

Executive Summary

NYCHA's Final Agency Plan for FY 2007

In accordance with Section 5A of the Housing Act of 1937 as amended, the New York City Housing Authority (NYCHA) is developing, with input from residents of public housing and Section 8, elected officials and the public, a plan that sets forth its major initiatives for the coming year.

NYCHA began the planning process with the announcement of its preliminary spending plan in December 2005. Between January and March, NYCHA met with the Resident Advisory Board (RAB) to discuss the Authority's deficit. Since the draft Amended Plan was released in April, NYCHA has met with the RAB five (5) times. In addition, NYCHA staff has met over 200 times with resident groups, elected officials and concerned citizens to discuss Plan issues. NYCHA provided a 45-day public review period, held five (5) town hall meetings and a public hearing to receive comments from residents and the public on the draft Amended Plan. In addition, written comments on the draft amended Plan were provided through the post office box that NYCHA maintained during the statutory review period.

Following the public hearing, the Authority met again with the RAB to obtain their final comments. The final Plan will then be submitted to HUD by October 17th, 2006. HUD has 75 days in which to consider the Plan, which will be in effect during Calendar Year 2007.

NYCHA's priorities for the coming year are outlined on the following pages. In 2007, the primary priority for the Authority is the implementation of the Plan to Preserve Public Housing (PPPH) which achieves long-term financial stability for NYCHA, while improving and expanding the stock of affordable housing as well as maintaining core services to residents.

NYCHA's Financial Plan and Budget

NYCHA's Board has approved a spending plan for FY 2006 and a financial plan for 2006 - 2009. The financial plan is currently available on NYCHA's web page, which is located at www.nyc.gov/nycha. Although the plan reflects persistent underfunding and increased costs, it includes an unprecedented \$100 million commitment from the City of New York in FY 2006, preserves core services to residents and continues major capital investments in NYCHA's portfolio. The plan maintains NYCHA's commitment to the long-term viability of affordable public housing for current and future NYCHA residents. Additionally, the budget and plan assumes compliance with HUD's new project-based budgeting/asset management requirement.

NYCHA was recently awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its comprehensive annual financial reporting.

NYCHA is committed to increasingly aggressive efforts to advocate for funding flexibility and critical dollars to support housing for low- and moderate-income New Yorkers. In this time of limited Federal resources, NYCHA needs funding flexibility between its capital, operating and Section 8 programs. It is essential that NYCHA have the ability and the flexibility to utilize every cent that is allocated to it, rather than having savings returned or recaptured by HUD. Another route to achieve this goal is federal Moving-To-Work (MTW) designation. If NYCHA is admitted to MTW, it will not request any change in the format used to calculate rent, nor will it impose time limits or seek any modification to the law's present income targeting requirements.

Limited Rent Reform Initiative

Rent is a critical source of revenue for the day-to-day operations of NYCHA's 344 public housing developments. It is the only source of revenue over which NYCHA has direct control. NYCHA has not adjusted its rents since 1989.

As proposed in the amended FY 2006 agency plan, NYCHA seeks to continue to phase in increased rents for only the segment of NYCHA households (27%) who pay flat rents. These households will be divided into three levels, and rent increases will be 10%, 20% and 40%, respectively, over a two-year period. In no case will any rent exceed 30% of income. The vast majority of NYCHA households (73%), whose incomes average \$11,587 and who already pay 30% of the family income towards rent, will not be impacted by this increase. The new rent structure will be phased in over a two year period as part of the agency's annual review process.

Federal Policy Issues

NYCHA's federal operating subsidy has not been fully funded since FY 2002. The cumulative funding shortfall since FY 2001 is \$258.6 million and it is estimated that NYCHA will receive 90% or less of its subsidy in 2006 and perhaps only 78% in 2007. Additionally, the national Public Housing Capital Fund allocation continues to decline, decreasing 13 percent from 2001-2006.

In 1998, Congress mandated that HUD work with the public housing industry to create a new formula for allocating operating subsidies. The final rule on the new formula was issued in September 2005 and HUD guidance was issued in March 2006. The new formula includes a requirement that by October 1, 2006, NYCHA use property-based budgeting, accounting and management (also called "asset management") or be subject to a significant reduction in subsidy during FY 2007. If NYCHA is deemed to be out of compliance, the loss of subsidy will escalate to \$60 million over the next five years. NYCHA is on track to meet the compliance deadline. NYCHA will be subject to the new operating subsidy formula starting in January 2007 which will result in decreased funding.

In order to achieve financial stability, NYCHA will petition HUD to provide relief from other unfunded mandates such as Community Service, streamline federal rules and regulations, provide relief from non-essential administrative costs and authorize NYCHA to combine all federal funding streams (public housing and Section 8) for maximum financial flexibility.

Section 8

After having to implement a freeze on the issuance of new Section 8 vouchers in December 2004 due to insufficient subsidy levels and Congressional changes to the funding formula, NYCHA will be able to re-institute new rentals in Spring 2006. As a result of the efforts of Mayor Bloomberg and a nationwide outcry by affordable housing advocates, Congress has increased funding for the voucher renewal program in the past two appropriations, rising from \$13.462 billion in FY 2005 to \$14.089 billion in FY 2006. The President's budget proposes a 2.7% increase in FY 2007 that would raise assistance to \$14.436 billion. In addition, NYCHA received a transfer of 3,400 units from HPD and an award of 7,649 units for Mitchell Lama opt-outs from HUD, allowing the program to grow in size.

Vouchers for new applicant rentals will be made available to new waiting list priorities including: families referred by the Administration for Children Services (ACS) with children in foster care whose only barrier to reunification is housing, victims of domestic violence, intimidated witnesses, Department for Homeless Services (DHS) referrals, set asides for project-based and Mitchell Lama conversions, families on NYCHA's non-emergency waiting list, as well as residents and applicants for a portion of the unsubsidized non-federal public housing sites.

Unsubsidized Non-Federal Apartments

As part of its overall [Plan to Preserve Public Housing](#), the New York City Housing Authority (NYCHA) is seeking authorization from the U.S. Department of Housing and Urban Development (HUD) to offer a limited number of Section 8 vouchers to residents of its 21 City and State developments. Under the proposed Section 8 Voluntary Transition Program, NYCHA will transition 8,400 City and State apartments into the Section 8 Program. NYCHA will transition apartments as they become vacant and also issue a limited number of applications for Section 8 vouchers to interested residents of City or State developments on a voluntary, first come, first served basis.

These 21 developments were built by the City or the State and no longer receive any subsidy from any government source to fill the gap between the cost of operating the buildings and rent collected. The proposed Section 8 Voluntary Transition Program will bring needed resources to the City and State developments and ensure that the rents remain affordable. NYCHA will continue to own, manage and provide services at these developments. NYCHA's goal is to preserve public housing and secure the future viability of these 21 City and State developments.

There will be a separate and detailed submission to HUD to seek approval for this transition.

Increase in Available Apartments

NYCHA's occupancy rate is 99%. However, one of the highest priorities of the Authority is to maximize the number of available apartments, while ensuring critical capital and code compliance work is completed to maintain safe public housing for the future.

Between January and November 2005, NYCHA successfully reduced the number of apartments off of the rent rolls by approximately 22% and increased the number of available apartments by 18% from 2004 and 2005.

Technological Enhancements to Improve Efficiencies and Services

▪ *Centralized Call Center*

In 2005, NYCHA rolled out a “Centralized Call Center” for residents living in developments on Staten Island and Queens. In 2006, this initiative will expand to all residents living in Manhattan developments. Citywide implementation of a fully automated NYCHA work ticket system will occur by 2008. This program is part of an effort to improve customer service and response time to NYCHA residents by scheduling appointments for repairs, standardizing the entry of work requests, and reducing the backlog and duplication of work tickets. Instead of calling their individual management offices to report emergencies or request routine maintenance repairs, residents call a dedicated number where call takers enter the request into the work ticket system and schedule a repair appointment. The Centralized Call Center is available 24 hours a day, 7 days a week.

▪ *Elevator Remote Monitoring*

As a result of recent advances in elevator control technology, the Authority is upgrading the 523 elevators that are currently utilizing remote monitoring to insure proper functionality of the system. The remote monitoring system provides for communication between the control board of an elevator and a central monitoring station. The upgraded communication system automatically reports elevator problems as they occur to NYCHA's Wide Area Network (WAN) and provides elevator information to multiple users. This information will assist supervisory staff in dispatching the appropriate personnel to the problematic elevator. NYCHA anticipates significant reductions in response and repair time. During 2006-2007, we anticipate equipping an additional 511 elevators with remote monitoring equipment.

▪ *Integrated Information Technology Systems*

In an effort to provide more efficient, resident-centered services, NYCHA is implementing a multi-year initiative aimed at modernizing outmoded and dated technologically-based stand-alone financial, materials, resident and property, energy and contract management systems aimed at improving performance and operational processes. Eighty percent (80%) of the NYCHA systems need to be replaced. Thus far, 30% have been completed. In 2006, NYCHA will procure a vendor to establish an integrated residential property management and customer relationship system which will initially enhance the business processes and customer service in the Department of Housing Applications, Leased Housing, and Maintenance Operations.

Accelerated Modernization of Housing Stock

On average, NYCHA's 2,694 buildings are more than forty (40) years old. NYCHA is constantly challenged to maintain these older buildings' systems and infrastructure at a significant expense to the operating budget. In the most comprehensive plan in the City's history to modernize and preserve thousands of units of public housing, the Mayor announced, in February 2005, a \$2 billion, 5-year plan to sell up to \$600 million in bonds to finance and accelerate vital construction initiatives as a part of the capital fund financing program. Thus far, \$300 million of the bond was issued.

Enhancing the capital program is CM/Build, or the Construction Management Build Program. In place for two years now, CM/Build has begun to show significant benefits as private firms manage the Authority's major capital projects to ensure on-schedule completion of capital projects within budget. As a result of the bond issuance and through CM/Build, construction on structural, brickwork and roof replacements began in 2005 and will expand in 2006 to include 38 NYCHA developments and 340 buildings. Major structural and watertight repairs are being performed at Wald Houses and will begin at Johnson Houses in the third quarter of 2006.

Energy Conservation

▪ *Computerized Heating Automation System (CHAS)*

Maintaining heat in developments is also one of NYCHA's priorities. To assist management in maintaining heating systems, the Computerized Heating Automation System enables staff to remotely monitor heating plants, perform diagnostic testing from management offices and other locations, and contain energy consumption. Approximately 180 major boiler plants and related building zone valve controls will be complete by 2007. The balance of smaller boiler rooms (approximately 329) will receive heating control panel upgrades as part of the project, making them “CHAS-ready” for future connectivity. It is estimated that CHAS will result in a savings of about 10% starting in the 2007-2008 heating season.

▪ *Instantaneous Domestic Hot Water Heaters Program*

In collaboration with the New York Power Authority (NYPA), NYCHA implemented the Instantaneous Domestic Hot Water Heaters Program in 2005. This program was needed to replace the failing domestic hot water tanks that were found to be leaking or in need of major repairs. These heaters will save the Authority in consumption usage, maintenance costs and in the prevention of reported scalding cases at a development. This program has been set up in several phases and identifies developments within each borough that need immediate attention. Installation will be complete in 188 buildings in 2006. An additional 141 buildings will be completed by the summer of 2007.

Increasing New York City's Stock of Affordable Housing

In February 2006, Mayor Bloomberg expanded the New Housing Marketplace Plan which has grown from a \$3.4 billion plan to build and preserve 68,000 units by 2008, to a \$7.5 billion plan to build and preserve 165,000 units by 2013. This is the largest municipal affordable housing plan in the nation's history and will provide affordable homes for 500,000 New Yorkers. NYCHA is a critical partner in this plan and, through joint initiatives with the Department of Housing Preservation and Development (HPD) and the Housing Development Corporation (HDC), currently has 1,300 units in the pipeline for redevelopment citywide including University Macombs, Brook/Willis, Markham Gardens, Prospect Plaza, Metro-North, Harborview, Chelsea Elliot, Fulton, Stapleton, Linden, Boulevard and Fabria Houses.

Public Safety

Crime continues to decrease in public housing. From 2002 to 2005, serious crime fell by 9.9 percent. NYCHA and the New York City Police Department (NYPD) have instituted a number of initiatives to continue the downward trend in crime incidents and to further increase public safety.

Through the innovative use of technology, police resources and the cooperation of local government, NYCHA has created a highly successful program to install small-scale video camera systems, which is continually achieving the desired goals of crime reduction and resident quality of life enhancement. The cameras are strategically placed to provide surveillance of the public spaces in and around NYCHA buildings. Installation of the small-scale systems was completed at 8 locations in 2004. Installation began at an additional 8 locations in 2005. In 2006, another 14 locations are scheduled for installation including 4 senior centers.

In June 2004, the Mayor announced Operation Safe Housing, which is a four-pronged initiative aimed at reducing drug dealing, sexual assault, and gun violence on New York City public housing property. First, it has created a dedicated NYCHA administrative hearing part to expedite eviction cases involving felony gun, drug, and sex offenses committed on public housing grounds. Second, it disrupts drug dealers who sell drugs on NYCHA property by banning them from public housing grounds and arresting violators for trespass. The trespass program is currently operating in Queens and Brooklyn, and will expand to the other boroughs. Third, this initiative strengthens the monitoring of convicted sex offenders who live in public housing with regular visits to their homes. Lastly, Operation Safe Housing enhances the supervision of parolees who live in public housing.

NYPD is expanding its successful program of optimizing the deployment of police resources to NYCHA's developments. In January 2004, the NYPD revised its geographical coverage areas by moving some Bronx developments to the local precinct and moved areas covered by the local precinct to the Housing Bureau's PSAs, which resulted in a reduction in response time and increased police patrols. In the coming months, approximately eleven (11) NYCHA developments located in Manhattan and all developments in Staten Island will be covered by the local precinct.

Community Programs

The Authority provides numerous education and recreation programs for youth and seniors through its community and senior centers. Since 1996, NYCHA has expended over \$100 million to renovate, expand or build 62 new state-of-the-art Community Centers. In 2006, four (4) community centers are expected to be completed and opened: Boston Road, Bronxdale, Independence Towers, and Manhattanville. In 2007, seven (7) community centers are expected to be completed and opened: Saratoga Village, Ingersoll, Marcus Garvey, Polo Grounds/Rangel/Harlem River, Richmond Terrace, Latimer Gardens, and Johnson. In 2008, Stapleton is expected to be completed and opened. NYCHA will leverage its capital investment by soliciting viable community-based organizations to run programs and/or operate entire facilities. Additionally, in order to continue to provide quality services and programs, we successfully secured \$12 million in external funding and resources.

Victims of Domestic Violence

NYCHA continues with its efforts to be responsive to the needs of victims of domestic violence (VDV) applying for or residing in public housing while balancing the need to manage the availability of a scarce housing resource. Based on residents and advocates comments and concerns, acceptable documentation to establish a VDV priority for housing is expanded to include hospital/medical documentation or a letter from a NYPD Detective, and, for transfers, a Parole Officer Letter if the perpetrator is incarcerated. Also, for applicants, a Court Dispute Resolution Center (CDRC) letter will now be accepted.

Timeframes for valid documents will be extended for both applicants and transfers. For applicants, the second police report (or an alternative document) can be up to 24 months prior to the eligibility interview instead of 12 months. For transfers, the validity of this form of documentation will be extended from 6 months to 12 months. Under the new policy, an Order of Protection serving as a secondary document for applicants can be expired as long as it's no older than 24 months prior to filing an application or priority upgrade instead of being valid at the time of the eligibility interview. For transfers, an Order of Protection serving as a secondary document can be expired as long as it's no older than 12 months prior to transfer request.

The 2005 Violence Against Women Act has housing implications that may impact NYCHA and require additional modifications. NYCHA must await HUD issuance of effectuating regulations before taking further action.

Resident Employment Opportunities

In an effort to increase job placement and job training, the Department of Resident Employment Services (RES) has created a Job Development and a Resource Development Unit. The primary function of the Job Development Unit is to create jobs throughout the business community that best fit NYCHA's job seeker's skill levels. Additionally, job developers work closely with employers who are required to test or train employees prior to hiring by offering preparation services customized to fit the employers need. Other free services offered to potential employers are targeted recruitment, screening, and customized training specific to the required job responsibility. Lastly, Job Developers conduct targeted job creation based on the industry demand and projected hiring trends as stated by the NYC Department of Small Business Services Growth Occupation List.

NYCHA works with training providers who, through informal agreements, agree to accept referrals into training programs that offer a diversity of skills training. Most training providers are operating under a performance based contract, mandating them to offer job placement services for students who successfully complete the training program. In addition, job developers are informed of the various trainings job seekers are participating in so that job development efforts are also targeted to these areas of interest. The unit also manages federal grants awarded to NYCHA for the specific purposes of sub-contracting a vendor who offers job training and job placement services to qualified NYCHA job seekers. In 2005, RES programs resulted in 457 job placements.

As part of CM/Build and the Mayor's Construction Commission, NYCHA is partnering with the STRIVE Construction Opportunities Center to provide a pre-apprenticeship program that will result in a pipeline into the construction industry for individuals who lack the academic or workplace skills necessary to gain admission into traditional apprenticeship programs. Additionally, NYCHA has developed a partnership with OAI/Minority Worker Training Program to provide a pre-apprenticeship training program in environmental remediation and building construction for up to 30 NYCHA residents, between the ages of 18 and 25, from the Bronx.

Each year NYCHA offers employment opportunities through its various seasonal programs, including summer youth employment initiatives. NYCHA has been seeking alternative sources to continue to support summer jobs for youth. The Authority hired approximately 1,900 youth for the summer under a contract with New York City's Department of Youth and Community Development. Through this and other programs, the Authority offered approximately 3,000 summer and seasonal positions in 2005.

TSAP Modification

NYCHA is amending its Tenant Selection and Assignment Plan (TSAP) to expedite transfers and alleviate overcrowded living conditions for residents by changing the current structure, where one-third of available rentals are offered to residents awaiting transfers, to a rotation where 50% of available rentals will be offered to existing residents. Additionally, applicants' eligibility will be simplified under the priority given to referrals from the Department of Homeless Services (DHS), HIV/AIDS Services Administration, Administration for Children Services and HPD. NYCHA's admission criteria for public housing and Section 8 will no longer differentiate between City-

referred and non-City referred homeless and the priority has been lowered. A new priority will be given to municipal employees who are homeless. TSAP will also be modified for the new Section 8 rentals to give top priority to referrals from DHS and residents from City and State developments.

NYCHA as a High Performing Public Housing Authority

NYCHA has earned “high performer” status from the U.S. Department of Housing and Urban Development’s national public housing evaluation system, known as the Public Housing Assessment System (PHAS). To achieve high performer designation, a public housing authority must achieve an overall score of 90 percent or higher. PHAS evaluates agency functions from property management and maintenance to an authority’s financial systems and resident satisfaction.

Plan Availability

The final plan will be available for public review at the Authority’s main office. Copies of the final plan will also be available at each development’s Management Office and have been provided to each public housing Resident Association president. A copy of the final plan is available, at all times, on NYCHA’s web page, which is located at www.nycha.nyc.gov.