



# A Blueprint for Change

A Blueprint for Change is a plan  
that will improve NYCHA buildings  
and protect residents' rights



[on.nyc.gov/blueprintforchange](https://on.nyc.gov/blueprintforchange)



A Blueprint for Change charts how the New York City Housing Authority (NYCHA) will strengthen as an organization and improve the quality of life for its residents by comprehensively renovating their buildings and protecting their full rights and protections permanently. Blueprint includes a **Transformation Plan**: proposed strategies for restructuring NYCHA's business model and operations to improve the delivery of services to residents. Blueprint also includes a **Stabilization Plan**: ideas for raising much-needed funding using a **Public Housing Preservation Trust** that can completely rehabilitate the Authority's more than 300 developments while keeping them fully and permanently public and affordable – investments that will also generate job and job training opportunities for residents.

In this brief, read more about these plans to strengthen and preserve public housing in New York City, now and for the generations come.

# TRANSFORM NYCHA

The Transformation Plan, which is a part of the 2019 HUD Agreement and developed in partnership with the Federal Monitor, is NYCHA's vision for a more effective and responsive organization. The plan was created from ideas and feedback that we have received directly from residents through town hall meetings, emails, social media, phone calls, and other engagement sessions throughout 2019 and 2020.

It has been clear for some time that NYCHA must transform as an organization. We believe this can be achieved by changing how we do business and through a new culture of service.

## **The Transformation Plan proposes changes based on five key organizational principles:**



Changing the way we do business by implementing new policies and procedures across the portfolio.



Responding quickly to conditions at NYCHA properties.



Ensuring quality at points of service.



Delivering large-scale projects on time.



Establishing clear management structures so individual employees can be measured against clearly defined goals.

**One of the key organizational changes in the Transformation Plan is the Neighborhood Model.** This model improves the way we manage our properties. NYCHA's size has always been a challenge to our management and performance, but with the Neighborhood Model we will organize our developments into 30 smaller management portfolios called "Neighborhoods." Each Neighborhood will be led by an Administrator who will be empowered to assess and address the Neighborhood's unique needs.

The Neighborhood Model enables better oversight and increased attention to our developments. It will also allow for a deeper understanding of our developments' needs and challenges – which we'll be able to address with customized solutions and better distribution of resources. We expect you will see real improvements in how we resolve work orders, maintain developments, and deliver services to you. Over time, this model will promote more collaboration among developments, residents, neighborhood organizations, and community networks.

The Transformation Plan also includes numerous service delivery improvements that have been identified by residents as well as ideas from residents about how NYCHA can make better use of technology; expand resident partnerships and economic opportunities; and empower employees through learning, training, and development.

On November 16, 2020, we sent you information about reviewing the Transformation Plan and submitting comments and ideas on how this plan can improve. The six-week public comment period lasted until December 28, 2020, and was the first time NYCHA presented a strategic plan for public response.

We received a total of 322 responses, which focused mainly on repairs and maintenance, transparency and communication, safety and security, resident accountability, and property stabilization and management. This vital feedback helped us enhance the Transformation Plan with additional ideas, such as adding a section on safety and security, organizing a resident committee to develop recommendations for refining the Transformation Plan, and creating a tracking system for caretaker tasks and measuring performance.

Although the public comment period is now closed, we will continue to hold town hall meetings for residents and continue outreach to ensure that your feedback is included in all plans. We welcome your input at all stages of this process, and you can always send your comments to **[blueprint.comments@nycha.nyc.gov](mailto:blueprint.comments@nycha.nyc.gov)**.

The Transformation Plan will set us on a path to a far stronger future. It is, however, only the beginning of a long process – a journey that will create a NYCHA which better serves residents, employees, and New York City as a whole. NYCHA will now focus on looking at the costs and benefits for each of these ideas and creating a plan for implementation. The first part of the Implementation Plan is due by the end of September 2021. The second part is due at the end of June 2022.

# NYCHA's Stabilization Plan

For decades, public housing in New York City and across the country has received less and less funding in the federal budget. While our buildings are very durable, many are between 50 and 80 years old and require more money – not less money – to upgrade and maintain them. NYCHA has over 175,000 apartments, which currently require about \$40 billion in repairs. This astonishing figure grows at a rate of \$1 billion a year.

Currently, NYCHA's buildings are funded with Section 9 subsidies from HUD (Section 9 refers to Section 9 of the U.S. Housing Act of 1937, which established a federal funding system for public housing). Each year, NYCHA only receives roughly \$500 million in capital funding from Congress through Section 9, a fraction of what we need.

At these current funding rates, it would take **over 80 years** to meet NYCHA's capital shortfall. Despite years of advocacy, NYCHA has seen less and less money from administrations on both sides of the political spectrum. And Section 9 does not allow NYCHA to access other funding sources, such as Section 8 funds, which further limits NYCHA's ability to address its capital needs.

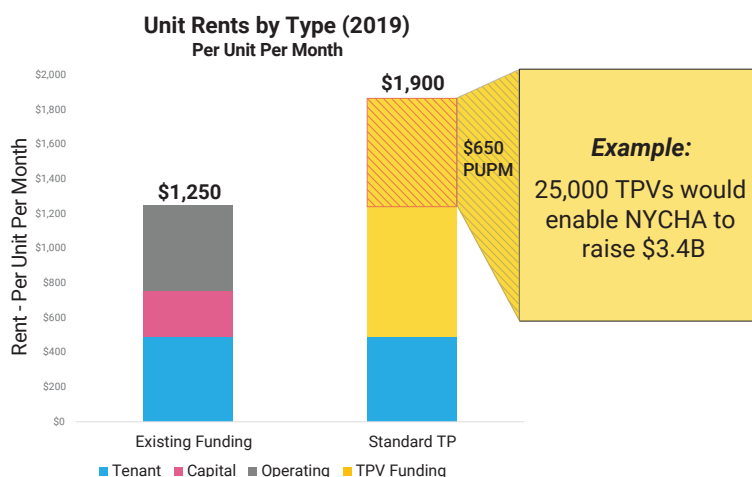
So, NYCHA must think "outside of the box" and come up with innovative solutions. We know that NYCHA residents cannot wait any longer. At the same time, these solutions must preserve full rights and affordability for residents forever.

It is for these reasons that we are proposing the creation of the NYC Public Housing Preservation Trust, which will enable us to use **a different, more valuable federal funding stream, which would bring billions of dollars** of investment to our properties, while maintaining permanent rights and affordability in full.

## What are NYCHA's opportunities for more funding?

One option for funding and improving developments and apartments is something called a Tenant Protection Voucher (TPV), which is a type of project-based Section 8 assistance.

This is HUD's most valuable resource. Each TPV is worth **almost two times as much** as NYCHA's traditional funding. And, unlike the more common tenant-based Section 8 vouchers, which a family can use to rent on the private market, these TPVs are **project-based**, which means they are linked to a specific development and their subsidy remains permanently with the property. This all means that the average NYCHA apartment's monthly funding would increase by \$650 – almost **double** the current subsidy levels.



TPVs are available when a public housing authority must rehabilitate its public housing apartments because the apartments are in significant disrepair. Unfortunately, due to decades of disinvestment, NYCHA buildings and apartments are in serious trouble and easily qualify for this resource.

## How can NYCHA access Tenant Protection Vouchers (TPV)?

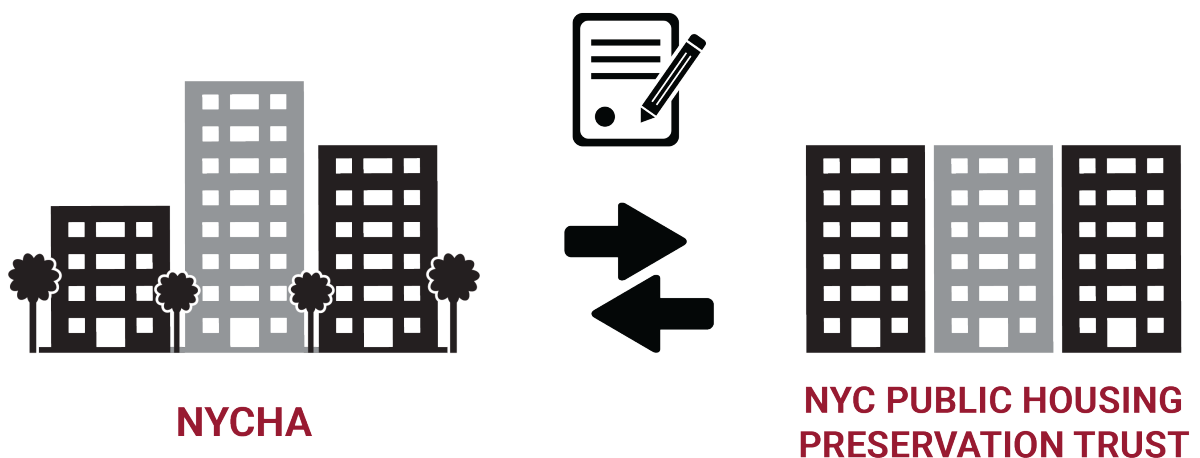
TPV subsidy is only available through the Section 8 program. Therefore, NYCHA needs to partner with a **different legal entity** to receive and manage these funds – NYCHA's current Section 9 model prevents us from receiving this funding stream.



This is why NYCHA is proposing the creation of the NYC Public Housing Preservation Trust. The “Public Trust” is a not a fancy title for another new program. The Public Trust would be a **new, fully public entity** – a public agency with the same legal structure as NYCHA – that would be created through State legislation. Through working with the Trust, NYCHA could access TPVs from the federal government in a way that NYCHA cannot under the current structure.

### ***How would NYCHA work with the NYC Public Housing Preservation Trust?***

The process would be fully public: public ownership, public operation, and public maintenance of NYCHA’s buildings.



NYCHA would remain the permanent owner of the land and the buildings and would enter into a 99-year ground lease with the Trust. This ground lease agreement would allow the Trust to access the TPVs and attach them to the buildings, so that the properties receive more funding every year. Once the Trust attaches the TPVs to the properties, it can issue bonds to raise upfront funding for renovations.

Bonds are a tool local governments (such as the City of New York or the MTA) use when they receive a steady stream of money over time but need large sums of money in the present. For example, this is what the City and State

do when they need to build tunnels, bridges, or subway stations. Bonds are issued and then can be purchased by the general public – for example, by pension institutions, retirement institutions, and even everyday citizens. The government then repays these groups over time, using the incoming steady revenue. Bonds are considered to be one of the safest investments, as they are backed by the government.

In NYCHA's case, the Trust and NYCHA need billions of dollars in the present and have a steady stream of TPV subsidy that would be paid annually over time. So, the Trust and NYCHA would issue bonds to raise the upfront funding that can pay for the building renovations, and then pay the bonds back on an annual basis using the additional subsidy from the TPVs.

The Trust would then oversee the work to complete the capital renovations and improvements. Too often, NYCHA's repair work is inadequate and takes too long to finish. The Trust would fix this through a new procurement process. In its current structure, NYCHA has many restrictions that prevent us from completing high-quality work quickly. The Public Trust would allow us to contract with vendors who offer the best value, instead of the lowest bidder. With the Trust, we can deliver high-quality renovations on a faster timeline by cutting through the bureaucratic red tape.

Under this model, NYCHA staff would also continue to maintain and manage the properties. This is a very important point. NYCHA is **not selling buildings or apartments and will continue to manage all properties** with our current union workforce.







Through this partnership, NYCHA's buildings would become an enhanced type of public housing. The government would continue to own and operate the buildings, just as now. Residents would still maintain their full rights. There would be no private entity involved – the Trust would be a fully public agency. But now, under the new model, the buildings would be properly funded and fully renovated to a state of good repair.

## *Will residents lose rights from the transfer to Section 8?*



No. You may have heard that this transfer will cause residents to lose their public housing rights. This is not the case.

NYCHA and the Trust would permanently carry over full resident rights. Many of these protections exist under current federal laws and regulations, and the remainder would be maintained as part of the State legislation creating the Public Trust. For example, residents will still have the following rights:

-  Rents capped at 30 percent of household income;
-  Automatic lease renewal;
-  Automatic lease succession rights;
-  Right to establish resident organizations;
-  Full HUD 964 regulations, including the right to form Resident Management Corporations (RMC), which empower residents to manage their properties; and
-  Economic opportunities under Section 3 (the federal requirement to provide job and business opportunities to NYCHA residents as part of NYCHA's spending).

In addition, there would be no re-screening under the transfer. This means there will be **no resident displacement**, including for the small number of NYCHA residents whose households do not meet the Section 8 eligibility criteria.

Moving forward, any vacancies not filled through the succession policy would be filled from the combined Section 9 and Section 8 waiting lists. Just as now, NYCHA buildings will remain permanently available for low-income households and will never go to market rate.

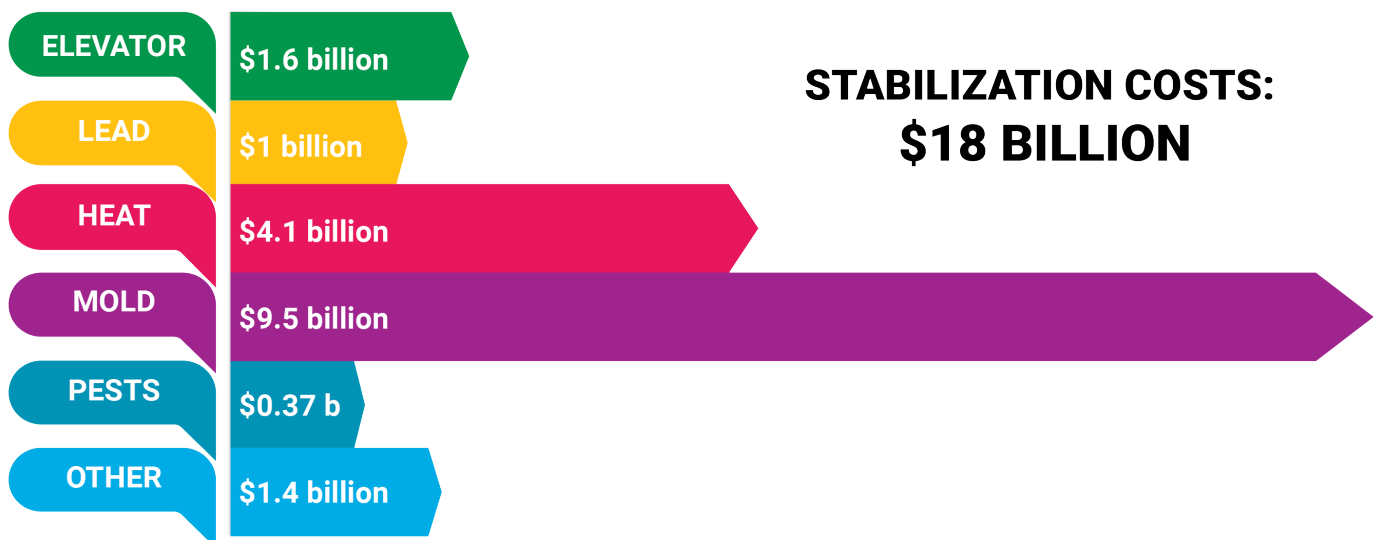
## *Is this privatization? Is this PACT/RAD?*

No. There is no private owner or for-profit entity, and this is not privatization. These properties would continue to be funded by the federal, State, and City governments and will remain 100 percent public.

This is also not PACT/RAD, which involves a partnership with non-profit and private entities. Unlike PACT/RAD, there is no private or non-profit entity involved. **Under the Blueprint and Trust model, all the entities are public.**

## *Why is this so important?*

For the first time ever, we could rehabilitate and upgrade **every single NYCHA building** and address all the needs of every property. That means resolving issues like lead, mold, and pests while also modernizing our buildings with new kitchens, bathrooms, exteriors, elevators, and heating and security systems.



This would be the largest investment in New York City's public housing since the 1950s. In addition to creating healthier living environments, the renovations would provide economic opportunities for residents.

### ***What other benefits will NYCHA residents receive?***

We will prioritize NYCHA residents for the thousands of high-paying jobs created and will strengthen our Section 3 and Minority- and Women-owned Business Enterprises (MWBE) programming. The construction work will also support hundreds of local industry jobs, and the new building systems will generate thousands of new skilled jobs.

There will also be significant health and climate impacts as well. NYCHA would use the latest energy-efficient technologies and features to foster a greener and cleaner NYCHA. By addressing lead, mold, and other environmental health hazards, NYCHA can provide a healthy living space for our families.

In addition, for developments where there is interest, NYCHA can work together with residents to pursue shared management and decision-making structures, including Resident Management Corporations (RMC), which empower residents to manage their properties.

### ***How can NYCHA residents get involved?***

We believe that resident feedback, input, and decision-making is critical to any successful plan. To that end, NYCHA is carrying out all of this important work in partnership with residents, as well as with our Federal Monitor, elected officials, community advocates, union partners, and other collaborators. To date, we have engaged residents and other members of the community on the Blueprint ideas through virtual town halls; direct communications with residents; presentations, briefings, and discussions with resident leaders, government officials, housing experts, and other partners; and a public comment period on the Blueprint's Transformation Plan.

We incorporated the feedback we have received from NYCHA’s stakeholders on how to make meaningful, sustainable change into our proposed Blueprint ideas. For example, as a result of discussions and questions received during Blueprint town halls, we added a more specific pathway for Resident Management Corporations (RMC) to come into existence, created a section in the Transformation Plan on safety and security, and proposed creating a resident committee to work on resident accountability.

And we will continue to have these conversations with you as we refine these strategies.



You can register to attend and learn more about Blueprint by visiting our website: **[on.nyc.gov/blueprintforchange](https://on.nyc.gov/blueprintforchange)**; finding us on Twitter, Facebook, or Instagram; or contacting us directly at **[blueprint.comments@nycha.nyc.gov](mailto:blueprint.comments@nycha.nyc.gov)**.







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