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

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:

- 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,

Carol Kellermann
President

CC:
Vito Mustaciolo, 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

---