



March 5, 2018

The Honorable Mayor Bill de Blasio
Mayor of the City of New York
Office of the Mayor
City Hall
New York, NY 10007

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Shola Olatoye
Chair and Chief Executive Officer
New York City Housing Authority
250 Broadway
New York, NY 10007

Dear Mayor de Blasio and Chair Olatoye:

The current Project Labor Agreement (PLA) between the New York City Housing Authority (NYCHA) and the Building and Construction Trades Council (BCTC), which took effect on January 1, 2015, covering renovation and rehabilitation of NYCHA buildings and structures, expires on June 30, 2018. The press release dated March 2, 2015 announcing this PLA cited three expected benefits:¹

- Faster capital repairs due to greater flexibility in work scheduling and shift hours;
- Reduced costs because of this flexibility and changes to shift premium rates; and
- Union jobs and training for NYCHA residents.

Two specific benefits were quantified: The PLA was projected to generate 3 percent savings in labor costs, and the BCTC would provide 100 to 120 union apprenticeship positions annually for NYCHA residents.

Since the agreement was announced, the Citizens Budget Commission (CBC) is not aware of any reporting on the results and the extent to which any of these benefits have been realized. In light of the many problems with NYCHA's repair and capital programs, it is especially important to determine how the PLA has impacted NYCHA's finances, operations, and residents before deciding whether renewal or modification is appropriate.

Before any such decision is made, an independent evaluation of the PLA's impact on NYCHA's budget and operations, including speed and quality of work and cost of renovation and rehabilitation projects, should be conducted and made public. The evaluation should also examine the extent to which NYCHA residents have participated in BCTC pre-apprenticeship and apprenticeship programs annually since the PLA went into effect in 2015.

A review should commence immediately in order to have the results prior to making a decision on renewal. In the past, the Mayor's Office of Contract Services has commissioned and overseen such studies by outside experts. CBC is able to suggest entities capable of conducting a high-quality review and analysis and is happy to offer any other assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Carol Kellermann", with a long horizontal flourish extending to the right.

Carol Kellermann
President

CC:

Vito Mustaciuolo, Acting General Manager, New York City Housing Authority

Corey Johnson, New York City Council Speaker

Alicka Ampry-Samuel, New York City Council Committee on Public Housing Chair

Ritchie Torres, New York City Council Committee on Investigations and Oversight Chair

¹ New York City Housing Authority, "NYCHA Residents to Get Swifter Capital Repairs and Access to Union Jobs and Training Through Newly Signed Labor Agreement with Building Trades Union" (press release, March 2, 2015), www1.nyc.gov/site/nycha/about/press/pr-2015/project-labor-agreement-release.page.