POLICY BREAKFAST
Transforming NYCHA: Federal Funding, Oversight, and the Blueprint for Change
December 9, 2021 | 9:30am ET
#FCbreakfast
NYCHA plays a crucial and outsized role in providing housing for lower-income New York City households.
Average Monthly Contract Rents for Housing in New York City, 2017

- Unregulated Housing: $2,061
- All NYC Rental: $1,595
- Rent-Stabilized: $1,417
- Mitchell-Lama: $1,303
- Rent-Controlled: $1,111
- Public Housing: $601

Source: New York City Housing and Vacancy Survey, NYU Furman Center
Share of Apartments Affordable to Different Income Levels that are NYCHA Public Housing, 2017

- 30% AMI: 57%
- 50% AMI: 29%
- 80% AMI: 13%

Source: New York City Housing and Vacancy Survey, NYU Furman Center
Public Housing is Located Disproportionately in Gentrifying Neighborhoods

Source: NYU Furman Center
Underinvestment and Capital Needs
Multiple types of work comprised an estimated $40B of total capital needs in 2021.

Source: New York City Housing Authority
Legal Action and New Oversight
Baez et al vs. NYCHA

2013
Lawsuit filed on behalf of tenants over in-unit environmental conditions.

2014
Settlement reached: NYCHA remediate causes of mold in a timely fashion and submit to periodic sampling of mold complaints.

2015
Appointment of a Special Master to oversee compliance with settlement.

2018
Revised settlement terms: Independent data and mold analysts, independent ombudsperson, update operational policies.
United States vs. NYCHA

2018 Department of Justice lawsuit alleged NYCHA violated basic health and safety regulations, resulting in an administrative agreement between HUD, NYCHA, and the City of New York.

**Environmental Metrics Improvement**
- Remediate living conditions by specific deadlines and meet objective compliance standards
- Establish a Compliance Dept., an Environmental Health and Safety Dept., and a Quality Assurance Unit

**Capital Investment Commitment**
- City committed $1.2 billion in additional funding until 2023 and $200 million per subsequent year for the duration of the Agreement
- Additional $4 billion in City funds budgeted through 2027

**Federal Monitor**
- Appointed by the U.S. to oversee fundamental reform
- Authority to set performance standards and make changes to management and organization structure
Proposals and Resident Concerns
Timeline of Funding Proposals

2016

PACT (Permanent Affordability Commitment Together) is introduced to use HUD’s RAD (Rental Assistance Demonstration) program

2018

Broad preservation plan called NYCHA 2.0 expands on PACT/RAD and introduces additional funding sources

2020

Blueprint for Change introduces plan for achieving compliance with legal settlements and addresses capital funding needs for units and buildings not enrolled in PACT/RAD
NYCHA 2.0 Seeks to Raise Funds from a mix of New Construction, Air Rights Transfers, and RAD/PACT

1. PACT to Preserve
   - Convert units to Section 8 through HUD’s Rental Assistance Demonstration
   - Public-private partnerships for renovations and management

2. Build to Preserve
   - Accelerate new construction on NYCHA owned land
   - Develop mixed income housing, with proceeds funding renovations of adjacent NYCHA developments

3. Transfer to Preserve
   - Transfer air rights at high-value sites
   - Revenue funds renovations to adjacent buildings
Blueprint for Change

Transformation Plan

• Service delivery improvements
• Expanded resident partnerships and economic opportunities
• Increased oversight and attention through the Neighborhood Model

Stabilization Plan

• Create NYC Public Housing Preservation Trust to access federal funding through Tenant Protection Vouchers (TPV)
• Issue municipal bonds to raise funding for capital repairs
• Streamlining bidding and construction process used to renovate developments
How the preservation trust was proposed to work

Create Public Trust through State legislation

NYCHA leases “Obsolete” units to Trust

Trust receives TPVs for “Obsolete” units

Trust issues bonds against TPV revenue to raise money through public debt

Trust contracts out operations and management to NYCHA
How the preservation trust was proposed to work

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Section 18 regulates what PHAs can do with “obsolete” housing units. In 2018, HUD issued new Section 18 guidance that created a pathway for NYCHA to use it as a preservation tool.
Resident Concerns

- Privatization
- Risk of Default
- Resident Rights & Protections
- Resident Input & Process
Funding Gap and Build Back Better
$17B Funding Gap in Lieu of the Trust

Current Funding Sources Still Fall Short of $40B in Capital Need ($ in Millions)

Unfunded Capital Need $17,086, 42.7%

NYCHA 2.0 (2018 projection) $15,800, 39.5%

Adopted Capital Plan (5 yr plan) $7,114, 17.8%

Source: New York City Housing Authority
Today’s Panelists

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