



NEW YORK CITY HOUSING AUTHORITY
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February 5, 2010

Ms. Mirza Negron Morales
Director of the Office of Public Housing
U.S. Department of Housing and Urban Development
26 Federal Plaza, Room 32-116
New York, New York 10278-0068

Re: New York City Housing Authority FY 2010 Annual Plan Minor Amendment

Dear Ms. Morales:

Please be advised that the New York City Housing Authority (“NYCHA”) is amending its Tenant Selection and Assignment Plan (“TSAP”), incorporated in the FY 2010 Annual Plan by reference, to reflect that individuals on the NYCHA public housing waiting list who wish to reside in public housing developments that have been developed or rehabilitated with federal low income housing tax credits (“LIHTC”) must be at or below 60% of area median income (“AMI”) in accordance with applicable federal and Internal Revenue Service regulations.

In its Final Agency Plan for FY 2010 submitted to HUD for approval on December 31, 2009 (“Final Agency Plan for FY 2010”), NYCHA sets forth its plan to undertake a mixed finance modernization plan under the auspices of HUD’s Program for Public/Private Partnership for Mixed-Finance Development of Public Housing Units as permitted by the American Recovery and Reinvestment Act (“ARRA” or “Act”) of units at its 21 State- and City-built public housing developments. Under this plan, NYCHA will use ARRA funds to leverage private equity capital through the sale of federal low-income housing tax credits and private activity bonds.

As explained the Final Agency Plan for FY 2010, NYCHA will ground lease the land and sell the residential improvements to two Limited Liability Companies. The public housing units in the developments will remain public housing even though the units will be owned by the two Limited Liability Companies. Current residents of the 21 developments will not be displaced. Vacant public housing units at these developments will now be available to families on NYCHA’s public housing waiting list.

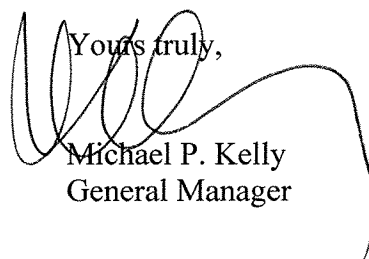
Modernization work at 13 of the 21 developments will be financed with equity raised through LIHTC and the sale of private activity bonds (the "LIHTC Portfolio"). In order for the units in the LIHTC to be eligible for these tax credits, the tenant families who move into the 13 developments must have income less than or equal to 60% of AMI.

As of February 4, 2010, of the 336 public housing developments owned or operated by NYCHA, 13 developments with 12,885 public housing units representing only 7.2 percent of the total number of public housing units owned or operated by NYCHA will be subject to the LIHTC income restriction. The income limitation for these 13 developments will have no impact on current residents of the 13 developments, who may remain in their current apartments even if their incomes exceed 60% of AMI. The income limitation will have minimal impact on those who are on the waiting list for public housing. First, since HUD approved NYCHA's Voluntary Conversion Plan for the 21 City and State Developments in 2008, units at these developments have not been available to families on NYCHA's public housing waiting list. Second, the income restriction is limited to only 12,885 apartments at 13 developments; the income restriction does not apply to any other NYCHA public housing development. Second, of the 122,258 families on NYCHA's waiting list, only 3,387 families—a mere 2.7 %-- have incomes over 60 % AMI and would not meet the income qualifications to reside in a LIHTC public housing unit.

In light of the minimal impact that this amendment will have on NYCHA's public housing waiting list and on its residents, NYCHA has therefore determined that an amendment of TSAP to reflect this income limitation for new residents of the 13 developments constitutes a minor change to NYCHA's Final Agency Plan for 2010. The proposed amendment is not the result of federal statutory change or regulatory change. It does not have substantial programmatic or financial effect on NYCHA programs, and will not result in substantial obligation or administrative burden. In addition, it will not substantially affect individuals on NYCHA's public housing waiting list. The current residents of the proposed LIHTC public units will not be displaced by this action.

A copy of this amendment to TSAP will be available to members of the public seeking to examine the FY 2010 Annual Plan. It will be posted on NYCHA's website where a copy of the approved FY 2010 Plan is available for public review.

Thank you for your consideration of this request. If you have any questions, please contact Anne Marie Flatley at 212-306-8202.

Yours truly,

Michael P. Kelly
General Manager