BY LARRY McSHANE
NEW YORK DAILY NEWS

CITY HOUSING officials, in addition to sitting on nearly $1 billion in federal funds, were too inexpert to collect an additional $600 million in available revenue, a civic improvement group charged last year.

In a letter to Mayor Bloomberg — who staunchly defends his handpicked chairman of the New York City Housing Authority — the Metro Industrial Areas Foundation complained the agency’s management was beset by “delay, confusion and complaints.”

The Sept. 25, 2011, missive obtained by the Daily News blamed NYCHA for blowing a shot at collecting millions in much-needed additional cash by its failure to simply apply for a second helping of money.

“NYCHA seems to lack the capacity to put credible applications together for these desperately needed funds,” the pointed letters said.

“And the results of the revenue have limited confidence in NYCHA’s capacity to spend these funds wisely.”

The agency did collect $270 million in 2005 by applying for a second round of funding through the City Housing Development Corp. and could have done so again, the group said.

The Metro Industrial Areas Foundation is a nonprofit organization comprised of 204 affiliates and supports local congregations and nonprofit groups. The group also supported applying the cash for additional funds under the city’s new efficiency program for public housing.

The letter blasted NYCHA for its tortoise-paced response to tenant complaints and its repair work across the board.

“NYCHA claims that at least it is honest now — giving people likely dates, however long in the future, that they need,” the letter said. “We say this is not even close to good enough.”

The group acknowledged there were “periods of modest improvement” in the sprawling agency during Bloomberg’s three terms in office.

But the overall pattern is one of delay, confusion and complaints about lack of adequate funding,” the two-page letter said.

As a result, the group said, NYCHA has repeatedly failed to give tenants what they need.

The large number of complaints about NYCHA’s 334 projects are subjected to serious health concerns by inattention to mold and mildew and ventilation systems, the letter said.

The prevalence of asthma among the children of NYCHA families has been well-documented,” the letter said.

The group blasted almost every aspect of NYCHA’s handling of complaints from its 400,000 residents.

“We have struggled to push NYCHA to improve its basic functions — responding to maintenance requests from tenants, coordinating the way repairs are scheduled and sequenced, avoiding delays, making sure that the work force is well-trained and focused,” the letter said.

The mayor’s office never responded to the letter, although the Bronx borough director of NYCHA replied that plans were in the works to get the repairs done.

“There was nothing from City Hall,” said Marilyn Dianville.

Months before penning the letter, members of the group met with NYCHA Chairman John Rhea and then-Deputy Mayor Dennis Walcott to discuss their concerns about the lack of repair work in the buildings.

Neither Walcott nor the mayor’s office responded to requests for comment on the IAF letter or earlier meetings with the group to discuss NYCHA.

Divanne, one of four people who signed the letter to Bloomberg, said her group felt they didn’t get a fair hearing.

“They heard what we had to say, but they were defensive,” she recounted about a November 2010 meeting with Walcott and Rhea.

“They felt that there was a plan to preserve NYCHA, and they were confident in that plan, and they weren’t open to some of our ideas.”

In a briefing memo before Jan. 18, 2011, meeting with NYCHA execs, the Metro IAF team was reminded of its key complaint:

— The agency “has made NO progress that we can see or document in the daily maintenance and response to the vast majority of tenants.

The group was “leaving hundreds of millions of dollars on the table.”

Divanne said her group was particularly focused on handling small repairs before they evolved into major problems.

“What they’re doing now is deferred maintenance, and we’re going to end up paying twice or three times as much in the future if they don’t fix it now,” she said. “It’s just going to get worse until things are changed.”

The Daily News, in a series of articles, reported that NYCHA was sitting on close to $1 billion in federal funds intended for building upkeep.

Most of the money was being held in a housing authority where the top salaries run close to $200,000 a year — also delayed spending $42 million in funds for security cameras in high-crime city buildings.

A suspect in the July 5 shooting of Officer Brian Groves, 30, remains on the loose two months after a fruitless search in a stairwell with no cameras.

Mayor Bloomberg, despite the unused funds and criticism from tenants, praised the efforts of Rhea.

Rhea and his two top executives are all Bloomberg appointees.

— And Rhea, in a lengthy interview with The News, said he earned his $197,000 salary — as did two colleagues paid $187,000 annually.

Metro IAF’s critiques surfaced on the same day that The News reported on a scathing NYCHA audit conducted by Manhattan Borough President Scott Stringer.

In a sting operation, the agency was ripped for its high salaries and the costs of hidden perks — including city cars and drivers for top executives.

The Stringer critique urged changes to start at the top of the agency, noting that NYCHA is the only public housing authority in the state with full-time, highly paid board members.

Elsewhere in the state, the salary for authority board jobs is capped at $2,500.

“The audit was a monumental lack of face the reality that NYCHA is not equipped to handle the issues facing public housing in the city,” said Divanne.

“We want to make sure people go home and feel safe, and live in healthy environments. Instead, people wait for years and their health deteriorates.”

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DAILY NEWS INVESTIGATES

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The mayor’s obstinate stance brings to mind the adage that there are none so blind as those who will not see.

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DEAR MIKE

City leaders turned blind eye to complaints last year warned of NYCHA's failures
Wasted funds, delayed repairs & health risks

Mike, why didn't you act on this? About NYCHA last year. Now News finds exact same problems.
Mike’s blind spot

The mayor should have read the letter. The mayor should have taken the contents seriously. The mayor should have responded appropriately and aggressively for the betterment of New York.

The subject was the New York City Housing Authority, whose failures of leadership and execution have been front and center in the Daily News.

Dated Sept. 26, 2011, the letter presented Mayor Bloomberg with a detailed bill of particulars against NYCHA that is identical to the Daily News’ accounts of an agency riddled by incompetence and sloth.

Bloomberg has dismissed this newspaper’s reporting as cause for remedial action, even describing NYCHA Chairman John Rhea’s performance as “spectacular.” Yet the letter documents that the administration, if not the mayor, had full warning that the agency had run off the rails to the detriment of thousands of low-income New Yorkers.

The mayor’s obstinate stance brings to mind the truth that there are none so blind as those who will not see.

Four leaders of major community organizations, part of the South Bronx Churches and Manhattan Together, signed the letter to the mayor:

They are the Rev. Getulio Cruz, pastor of Monte Sion Christian Church on the lower East Side; the Rev. Frank Skelly, pastor of Immaculate Conception Church in the South Bronx; Ray Lopez, of Little Sisters of the Assumption Family Health Services; and Maria I. Devine, chief organizer for South Bronx Churches and Manhattan Together.

These are not lightweights. The groups they lead represent 32 congregations, schools and social service providers. All have had extensive, first-hand experience with NYCHA because thousands of their members live in public housing.

Politely, they told Bloomberg that tenants wait years for “basic repairs to conditions that threaten their health and safety,” that NYCHA “has not made use of at least $600 million of available revenue that could be used to address many of the most dangerous conditions that we have described,” and that “NYCHA seems to lack the capacity to put credible applications together for these desperately needed funds.”

All true. All precisely consistent with The News’ findings. All ignored.

The mayor did not respond personally. The letter was bounced from City Hall to NYCHA and then bounced down even further to the agency’s lowly Bronx borough office, which replied with boilerplate promises of better repair services.

How that happened, and whether Bloomberg saw the letter, is unclear. Still, the brushoff encapsulates his determined insistence to treat NYCHA as an orphaned stepchild while holding Rhea out as the second coming of Robert Moses.

The dismissiveness is all the more galling because the mayor and his aides were well acquainted with these particular community organizations, as well as with a parent operation, called Metro IAF, that unites them with similar groups in Brooklyn and Queens.

Worse, top Metro IAF leader Michael Gecan had earlier met with then-Deputy Mayor Dennis Walcott, spelled out NYCHA’s ineptitude and urged the creation of a special construction agency to be led by a top-flight professional.

Gecan got nowhere, and NYCHA went on under Rhea as an agency that could not get its act together to spend hundreds of millions of dollars in federal aid targeted for repairs and renovations.

And that failed to spend $42 million earmarked for installation of security cameras for as long as eight years.

And that is limping along with top positions long unfilled, as Manhattan Borough President Scott Stringer revealed in a spot-on report.

And that has proven incapable – even now, under close scrutiny – of keeping commitments.

Case in point, and one that Bloomberg should note as, willfully blind, he stands by Rhea:

On the day The News revealed the camera boondoggle, Rhea unveiled a plan to get them running in 80 projects. The agency website states: “Approximately 85 developments will receive security camera installations by the end of 2013.”

But on Wednesday, Rhea said he had promised only “security enhancements,” not cameras, and could not say how many developments would, in fact, get electronic surveillance.