

FY 2019 Borough Budget Consultations

Manhattan - New York City Housing Authority

Meeting Date 9/20/2017

AGENDA ITEM 1 : General Agency Funding Discussion

The purpose of holding the Borough Budget Consultations is to provide Community Boards with important information to assist in drafting their statement of District Needs and Budget Priorities for the upcoming fiscal year. As you know, Community Board Members are volunteers who may not be familiar with the budget process and how agencies' programs are funded. At the same time, Community Board members are very knowledgeable about local service needs.

This year's Manhattan agendas have Agencies begin the consultation with a presentation of their goals, funding decision process, and highlights of their funding needs.

Then, the agenda continues with Community Boards asking about specific program funding.

Lastly, the agendas include Boards' requests on district-specific budget questions. We request that the agency respond in writing, but have any further discussions on these items with the Community Boards outside of the consultation.

For the General Agency Funding Discussion, please provide written responses and please be prepared to present on the following topics for 10-15 minutes at the beginning of our Consultation:

1. Explain the process the agency uses to formulate goals and budget priorities.
2. What are the current proposed FY18 and FY19 service and operational goals and proposed funding?
3. Which programs is the agency adding, dropping, or changing for FY18 and projected for FY19?

MEETING NOTES:

COMMENTS:

SEE ATTACHMENT FOR AGENCY RESPONSES

NYCHA: 17m capital backlog, All capital funding is going to infrastructure. We ask for outside funding city and state for security projects and playgrounds. We favor larger developments and capital projects that can show success/completion. We are looking to get more efficient in operational and we are adding staff. we are doing routine extermination and clean buffer machines (to replace mops).

FOLLOW-UP:

Priority is putting staff in larger buildings, reducing admin staff?

NYCHA: Yes. Also getting out of community operations, partnering with CBOs, going into the field more.

AGENDA ITEM 2 : Waste Management Funding

What is the funding for waste management (garbage disposal, recycling) in Manhattan by categories in FY18? Projected for FY19?

MEETING NOTES:

COMMENTS:

NYCHA has been behind, but we have a whole new team for this area. One of the commitments last year, we would make a comprehensive waste plan- combination of short term (capital, operational), longer term (raise funds for capital work) & within plan is 1) how to get organics out of our garbage to prevent rodents and 2) bulk waste- direct impact on budget. Bulk crushers- we have a pilot program and implementing it currently. (saves money, limits trash)

FOLLOW-UP:

AGENDA ITEM 3 : Door Repairs and Upgrades

What is the FY18 budget for repairs and upgrades of doors, locks and intercoms, both for Manhattan buildings and individual apartments? Projected for FY19?

MEETING NOTES:

COMMENTS:

Our budget cycle is different from city; cannot give FY18 and 19 but 17 is available.
Repairs to doors is one of most frustrating issues, an issue we deal with daily.
The numbers above are Manhattan-wide.

FOLLOW-UP:

AGENDA ITEM 4 : NextGen Sustainability Program

What funding is allocated for the NextGen Sustainability Program in Manhattan for FY18? Please break down by program initiatives. Which Manhattan developments are participating? When will all of the Manhattan developments be participating? What is projected for FY19? How much funding has been allocated for resident engagement and tenant technical assistance in FY18, projected for FY19?

MEETING NOTES:

COMMENTS:

Sustainability has number of strategies.

Capital:

- Money saved from utility bill,
- \$167m currently for EPC

Manhattan:

43 Developments

15 dev within Sandy program

23 additional developments, most of which submitted this year

One of the innovations we were able to work out was in the past 3 years, NYCHA has been a part of the weatherization programs (Heating upgrades, etc)

We do have a solar program launching at the end of this month. We have a RFP solicitation. Commercial solar program asks for solar projects that are large from a residential perspective. Because of the rates and structure, we cant buy the power generated from solar system; we will be asking the program developers. The people receiving the energy would not be the hosts but businesses, etc. We are asking proposers how they will reach out to low-income communities.

We will be asking developers to adhere to section 3 hiring requirements.

Second Solar program- targets smaller building. Encourages local CBOs and businesses to place the solar panels. Looking at how much rent will they be paying NYCHA. We want low-income customers to benefit, provide green jobs

for the community.

FOLLOW-UP:

Why can't NYCHA use the solar power?

We have a contract with the NY Power Authority that gives us low electric costs.

AGENDA ITEM 5 : PACT Timeline

Which buildings/developments are going into Permanent Affordability Commitment Together (PACT)? What is the timeline for implementation? What is the funding for resident engagement in FY18? Projected for FY19?

MEETING NOTES:

COMMENTS:

Programs:

NYCHA is back in development:

- Revenue so we don't rely on government
- part of Mayor's plan
- RAD, falls under preservations

RAD:

AD is the current HUD preservation program; convert subsidy source to section 8 sub. source. The reason is because of large capital backlog all over the country does not meet the needs of public housing. PACT contracts associated with section 8 are easier for investment community to collateralize. The concept of RAD is to shift funding source. At NYCHA we are trying to address backlog and developments that are most in need.

RAD program as it is implemented, maintain resident rights and residency; we are pushing for in-place rehab because of limited relocation in NYC. We work with the residents so they understand their rights. I.e. hearing rights, grievances- maintaining same processes for these.

Limits to RAD:

- not huge ability to increase rent funding levels. budget neutral under Federal standpoint. We are in the process of pulling those finances. The rents stay at 30% of residents' income. We have an RFP open right now for 3 bundles.
- We don't have a definite timeline in Manhattan; we will in a year.

We've expanded PACT to include LL2 portfolio; brought into Federal in 2010, can bring these programs in but not in the same formula with HUD.

NYCHA is late to RAD nationally. We've put together a working group that has residents from Manhattan. We have ensured that under the RFP, tenants will have the same rights as they do now. Rent will not change necessarily.

FOLLOW-UP:

When there's a change, are the same rights observed for a rental adjustment for resident 8 units- does it go back to public housing?

NYCHA: when there is a vacancy, it is the next tenant that receives it. There is no market rate for these apartments. When they no longer meet the section 8 income requirement, they are allowed to maintain their tenancy, they just wouldn't receive the subsidy.

AGENDA ITEM 6 : Unmet Major Infrastructure Needs

How much of NYCHA's unmet major infrastructure needs are in Manhattan? Describe the Manhattan funding needs by category: plumbing, electric, roofs, facades, elevators. Until NextGen and PACT are fully implemented, how much funding is budgeted for these needs in FY18? Projected for FY19?

MEETING NOTES:

COMMENTS:

We will have a new PNA early next year online.

FOLLOW-UP:

Susan: Last year we received a list of needs and we put it in our capital priorities. NYCHA denied these. How do we effectively advocate for these priorities?

NYCHA: Funding is not available. CB and Elected officials and NYCHA leadership we are convincing everyone to move towards things of concern. Mayor has allocated in the billions for NYCHA recently to get things done. In Albany we convinced state legislature, allocated \$200m to NYCHA.

The way we prioritize the capital projects- what are the complaints telling us, size of project,

AGENDA ITEM 7 : Staff Funding

What is the FY18 budget for staff in Manhattan developments by category: grounds maintenance, building maintenance, and skilled trades? Projected for FY19? What is the ratio of workers to residents for each category? Given the backlog of repairs, how many additional staff are needed in each category? What is the projected cost?

MEETING NOTES:

COMMENTS:

FOLLOW-UP:

AGENDA ITEM 8 : Funding for TA Presidents

How much funding has NYCHA allocated in FY 2018 for Manhattan TA Presidents, TA participation activity funds, and resident engagement? Projected for FY19? Please describe the various programs that include a resident engagement aspect. What percentage of resident engagement is required to ensure that programs are successful?

MEETING NOTES:

COMMENTS:

TPA funds are allocated to resident associations to improve quality of life for residents.

70 developments have accessed the funds.

Resident associations can access funds directly with 2 requirements.

We give debit cards to TA presidents.

All the sustainability programs have resident engagement programs. Ideas marketplace - NYCHA specific kickstarters- TAs can directly raise money from small donors. The first project was funded last week (gardening projects)

FOLLOW-UP:

RAs have direct access now, has training been offered? 70% are receiving it, what about the remaining?

NYCHA: We did provide training in March, 12 diff in 5 boroughs (day and night), out in the districts. This was conducted with the new funding agreement in mind and had a TPA guidebook and reviewed, played a video from HUD. Training was 2.5-3 hours

All TA were given an official letter saying these are funds allocated to your development, but training is required through HUD. This was done in December 2016.

What happens to the unclaimed funds?

NYCHA: Right now, if RA dont access funds, they are in a general fund.

AGENDA ITEM 9 : Technology Funding

What is the funding for technology to improve efficiency of maintenance and skilled trades workers in FY18? Projected for FY19? What is the projected cost for provided hand held computers to all Manhattan maintenance and skilled trades staff?

MEETING NOTES:

COMMENTS:

FOLLOW-UP:

AGENDA ITEM 10 : CB Priorities

What budget priorities would NYCHA like Community Boards to support?

MEETING NOTES:

COMMENTS:

FOLLOW-UP:

Does this come from your budget or discretionary?

NYCHA: Discretionary. Can be helpful by encouraging elected officials to support these things.

AGENDA ITEM 11 : Budgeting Process and CB Support

Please explain any particular features of your budgeting process that CBs should take into account when formulating their requests.

MEETING NOTES:

COMMENTS:

Our board meets in 2 week. We will also meet with the boards individually by phone or in person.

FOLLOW-UP:

Susan: needs we have problems with- senior centers, etc. only get done when council money is funded. Voting on priorities doesn't seem to influence decisions.

NYCHA: Will be providing updates on all projects and can followup.

Questions about waste and waste management- will discuss in depth later.

**FY 2019 Borough Budget Consultations
Manhattan - New York City Housing Authority
Meeting Date 9/20/2017**

**AGENDA ITEM 1: Section One: General Agency Funding Discussion:
Summary & Background:**

The purpose of holding the Borough Budget Consultations is to provide Community Boards with important information to assist in drafting their statement of District Needs and Budget Priorities for the upcoming fiscal year. As you may know, Community Board Members are volunteers who may not be familiar with the budget process and how agencies' programs are funded. At the same time, Community Board members are very knowledgeable about local services needs.

This year's agendas are designed to give agencies a platform to present their goals, their funding decision process, and highlight their funding needs and at the same time, continue to provide Community Boards the ability to inquire about specific program funding and district specific budget requests. Each agency consultation will have three sections.

The first section is a set of standard discussion questions that every agency would be asked to present on. The purpose of this section is to help agencies educate the Community Boards on their overall process, specific goals, and projected budget priorities. During the second section, the Community Boards would be able to submit questions regarding funding for specific programs. The third and final section is optional and allows for Community Boards to request an update on a district specific budget question that the agency can provide in writing offline of the consultation.

Section One: General Agency Funding Discussion:

Along with written responses please be prepared to present on the following topics for 10-15 minutes at the beginning of our Consultation:

- 1. Explain the process the agency uses to formulate goals and budget priorities.**
- 2. What are the current proposed FY18 and FY19 service and operational goals and proposed funding?**
- 3. Which programs is the agency adding, dropping, or changing for FY18 and projected for FY19?**

At the beginning of 2017, NYCHA implemented a new exterminator program Authority-wide, reinstating preventive maintenance extermination services in all apartments. The program offers quarterly routine extermination services. NYCHA is also implementing new floor care machines to improve janitorial care standards at all developments. These will improve the quality of life for residents by keeping our developments cleaner and safer as the machines dry the floors as they go, minimizing hazards. Additionally, these will allow the caretakers to see to other needs around the developments. This program will be fully implemented by the end of 2017.

AGENDA ITEM 2: Section Two: Specific Agency Program (Capital & Expense)

Section Two: Specific Agency Program (Capital & Expense) Questions:

What is the funding for waste management (garbage disposal, recycling) in Manhattan by categories in FY18? Projected for FY19?

An allocation of approximately \$60M is being secured for City-wide waste management projects. NYCHA is issuing \$35M in City-wide contracts, which include exterior compactors, bulk crushers, garbage hoists, and interior compactors. In addition, the Mayor's Rat Mitigation Program includes \$25M for NYCHA, which will address garbage disposals and crawl space improvements at 17 Manhattan developments.

Federal Capital Plan City-wide (distribution by borough is not yet available):
 Interior compactors = \$7.9M over 5 years (CY 2018/2019= \$1.2M each year)
 Exterior Compactors = \$8.5M over 5 years (CY 2018/2019= \$1.5M each year)
 Bulk Crushers (Ext.) = \$5.99M over 5 years (CY 2018/2019 = \$2M each year)
 Garbage Hoists \$12M

Recycling Operations = \$681K in each FY18 and FY19
 Recycling Resident Engagement = \$135K in each FY18 and FY19

City Funds for Rat Reduction Plan (measures include interior, exterior compactors, rat pads and bulk crushers) = \$25M through FY19 – in ongoing negotiations with the City

Mayoral Rodent Reduction Initiative											
Development Information		Program Area	Rat Slabs		Interior Compactors		Exterior Compactors		Bulk Crushers		
Name	Borough	Zone	Include?	#	Include?	#	Include?	#	Include?	Space?	
Baruch	MN	Zone	Yes	17			Yes		4	Yes	Yes
Smith	MN	Adjacent Zone	Yes	7	Yes		12	Yes	4	Yes	Yes
Wald	MN	Zone	Yes	16	Yes		16	Yes	4	Yes	Yes
Vladeck	MN	Adjacent Zone		14	Yes		54	Yes (New)			
Riis	MN	Zone	Yes	4			Yes		3		
La Guardia	MN	Adjacent Zone	Yes	2	Yes**		9				
Rutgers	MN	Adjacent Zone			Yes		5				
Riis II	MN	Zone									
Gompers	MN	Zone	Yes	4	Yes		4		1		
Seward Park Expansion	MN	Zone			Yes		2				
Two Bridges URA (Site 7)	MN	No Zone			Yes		1				
Vladeck II	MN	Partial Zone									
Campos Plaza II	MN	Zone			Yes		1				
LES II	MN	Zone		6	Yes		1				
Hernandez	MN	Zone			Yes		1				
Bracetti Plaza	MN	Zone			Yes		2				
45 Allen Street	MN	Zone			Yes		1				
Meltzer Tower	MN	Zone			Yes		2				
Baruch Houses Addition	MN	Zone									
First Houses	MN	Zone			Yes		8				
La Guardia Addition	MN	Adjacent Zone			Yes		1				

AGENDA ITEM 3 : Section Two: Specific Agency Program (Capital & Expense)
Section Two: Specific Agency Program (Capital & Expense) Questions:
What is the FY18 budget for repairs and upgrades of doors, locks and intercoms, both for Manhattan buildings and individual apartments? Projected for FY19?

For the repair of intercoms the FY17 budget is \$952,040.
 For the repair of doors and locks, the FY17 budget is \$14,870,609.

Information on the FY18 and FY 19 budget is not yet available.

AGENDA ITEM 4: Section Two: Specific Agency Program (Capital & Expense)
Section Two: Specific Agency Program (Capital & Expense) Questions:
What funding is allocated for the NextGen Sustainability Program in Manhattan for FY18? Please break down by program initiatives. Which Manhattan developments are participating? When will all of the Manhattan developments be participating? What is projected for FY19? How much funding has been allocated for resident engagement and tenant technical assistance in FY18, projected for FY19?

EPC and Weatherization programs are planned for Manhattan in FY18. This program includes 16 developments for EPC (See below). The total budget is \$167 Million.

Ameresco EPC A

Development	Energy Conservation Measure
Carver	In-building Common Area Lighting Improvements
Carver	Apartment Lighting Improvements
Carver	Water Conservation - Showerheads and Bath Aerators
Carver	Facade Lighting Improvements
Taft	In-building Common Area Lighting Improvements
Taft	Apartment Lighting Improvements
Taft	Water Conservation - Showerheads and Bath Aerators
Taft	Facade Lighting Improvements
Vladeck	In-building Common Area Lighting Improvements
Vladeck	Apartment Lighting Improvements
Vladeck	Water Conservation - Showerheads and Bath Aerators
Vladeck II	In-building Common Area Lighting Improvements

Vladeck II	Apartment Lighting Improvements
Vladeck II	Water Conservation - Showerheads and Bath Aerators
Washington	In-building Common Area Lighting Improvements
Washington	Apartment Lighting Improvements

Sandy EPC A

Development Energy Conservation Measure

Lower East Side Rehab (Gp. 5)	Apartment Temperature Controls
Lower East Side Rehab (Gp. 5)	Ventilation Improvements/Repairs
Campos Plaza II	Apartment Temperature Controls
La Guardia	Facade Lighting Improvements
La Guardia	In-building Common Area and Facade Lighting
La Guardia	Apartment Temperature Controls
La Guardia Addition	Apartment Temperature Controls
Two Bridges URA (Site 7)	Facade Lighting Improvements
Two Bridges URA (Site 7)	In-building Common Area and Facade Lighting
Two Bridges URA (Site 7)	Apartment Temperature Controls
Two Bridges URA (Site 7)	Ventilation Improvements/Repairs
East River	In-building Common Area and Facade Lighting
East River	Residential In-Unit Lighting
East River	Apartment Temperature Controls
Rangel	In-building Common Area and Facade Lighting
Rangel	Residential In-Unit Lighting
Rangel	Apartment Temperature Controls
Rangel	Ventilation Improvements/Repairs

Smith	Facade Lighting Improvements
Smith	In-building Common Area and Facade Lighting
Smith	Residential In-Unit Lighting
Smith	Apartment Temperature Controls
Smith	Ventilation Improvements/Repairs

**AGENDA ITEM 5 : Section Two: Specific Agency Program (Capital & Expense)
Section Two: Specific Agency Program (Capital & Expense) Questions:
Which buildings/developments are going into Permanent Affordability Commitment Together (PACT)? What is the timeline for implementation? What is the funding for resident engagement in FY18? Projected for FY19?**

In June 2016, NYCHA applied to HUD to convert four Manhattan developments – totaling 373 apartments – to Section 8 under the Rental Assistance Demonstration (RAD). The developments are:

- Rehab Program (Wise Rehab)
- WSUR (Brownstones)
- Manhattanville Rehab (Group 2)
- Manhattanville Rehab (Group 3)

A timeline for implementation of RAD for these developments has not yet been established as NYCHA is currently working with HUD to determine capacity and project sequencing for the program city-wide.

In July 2017, NYCHA announced that it would move forward with converting all of the developments in the “LLC II/Unfunded Units” portfolio to Section 8, including, 344 East 28th Street and Wise Towers. While NYCHA awaits final approval to move forward with these two developments, there is no timeline for implementation right now. Please note that since these developments do not currently receive public housing funding, they cannot use RAD, so we are seeking an alternative HUD approval process but applying the principles of PACT.

**AGENDA ITEM 6 : Section Two: Specific Agency Program (Capital & Expense)
Section Two: Specific Agency Program (Capital & Expense) Questions:
How much of NYCHA’s unmet major infrastructure needs are in Manhattan? Describe the Manhattan funding needs by category: plumbing, electric, roofs, facades, elevators. Until NextGen and PACT are fully implemented, how much funding is budgeted for these needs in FY18? Projected for FY19?**

According to the 2011 Physical Needs Assessment (PNA) report, the developments in Manhattan have \$5B of unmet needs broken down below:

- Apartments repairs: \$2.6B
- Buildings exterior: \$1.3B

- Buildings interior: \$600M
- Electrical: \$55M
- Mechanical, Elevators, Plumbing: \$350M
- Grounds renovation: \$200M

For FY18 and 19, \$137 million has been budgeted for infrastructure repairs and upgrades in Manhattan.

AGENDA ITEM 7: Section Two: Specific Agency Program (Capital & Expense)

Section Two: Specific Agency Program (Capital & Expense) Questions:

What is the FY18 budget for staff in Manhattan developments by category: grounds maintenance, building maintenance, and skilled trades? Projected for FY19? What is the ratio of workers to residents for each category? Given the backlog of repairs, how many additional staff are needed in each category? What is the projected cost?

FY17 Budget for Staff

Buildings and Grounds Maintenance-892

Skilled Trades-324

Ratio Staff to Unit

1. Maintenance Workers – 1 per 250 units
2. Housing Assistants – 1 per 450 units
3. Caretakers – varies per property

The headcount budgeting process is currently ongoing for FY 18 and has not been initiated for FY19.

AGENDA ITEM 8 : Section Two: Specific Agency Program (Capital & Expense)

Section Two: Specific Agency Program (Capital & Expense) Questions:

How much funding has NYCHA allocated in FY 2018 for Manhattan TA Presidents, TA participation activity funds, and resident engagement? Projected for FY19? Please describe the various programs that include a resident engagement aspect. What percentage of resident engagement is required to ensure that programs are successful?

Tenant Participation (“TP”) funds, are allocated by HUD, as part of NYCHA’s operating funds, on an annual basis. TP funds are made available to duly elected Resident Association Presidents each calendar year and are allocated by a formula established by HUD. TPA funds are subject to proration which can be adjusted by HUD at any point in time. Resident Associations receive notice of their projected funding amounts in the fourth quarter of the prior year. The total amount of TP funds allocated to Manhattan developments in 2017 is \$635,558.50 (Manhattan North- \$314,802.24, Manhattan South- \$320,756.26). 2018 funding amounts will be available later in this year.

Below are the TPA funding for Manhattan developments.

- Campos Plaza- annual-\$2671.53/ Total-\$15,359.35
- Riis- annual-\$21,085.99/Total-\$121,229.13
- Wald- annual-\$22,183/Total-\$127,606.01
- 344 East 28th street- annual-\$2671.53/Total-\$15,427.92
- Baruch- annual-\$26,166.66/Total-\$150,439.33
- Baruch Addition- annual-\$2349.51/Total-\$13,508.00
- LES V- annual-\$644.03/Total-\$3702.70
- LES II-annual- \$2218.32/total-\$12,753.74.....Council funded-\$3000 (FY2018)
- LES III-annual-\$667.88/ Total- \$3938.84
- Braccetti Plaza- annual-\$1288.06/Total-\$7405.40
- First Houses- annual-\$1502.73/Total- \$8639.63

AGENDA ITEM 9: Section Two: Specific Agency Program (Capital & Expense)

Section Two: Specific Agency Program (Capital & Expense) Questions:

What is the funding for technology to improve efficiency of maintenance and skilled trades workers in FY18? Projected for FY19? What is the projected cost for provided hand held computers to all Manhattan maintenance and skilled trades staff?

In October 2016, NYCHA announced its Handheld Maintenance Initiative, where frontline staff across the portfolio was equipped with smartphones for managing maintenance and repair requests. As residents alert NYCHA to necessary repair issues through the MyNYCHA Mobile App or the Customer Contact Center, supervisors can assign work tickets in real time and employees are alerted immediately.

To date, costs for the project has been approximately \$9.4 million. The project is scheduled to close at the end September. Additional updates, enhancements, etc. would fall under a new project.

NYCHA is currently going through the budgeting process to determine FY18 and FY19 numbers

AGENDA ITEM 10: Section Two: Specific Agency Program (Capital & Expense)

Section Two: Specific Agency Program (Capital & Expense) Questions:

What budget priorities would NYCHA like Community Boards to support?

NYCHA would like community boards to support funding for security cameras, door replacements, intercoms, lights, elevators, roofs, and other grounds projects such as basketball courts, fences, and playgrounds.

AGENDA ITEM 11 : Section Two: Specific Agency Program (Capital & Expense)

Section Two: Specific Agency Program (Capital & Expense) Questions:

Please explain any particular features of your budgeting process that CBs should take into account when formulating their requests.

Elected officials and Community Board's should reach out to NYCHA's Intergovernmental Department (Intergov) to request estimates and learn about the capital eligibility of such projects. NYCHA's Intergov works with our capital planning unit to provide up to date information and estimates based on square footage/generalities. Once funding is in place, a NYCHA team will visit the site to scope the project and start the design process. It is very important that both Elected Officials and Community Boards consult with NYCHA prior to making budget recommendation or allocating funds. This will help ensure the success of the project.



What's New in PACT | Fast Facts

What are the Unfunded Units?

- There are over 4,000 units that are not currently funded by city, state or federal budgets.
- NYCHA diverts more than **\$23 million a year** from other budgets to keep these apartments operating, but they need extensive repairs.
- The 4,000 units at 8 developments have \$775 million in capital need.

Which developments are included?

- The first two development converted to PACT will be:

**Baychester
Murphy**

- The next six developments will be:

**344 East 28th Street
Independence
Williams Plaza
Wise Towers
Boulevard
Linden**

How will residents be impacted?

- Residents should see little to no change beyond building renovations.
- All NYCHA families can stay in their homes.
- **Rents will not go above 30% of income.**
- All residents will have tenant protections.
- Significant repairs and improvements will be made.
- PACT will bring in steady funds and much needed repairs for these families.

When does PACT go into effect?

- Murphy and Baychester will be the first developments converted to PACT.
- Resident meetings will begin this summer.
- The RFP will be released in the Fall.
- Developer selection will take place in Winter 2018.

Will NYCHA still be involved?

- NYCHA will continue to own the land.
- A private development and management team will operate the new affordable building.
- The new building will be financed by our partners; no NYCHA funds will be used.
- NYCHA has oversight of the long-term Section 8 contract with the developer.

How can residents learn more?

- There will be community engagement meetings scheduled to inform residents of the changes.
- The first meetings will be scheduled this summer.
- Property Management will keep residents up to date on meetings and changes.



PACT

Unfunded Units

Creating a Permanent Affordability Commitment *Together*

What is PACT?

Permanent Affordability Commitment Together (PACT) refers to NYCHA's initiatives to identify resources to preserve its affordable housing portfolio. For the unfunded units, NYCHA will transition apartments to the Section 8 program and create public-private partnerships to repair and manage developments. PACT is a critical part of NextGen NYCHA, the Authority's 10-year strategic plan to repair and rebuild public housing to improve residents' quality of life.

What are the Unfunded Units?

NYCHA has 8 developments that receive no public housing funding and instead "share" in the federal funds provided for NYCHA's public housing. This costs NYCHA more than \$23 million a year. Additionally, these developments require \$775 million in capital repairs.

What will PACT do for the Unfunded Units?

Through PACT, the 4,207 apartments with no current funding will convert to Section 8 and receive long overdue renovations. This will provide a steady stream of funding to maintain the units and residents will see long overdue repairs in their homes.

Community Engagement

Resident voices are an important part of PACT. Before the Request for Proposal (RFP) is released, NYCHA will hold numerous resident meetings.

"PACT is fundamentally about protecting resident's homes and improving their quality of life. Through PACT, developments will receive extensive repairs and renovations, residents will have strong tenant rights and permanent affordability will be protected."

NYCHA Chair & CEO Shola Olatoye



PACT

Unfunded Units

Creating a Permanent Affordability Commitment *Together*

Frequently Asked Questions

What is the Permanent Affordability Commitment Together (PACT)?

PACT is a critical part of NextGen NYCHA, the Authority's 10-year strategic plan to repair and rebuild public housing to improve residents' quality of life. Under PACT, NYCHA seeks to identify resources and opportunities to make major improvements to developments while preserving long-term affordability and maintaining strong resident rights. PACT includes portfolios financed by the federal Rental Assistance Demonstration (RAD) and now the unfunded unit portfolio. PACT creates a public-private partnership to repair and manage developments.

What are the goals of PACT?

- Raise money through new financing options for critically needed repairs.
- Maintain long-term affordability for residents.
- Protect resident rights.
- Create a public-private partnership that maintains NYCHA's oversight role.

What are the Unfunded City & State Units?

NYCHA has 8 developments that receive no public housing funding. The developments were originally funded by City and State subsidies but never funded directly by HUD. These developments currently "share" in the federal funds provided for NYCHA's public housing.

How much do these units cost to operate?

These 4,207 units cost NYCHA more than \$23 million a year. While NYCHA has maintained the operations through other budgets, the units require \$775 million in capital repairs, which the Authority has been unable to meet.

What will be different about the units?

Of the Unfunded Units, 1,467 in these developments are already part of Section 8. This new PACT conversion will bring the remaining 4,207 unfunded units under Section 8.

Why is NYCHA bringing the Unfunded Unit Portfolio under PACT?

Federal disinvestment in public housing has resulted in a severe funding gap and \$17 billion in unmet infrastructure needs. To make significant repairs, more effectively manage this portfolio and strategically deploy NYCHA's limited financial resources, the unfunded unit portfolio will join PACT. This PACT is proven financing model to support these apartments, prevent them from falling into complete disrepair and protect their affordability and residents' rights.

What will be the impact from stable federal funding?

Shifting the units to the Section 8 Housing Choice Voucher program will bring new, stable revenue to the developments and allow for substantial improvements to be made to the buildings. Additionally, funding previously diverted for these developments from the rest of NYCHA's portfolio will now go towards operation and maintenance at NYCHA's traditional public housing developments.



PACT

Unfunded Units

Will long term affordability be maintained?

Like public housing, all residents will pay no more than 30 percent of their income towards rent. The PBV Section 8 contract requires long term affordability, as will the NYCHA ground lease

What rights will residents have?

PACT residents have the same strong rights as residents in traditional public housing, including the right to a hearing to resolve any grievances.

Is this privatization?

No. This is a true public-private partnership. NYCHA intends to enter into a long-term ground lease with a private partner who will repair and manage the development. NYCHA plans to continue to own the land, maintaining a significant stake in the ownership structure and overseeing major decisions.

What repairs will be made?

Repairs could include roof replacements, façade repair, new kitchens and bathrooms, renovated common spaces, upgraded lighting, enhanced security features and improved outdoor areas.

How is the unfunded portfolio different from RAD?

Units in our RAD portfolio are currently funded through federal public housing subsidies, whereas the unfunded units receive no direct public housing funding. As a result, there is a different financing mechanism for the conversion. The Section 8 conversion for both RAD and the unfunded units portfolios are governed by the principles laid out in NYCHA's PACT program, including strong resident rights and long-term affordability.

How is the unfunded portfolio similar to RAD?

Like RAD, the unfunded developments under PACT will have long-term affordability and a stable funding source. All residents in developments converted through PACT are protected by the same community principles and retain strong public housing rights.

What is the timeline for the first bundle?

We are working with HUD. The timeline anticipates receiving HUD approval for the first bundle, Baychester and Murphy, prior to conversion. Resident Engagement will start this summer. The RFP will be released in the Fall and the Developer selection will take place in Winter 2018.

When will the process begin at the other developments?

NYCHA will provide initial outreach at all developments this summer. Once HUD grants approval for the other developments, robust resident engagement will begin immediately. We will continue to share information throughout this process though to make sure residents remain informed of the most current timeline.

How much rent will residents pay after the conversion?

Residents will pay no more than 30% of their income towards rent.

Why not use RAD for these units?

The units are not eligible for RAD because they do not receive direct public housing funding.



PACT

Unfunded Units

How are the units unfunded? How were the units originally built?

The units were originally built and funded through City and State funding. City and State funding ended in the early 2000s.

What if a resident earns more than 60% AMI?

HUD allows residents who are continuously assisted to earn up to 80% AMI and still qualify to live at Section 8 project based developments. Residents that earn more than 80% AMI will be allowed to remain in their unit and pay 30% of their income as rent.

How will affordability be guaranteed?

Affordability will be guaranteed through a ground lease – NYCHA will continue to own the land that the buildings are on – and through the long-term Section 8 contract between the developer and NYCHA.

What if the private manager is not doing a good job?

NYCHA will have an ownership interest in the development and can change managers if the management company fails to uphold their commitments.

How will this impact community centers?

We are gathering information about the community centers, such as their current capital needs and service contracts.

Does this need HUD approval?

NYCHA has preliminary approval from HUD for the first bundle.

Are the vouchers portable?

After 1 year, a resident can move out of their unit with a tenant-based voucher, subject to funding availability. The voucher program allows tenants to move anywhere in the United States.

How will new residents be chosen when there are vacancies?

Vacancies will be filled through the NYCHA Section 8 voucher waitlist.

Will residents have succession rights?

Residents will have succession rights in accordance with the Section 8 program policies.

Will there be annual inspections?

Yes, units will be inspected according to NYCHA's Housing Quality Standards. If a unit passes inspection, it may be inspected every two years. If a unit fails, it will be inspected every year. At any time, a resident can request an inspection of their unit.