public will have a choice.

Question: [inaudible]

Mayor: Puerto Rico.

Question: [inaudible]

Mayor: It was great. We were in Puerto Rico. It was supposed to rain the whole time, and it was sunny the whole time. It was a wonderful, romantic getaway such as we had not had in many, many years. And it was glorious – and we did a lot of nothing. We just hung out. Chirlane and I just hung out a lot – very profound commitment to hanging out.

Yes, Rich –

Question: [inaudible]

Mayor: No. I saw it leaking, you know, in some of the rooms right off the ballroom, but not anything that fell as far as I know. I'm not sure of that, though.

All right. Okay. Just media questions, we are done? Yes? Okay, thanks, everyone.

###