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普通話

CHELSEA NYCHA WORKING GROUP

FEB 2021

Working Group Members

Chelsea Neighborhood Residents

Elliott-Chelsea Houses

Darlene Waters, *RA President*
Sheila Harris, *RA Board Member*
Jone Lawson, *RA Board Member*
Peter Lim, *RA Board Member*
Dolores Payon, *RA Board Member*
Letisa Romero, *RA Board Member*
Rodney Rutherford, *RA Board Member*
Army Fuentes
Florence Hunter
Mary Taylor
Barbara Waddell Steele

Fulton Houses

Miguel Acevedo, *RA President*
John Roche, *RA Board Member*
Lenny Rosado, *RA Board Member*
Guy Canteles
Mae Chestnut
Eddie Lauria
Mary McGee
Walkiris Rosado
Samuel Rosedietcher
Evelyn Suarez
Hector Vazquez, *previously a resident of Elliott-Chelsea*

Government

U.S. Representative

Jerry Nadler, *U.S. Representative*
Robert Atterbury
Hayley Berson
Robert Gottheim

Office of the Mayor of New York City

Bill de Blasio, *Mayor of New York City*
Vicki Been, *Deputy Mayor of Housing & Economic Development*
Sarah Batchu
Jodi Callender
Jon Cohen
Gabrielle Dann-Allel
Pierina Sanchez

New York State Senator

Brad Hoylman, *NY State Senator*
Maia Berlow
Zach Duffy
Jacob Priley

New York State Senator

Robert Jackson, *NY State Senator*
Johanna Garcia
Matthew Levy
Chris Nickell

New York State Assembly Member

Richard Gottfried, *NY Assembly Member*
Wendi Paster
Matt Tighe

Office of the New York City Public Advocate

Jumaane Williams, *NYC Public Advocate*
Delsenia Glover, *Deputy Public Advocate, Housing Equity*
Ivie Bien Aime

Office of the New York City Comptroller

Scott Stringer, *NYC Comptroller*
Brian Cook
Dylan Hewitt
Nina Saxon

Manhattan Borough President

Gale Brewer, *Manhattan Borough President*
Lizette Chaparro
Hally Chu
Brian Lewis
Jessica Mates

New York City Council

Corey Johnson, *City Council Speaker*
Erik Bottcher
Sarah Gastelum
Matthew Green
Chelsea Kelley
Rosa Kelly
Raju Mann
Carl Wilson

New York City Housing Authority

Gregory Russ, *NYCHA Chair*
Anand Amin
Barbara Brancaccio
Matt Charney
Jonathan Gouveia
Jennifer Hiser
Brian Honan
Simon Kawitzky
Juan Santiago
Leroy Williams

Local Partners

Clinton Housing Development Company

Savannah Wu
Julie Elliot

Hudson Guild

Ken Jockers

Manhattan Community Board 4

Jesse Bodine
Elzora Cleveland
Nelly Gonzalez
Lowell Kern
Betty Mackintosh
Mike Noble
Joe Restuccia

Nonprofit Organizations

Citizens Budget Commission

Sean Campion
Andrew Rein

Citizens Housing Planning Council

Jessica Katz

Community Service Society of New York

Victor Bach
Sam Stein
Tom Waters*

Hester Street

Ibrahim Abdul-Matin
Patrice Edwards
Betsy MacLean
Cesar Mesias
Kim Ochilo
Barbara Prevatt
Isella Ramirez

NYU Furman Center

Ingrid Gould Ellen
Matthew Murphy

New York Housing Conference

Rachel Fee

The Legal Aid Society

Lucy Newman

*Tom Waters was a valued member of the Working Group and a lifelong housing activist. He passed due to COVID-19 on April 4th, 2020.

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Letter from the Chelsea NYCHA Working Group

The residents of Fulton, Chelsea, Elliott and Chelsea Addition Houses, the New York City Housing Authority (NYCHA), the City of New York, housing advocates, elected officials, and our neighbors have been grappling with an urgent challenge when it comes to providing safe, quality housing in our chronically underfunded public housing developments. It is an active and ongoing crisis, and we must find a solution.

Nearly 5,000 New Yorkers live in the Chelsea NYCHA developments (Fulton, Chelsea, Elliott, and Chelsea Addition Houses). Many have lived in the neighborhood for decades: have grown up here, raised kids here, and are now taking care of parents here. Many have also experienced the effect of deferred maintenance and disinvestment firsthand. We all agree the Chelsea NYCHA Developments must be renovated to provide current and future residents with high-quality homes, to preserve this vital source of affordable housing for generations to come, and to ensure that the surrounding neighborhood maintains the racial, ethnic, and economic diversity so critical to New York's vitality.

The Chelsea NYCHA Working Group ("the Working Group") was formed to make recommendations to meet the urgent capital improvement and repair needs of the Chelsea NYCHA developments as soon as possible. We met almost every week for over 15 months and have learned from NYCHA residents, housing experts, and each other. The recommendations included here are the result of hard work, creative thinking, and collaboration.

This process has been challenging. We did not always agree, nor do we pretend to agree on every line or item in this report, but for the benefit of the residents of the Chelsea NYCHA developments, we have worked together to come to these recommendations. We had tough conversations about the competing demands and the lack of Federal investment in public housing, heard from housing experts, and deeply examined data. Throughout the process, we did our best to center the voices of residents and to stay focused on ensuring quality affordable housing for years to come.

NYCHA residents must continue to be at the center of these conversations going forward. In this process, residents have brought their concerns, their experience, their connections, and their insights. It took time to develop trust among our multi-stakeholder, cross-sectoral group; but, all along, we worked together to leverage the diverse expertise in the room to build consensus on a set of recommendations for these developments.

We would like to take a moment to thank all who were involved: to all the local elected officials who pushed for the Working Group and worked side-by-side with us throughout the process; to Hester Street for their expert facilitation; to NYCHA and Mayor's Office staff for their engaged participation; to the housing advocates and other nonprofits that generously gave their time and expertise; and to Hudson Guild for sharing its space with us. Thank you to Mayor de Blasio, Deputy Mayor Been, and Chair Russ for their personal participation in meetings, their leadership, and their willingness to consider all ideas on the table. Most importantly, we greatly appreciate the local NYCHA residents and the Fulton and Elliott-Chelsea Resident Associations for their commitment to, and love for, their community.

Signed,

The Working Group



Introduction

In October 2019, stakeholders in the community formed the Working Group to research, evaluate, and make recommendations to systematically and effectively address the capital needs of the four Chelsea NYCHA developments: Fulton, Chelsea, Elliott, and Chelsea Addition Houses.¹

Following community objection to a draft proposal from NYCHA that considered partial demolition to repair and renovate the Chelsea NYCHA developments, local elected officials, NYCHA residents of Chelsea, and members of the wider Chelsea community called for more, and transparent, community input on any plan to address much-needed capital repairs.

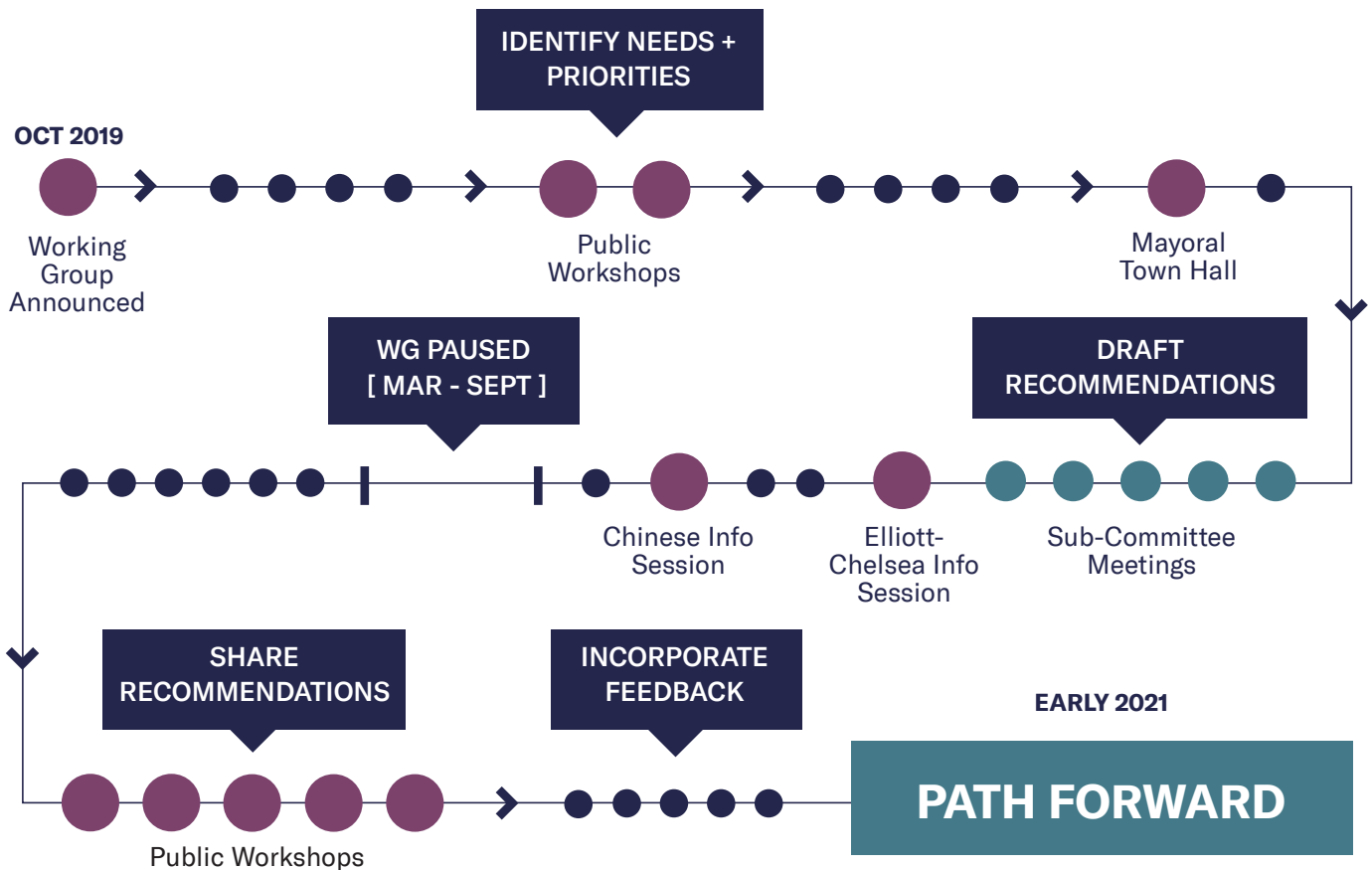
The Working Group is a collaboration of resident representatives, elected officials, Manhattan Community Board 4, housing and legal advocates, the Mayor's Office and NYCHA (please see full Working Group members list in the Acknowledgements). Hester Street, a mission-driven urban planning and community development nonprofit versed in housing practice and policy in New York City, served as the Working Group's facilitator.

To fulfill its charge, the Working Group established these goals:

1. Address the Chelsea NYCHA developments capital needs of today and the future;
2. Ensure resident rights are protected and expanded before, during, and after renovation;
3. Establish clear and consistent resident engagement throughout the renovation process and beyond.

¹ Chelsea, Chelsea Addition, and Elliott Houses are often collectively referred to as "Elliott-Chelsea".

Process



KEY

● - Working Group Meetings ● - Public Engagement Sessions

In weekly meetings over the course of fifteen months, the Working Group discussed the funding crisis at NYCHA and reviewed in detail the physical needs assessments and repair costs for the Chelsea NYCHA developments. The group also received many presentations: housing experts presented on a wide variety of financing strategies to fund capital improvements and repairs; legal experts presented on resident rights and protections; and community development experts presented models of public housing resident engagement and resident management. Furthermore, the process included both Working Group meetings and public engagement sessions with NYCHA residents of Chelsea (as well as with the broader community). The Working Group meetings informed the content of the public workshops and vice versa. The aim was to include as many voices in the conversation as possible while moving towards achievable solutions.

People did not always agree. We debated and argued about infinite scenarios—and individuals still have differing and dissenting views regarding elements of the proposal. Ultimately though, the Working Group came together to develop actionable recommendations in three categories: Capital Finance, Resident Rights and Protections, and Resident Engagement. This report details recommendations within each, and outlines next steps for implementation.

Working Group Values

With the guidance of Hester Street, the Working Group built consensus on a set of guiding values to be:

- **Resident-centered** in its uplifting of residents' knowledge of, and experience in, their homes and neighborhood
- **Transparent** in its roles, responsibilities, purpose, parameters, goals, and outcomes
- **Iterative** in its process through an exchange of ideas, feedback, and questions between the Working Group and residents across all four developments
- **Rigorous** in its research and assessment of a variety of methods to ensure capital needs are met

Table 16

Table 16



ACTIVITY 2

LO QUE HEMOS OÍDO

STEP 1

Introducción: Estas declaraciones reflejan las grandes temas de las reuniones semanales de la CHCA organizadas con los asistentes de Faltan y Chabre-Ellul, así como "Cada persona recibirá una etiqueta adhesiva a lo largo de la línea p..."

Los grupos entender mejor la promesa general, incluso cuando la intención es llevarla a cabo.

1. Los grupos deben asegurarse que no se trata de un evento y que voy a poder pagar mi alojamiento a largo plazo.

2. Los grupos deben asegurarse que no se trata de un evento y que voy a poder pagar mi alojamiento a largo plazo.

3. Los grupos deben asegurarse que no se trata de un evento y que voy a poder pagar mi alojamiento a largo plazo.

4. Los grupos deben asegurarse que no se trata de un evento y que voy a poder pagar mi alojamiento a largo plazo.

5. Los grupos deben asegurarse que no se trata de un evento y que voy a poder pagar mi alojamiento a largo plazo.



History and Context

Founded more than 85 years ago, NYCHA is the largest Public Housing Authority in the nation. If the NYCHA resident public housing population were a city, it would be larger than many major American cities, including Pittsburgh. NYCHA manages 170,000 apartments across the five boroughs, housing a population of approximately 366,000 low- and moderate- income residents.² NYCHA residents are a diverse group and include essential workers, City agency and health care workers, police officers, teachers, and restaurant and retail employees.

NYCHA background, disinvestment, and deferred repairs

Historically, NYCHA has been regarded as a national model of “public housing that works,” providing the most durable affordable housing in the country to the largest number of public housing residents. However, NYCHA has weathered multiple decades with decreased funding, and over the last 20 years, a perfect storm of disinvestment and aging buildings has left NYCHA and its residents in severe straits. The Authority faces a daunting \$40 billion in capital needs, and these needs grow by at least \$1 billion each year.

Beginning in 2008, NYCHA faced budget cuts that required the Authority to make severe staff reductions: from 14,000 to 11,000 employees, thus weakening the Authority’s property management capabilities and contributing to the physical distress of its housing stock. Despite recent NYCHA efforts to accelerate repairs, too many residents continue to deal with challenging conditions, including: leaking roofs, fragile plumbing, failing elevators, heating outages, crumbling facades, mold, rodent infestations, and lead-paint risks.

²NYCHA (2020). <https://www1.nyc.gov/assets/operations/downloads/pdf/mmr2020/nycha.pdf>

During this time, NYCHA was not the only Public Housing Authority inadequately resourced to meet its outsized needs. In 2010, a study prepared for the U.S. Department of Housing and Urban Development (HUD) estimated the backlog of public housing capital needs to be approximately \$26 billion, with each subsequent year accruing an additional \$3.4 billion in unmet capital needs.³ Recognizing these enormous needs, Congress passed legislation in 2012 authorizing the Rental Assistance Demonstration Program (RAD) to give Public Housing Authorities a tool to preserve and improve public housing properties. Under RAD, a Public Housing Authority can apply to HUD for authorization to convert its public housing to Section 8.

NYCHA has also developed several strategies as part of its 2018 10-year strategic plan, NYCHA 2.0, that would bring an estimated \$24 billion in vital repairs to NYCHA developments. NYCHA 2.0 Capital Finance strategies include new construction of mixed-income housing on NYCHA property, the transfer of development rights, and Section 8 conversions. In addition to RAD, NYCHA is using other provisions under the U.S. Housing Act to convert its public housing portfolio to Section 8 funding. NYCHA has named this blended conversion model PACT, which stands for Permanent Affordability Commitment Together.

³HUD Physical Needs Assessment (2020). https://www.hud.gov/sites/documents/PH_CAPITAL_NEEDS.PDF

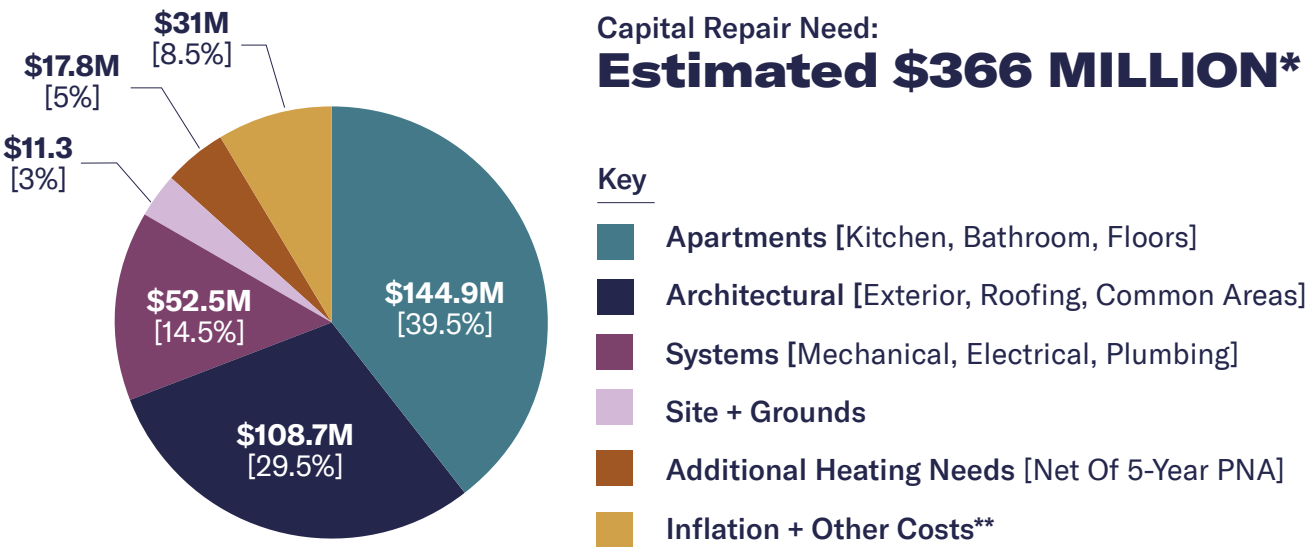
Chelsea NYCHA Developments

Capital Needs Overview

To get a handle on the total cost to repair the buildings and renovate the apartments, the Working Group examined the 2017 NYCHA Physical Needs Assessment (PNA) for the Chelsea NYCHA developments. The PNA is an inventory of the major repair costs prepared every five years by contracted engineering firms for NYCHA, as required by HUD. After thorough examination, the Working Group adjusted the 2017 PNA to arrive at an estimated total cost of \$366 million for the Chelsea developments. This adjusted cost accounts for the addition of other necessary capital improvement costs, removal of items that have been addressed since 2017, and inclusion of inflation. The estimated \$366 million capital need includes: new kitchens and bathrooms in every unit, new elevators, new heating systems in each building, upgraded security, improved outdoor and recreation areas, and many other improvements.

Since significant increases in federal support, which is the Working Group’s preferred source of funding for capital repairs, are unlikely in the near future, and state and city governments are not able to fund all the repairs and ongoing maintenance, the Working Group report recommends multiple strategies to cover the cost of the repairs. These strategies include: PACT conversion, the construction of new mixed-income housing, ground floor retail conversions and the construction of commercial space, community facility development, funds from the City Council, and funds from the West Chelsea Affordable Housing Fund, if available. It also includes a commitment to construct spaces for community services, an essential element of any final redevelopment plan.

Capital Needs Overview



*Based on 2017 Physical Needs Assessment

** Inflation cost since 2017 [3% Annually] + Retiring Outstanding Debt/LIHTC



Table 6

K-210

Ms. Yun

Table 7

K-121

Harvey

TELL US WHAT YOU THINK

Дайте нам знать, что вы думаете

Скажіть нам, що ви думаєте

Расскажите нам, что вы думаете



Resident Priorities

Large in-person public workshop engagements in November 2019 and virtual engagement sessions in December 2020 were an important component of the Working Group process and proposal.

November 2019 Summary + Findings

The purpose of the 2019 sessions was to provide an opportunity for NYCHA residents of Chelsea and other local stakeholders to express their concerns, to understand constraints, to evaluate options, and to help develop possible solutions to ensure comprehensive renovation of the four developments.

The first round of engagement sessions included large workshops held in the evenings; and Working Group presentations at Resident Association meetings and meetings of the Chelsea NYCHA Chinese community. What would have been a second round of engagement sessions in mid-March 2020 was canceled due to COVID-19.

Outreach for the meetings in November 2019 included flyers placed under residents' doors, robocalls, and signs in all building lobbies. All outreach and workshop materials were offered in English, Spanish, Mandarin and Russian, and all sessions offered simultaneous interpretation in all four languages.

The November 2019 engagement made clear that residents are most concerned with keeping their affordable rents. The second highest priority issue was safety and security. Residents were also deeply concerned about the possibility of demolition.

November 2019 Key Takeaways

Top priorities from residents:

- **Long-Term Affordability:** Keeping rent at a max of 30% of annual income over the long-term was residents' top priority.
- **No Demolition:** Protecting all existing residential buildings from demolition was the second priority for residents, especially residents of Fulton Houses.
- **Safety + Security:** Addressing public safety and security was the third priority identified by residents. Reducing pest infestations, improving waste management, and other security measures were especially important for residents of Elliott-Chelsea.

Below are a few direct quotes from residents [from a short questionnaire] who shared their biggest hopes and fears about the rehabilitation process during the 2019 engagement sessions.

What are your hopes for this process?

"More trust and transparency between NYCHA and residents. NYCHA tenants housing concerns prioritized."

"To save our developments by finding a funding source that is fair and reasonable."

"Keep rent at 30% to fix up apartments and grounds, to provide a better quality of life."

"Affordable, safe, clean buildings."

What do you fear will result from this process?

"I fear losing my home and having to return to the shelter because rent outside of NYCHA is too high. I want to stay in my home with my family."

"Being priced out of our trendy neighborhood."

"That we may lose our apartment and they move us to a place that we don't want to go."

"Nothing will be solved, and everything will be dismissed."

Virtual Sessions



December 2020 Summary + Findings

In December 2020, the Working Group hosted five virtual sessions, in addition to one virtual session hosted in partnership with Manhattan Community Board 4. These virtual workshops were primarily run by Working Group members who are Chelsea NYCHA residents. The engagement sessions provided an opportunity for the Working Group to share its draft recommendations with NYCHA residents of Chelsea and other local stakeholders, to collect feedback, and to answer questions. The issues raised at both rounds of engagement guided, shaped, and sharpened the recommendations laid out in this document.

Outreach for meetings in December 2020 included printed material distribution to all households, robocalls, phone calls, and posted flyers in all buildings. All outreach and workshop materials were offered in English, Spanish, Mandarin and Russian, and all sessions offered simultaneous interpretation in all four languages.

The December 2020 engagement confirmed residents' priorities: staying in their homes, safeguarding their affordable rents, strengthening tenant protections, improving security, and better understanding how and when the recommendations would be implemented.

December 2020 Key Takeaways

Two hundred seventy-one residents from all four Chelsea NYCHA developments logged on or called in to the engagement sessions. They raised key questions about the recommendations and underlined the importance of addressing repairs to their homes and safety and security concerns like broken entry doors and drug sales while also tackling quality of life concerns, such as pests and trash. Residents recommended upgraded or replaced building entry doors and security cameras in stairwells and on grounds.

Meeting participants sought to understand how the renovation process would impact their household and neighborhood in terms of affordability, repairs and renovations, and their rights as tenants.

They raised questions about how and when the renovations would take place, and how they could be engaged in that process. Residents with disabilities had concerns about Americans with Disabilities Act (ADA) compliance, temporary relocation, and related moving costs.

There was much interest in learning where the mixed-income residential and low-rise commercial infill development would be and the levels of affordability for the new mixed-income residential buildings.

The engagement sessions also provided the Working Group an opportunity to:

- Confirm that NYCHA will retain ownership of the land and continue to have a role in the Chelsea NYCHA developments.
- Tackle disinformation about the proposed renovation process for the Chelsea NYCHA developments.



Key Issues by Category

Resident Rights + Protections

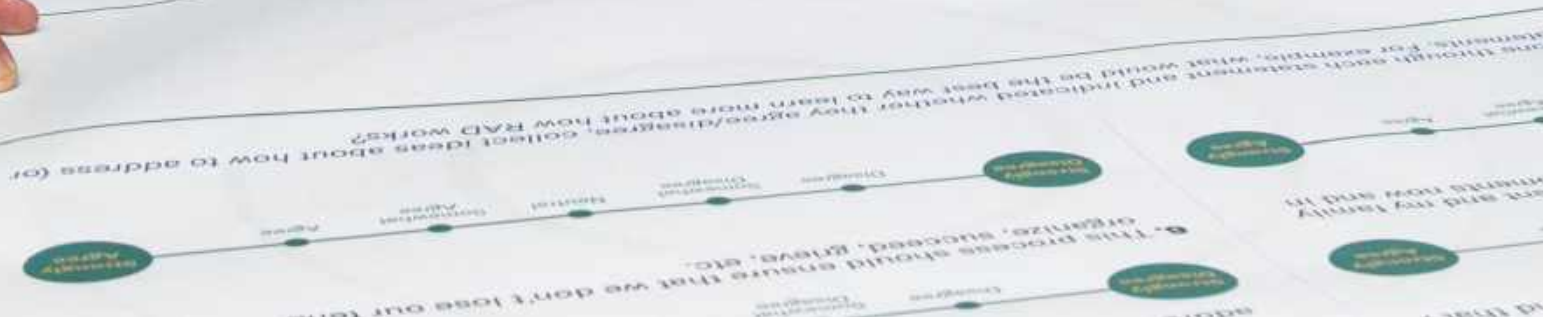
- Confirmation of the protected and strengthened tenant rights
- Assurance that their rent will remain capped at 30% of their annual income
- Information and guidelines on rightsizing, the process of moving under-occupied and over-occupied households to appropriately-sized units; updating household composition; and completing the annual recertification process
- Information about admission process for new incoming residents including credit and background checks
- Clear information about utility responsibility changes
- Information on protections and accommodations for disabled residents

Capital Finance

- Clear information about planned repairs and ongoing maintenance
- Clear information about the PACT conversion process and proposed infill development
- Confirmation about continued public ownership by NYCHA
- Information about new and existing community facility improvements
- Assurance about energy and systems upgrades
- Assurance about safety and security improvements

Resident Engagement Includes:

- Clear information about renovation process and timeline and how residents can be engaged throughout
- Detailed information about new contact and maintenance request system
- Information on how residents can inform safety and security plans throughout renovation process



Recommendations

The Working Group created three subcommittees in seeking to provide a holistic and equitable solution for the Chelsea NYCHA developments:

- **Capital Finance Strategies** [pg 19]
- **Resident Rights and Protections** [pg 45]
- **Resident Engagement** [pg 61]

The recommendations in this report were drafted by the subcommittees prior to the review and adoption by the full Working Group.

The Working Group asserts:

- There is no silver bullet: no single financing strategy or approach will address the capital needs of the Chelsea NYCHA developments. A viable path forward must include multiple, interconnected strategies.
- A comprehensive and precise approach to renovating the developments is needed; any intervention must respond to the particular needs of each development.
- All three sets of Working Group recommendations are inextricably linked: they work in concert with each other and cannot be pulled apart or selectively enforced.
- NYCHA residents of Chelsea must play a central decision-making role in the renovation and operation of their homes now and in the future, and it is NYCHA's responsibility to ensure that the agency and property manager's resident engagement is accessible and that both are held accountable.
- Fundamental to any redevelopment plan is a commitment to appropriate space for essential community services serving the residents of the four developments.

Glossary of Terms

- 1. ADA Standards:** Making physical changes (e.g., installing grab bars, wider doors, lower cabinets) to comply with accessibility requirements, under the Americans with Disabilities Act (ADA).
- 2. Area Median Income (AMI):** The midpoint of a region's income distribution (half of families in a region earn more than the median and half earn less than the median). In affordable housing, income eligibility thresholds are set relative to the AMI e.g. 50% of the AMI.
- 3. Low-rise infill commercial / community facility development:** Construction of one- or two-story buildings on parking lots for commercial uses, such as offices, community facilities, or retail.
- 4. Mixed-Income residential infill development:** Construction of new residential buildings with both market-rate and affordable apartments for a range of incomes on parking lots or other spaces within NYCHA developments.
- 5. PACT (Permanent Affordability Commitment Together) Conversion:** A process that converts NYCHA developments to the more stable, federally funded Project-Based Section 8 program. This conversion allows nonprofit and for-profit developers to access capital to fund major capital improvements and maintain permanent affordability and residents' rights on NYCHA developments.
- 6. Request for Proposals (RFP):** An RFP is a document issued by a governmental agency or authority announcing and soliciting bids from developers for a public project.
- 7. Transfer of Development Rights (TDR):** TDR is a zoning mechanism that allows property owners to buy development rights from another property owner to increase the density of their development.
- 8. West Chelsea Affordable Housing Fund (WCAHF):** The West Chelsea Affordable Housing Fund was created as part of a West Chelsea Special District Rezoning in 2005 to "be used for the development, acquisition or rehabilitation of low, moderate- or middle-income housing located in Community District 4" (in Manhattan).⁴

⁴NYC Department of City Planning <https://zr.planning.nyc.gov/article-ix/chapter-8/98-262>



Capital Finance

The Capital Finance Subcommittee was charged with reviewing the City’s proposed plan and developing alternatives to meet the Chelsea NYCHA capital repair and replacement needs in a manner acceptable to the Working Group, and most importantly, to the residents. From January 2019 to December 2020, Capital Finance held regular meetings to build consensus on a set of financing solutions to address the full Physical Needs Assessment (PNA). The Capital Finance Subcommittee consisted of NYCHA residents, including the Elliott, Chelsea and Fulton Houses Resident Association Presidents, Deputy Mayor Vicki Been, NYCHA Chair Gregory Russ, elected officials, Community Board 4 members, NYCHA staff, and local and city-wide nonprofit advocacy groups. Joe Restuccia of Manhattan Community Board 4 and Sean Campion of the Citizens Budget Commission co-chaired the Subcommittee.

NYCHA presented its proposed financing for capital renovations at the Chelsea NYCHA developments, including PACT conversion, and new construction of mixed-income residential infill sites. As the Capital Finance Subcommittee examined each element, it arrived at the need to create a financial model to test both existing and proposed financing options. The financial model, created by the two co-chairs, became a key education and communication tool to analyze the tradeoffs associated with different development scenarios. The financial model informed discussions by showing how various components worked together and was critical to the Working Group’s recommendations.

The financial model, and the estimates derived from it, should not be construed as a final financing plan, but, instead, as a set of parameters for financing to inform the Working Group’s recommendations. The final financing plan must continue to balance funding for NYCHA capital renovations alongside the recommendations of this report.

Chelsea Developments: Capital Needs

Physical Needs Assessment

The committee's first task was to review the 2017 Physical Needs Assessment (PNA) for the four developments as proposed by NYCHA (see Appendix A). The Capital Finance Subcommittee reviewed the PNA line-by-line and worked with NYCHA to remove capital items that had already been completed or were in the NYCHA repair pipeline to educate Working Group Members, especially NYCHA residents, about what a full capital renovation would encompass. Notably, these discussions revealed that a full replacement of the heating systems was not included in the PNA.

Heating Systems Replacement

A reliable heating system has been a major concern for the Chelsea NYCHA residents. The heating systems at the developments have been plagued for decades with breakdowns that have resulted in some buildings going without heat for extended periods of time during the winter. The current heating system is a central system with underground piping between the multiple buildings on each campus. Pipes run from a direct connection off the street to the Con Edison steam service. If there is a break in an underground distribution line, multiple buildings lose heat. After long discussion, and with the agreement of NYCHA Chair Gregory Russ, the installation of individual building heating systems, including new distribution piping to and throughout all apartments, was included in the Working Group's recommended scope of work. This decision increased the overall capital needs by approximately \$18M to an estimated total of \$366M.

Table 1: Capital Needs Summary

	Chelsea	Elliott	Chelsea Addition	Fulton	Total
2017 PNA Need (Adjusted)	57,135,546	100,546,789	17,570,176	167,357,771	\$342,610,283
Completed Improvements	(1,588,065)	(1,918,280)	(129,766)	(7,730,025)	(\$11,366,137)
Planned Improvements	(132,762)	(1,150,000)	(1,212,666)	(11,206,236)	(\$13,701,664)
Updated Five Year Need	\$55,414,719	\$97,478,510	\$16,227,744	\$148,421,509	\$317,542,482
+ Inflation to 2020 (3% Annually)	5,138,441	9,038,890	1,504,750	13,762,681	\$29,444,762
+ Additional Heating Needs (net of 5-Year PNA need)					\$17,797,807
+ Retiring Outstanding Debt/LIHTC					\$1,500,000
Cost of Remaining Needs	\$60,553,160	\$106,517,399	\$17,732,494	\$162,184,191	\$366,285,051

Security Improvements

Security continues to be a major issue in these buildings. During the Resident Engagement Sessions and the Manhattan Community Board 4 Public Forum, residents requested security improvements, including entry doors, security cameras, intercoms, and coordination with NYPD. Specific recommendations are detailed below.

Flood Resiliency

In light of the October 2020 Zoning for Coastal Flood Resiliency Text Amendment certified for Uniform Land Use Review Procedure (ULURP) by the Department of City Planning in October 2020, the Capital Finance Subcommittee discussed how the 1% (100-year) and 0.2% (500-year) annual chance flood requirements would affect the Working Group recommendations. The Subcommittee recommends that additional resiliency measures be considered in the rehabilitation of the Chelsea NYCHA developments to protect the buildings against the worst possible impacts of climate change. The 500-year annual chance flood requirements should apply to the entirety of the Chelsea NYCHA campuses subject to the requirements of the Zoning for Flood Resiliency Text Amendment.⁵ Specific recommendations are detailed in the Appendix.

⁵NYC Department of City Planning <https://www1.nyc.gov/site/planning/plans/flood-resilience-zoning-text-update/flood-resilience-zoning-text-update.page>

Review of Financing Strategies

The Capital Finance Subcommittee considered multiple alternative financing strategies, including:

- Public Financing
- Transfer of Development Rights
- Ground Floor Retail and Community Facilities Development
- Resident Management Corporations
- West Chelsea Affordable Housing Fund
- Mixed-Income Residential Infill
- PACT Conversion

During the course of discussions, it became clear that the PACT Conversion (sometimes referred to as a RAD conversion) was the strategy most fraught with emotion, disinformation, and fear by the residents. Therefore, the Capital Finance Subcommittee decided to review the other strategies first to determine the degree of capital financing that could be raised without the PACT Conversion option.

Public Financing

In the full Working Group, NYCHA demonstrated that federal capital and operating funding for Section 9 Public Housing⁶ has dramatically decreased over the past thirty years. However, Section 8 Housing⁷ has a greater number of developments in districts across the nation and is available for nonprofit and privately-managed housing. In addition, representatives of local elected officials presented on available state and city funding.

The presentations concluded that over the past 30 years, federal funding has gone down relative to the need, while Section 8 funding has remained stable. There has been no political will at the federal level to increase funding for public housing. New York State funding is minimal compared to the capital need for the Chelsea NYCHA developments. While the City will provide over \$2.2 billion in capital funds to NYCHA citywide over 10 years (between 2019 and 2029) as required by its 2019 agreement with HUD, NYCHA's citywide capital needs exceed \$40 billion. The current City budget allocations for Chelsea NYCHA do not cover its capital needs.

⁶Under Section 9 of the Housing Act of 1937, municipal corporations and public authorities were funded to build, own, and operate subsidized apartment complexes, known as public housing.

⁷Section 8 Housing, created by the Housing and Community Development Act of 1978, is a funding source for private, public, and nonprofit developers to own and operate affordable housing by using a federal government rental subsidy, while tenants pay 30% of their income as rent. <https://www1.nyc.gov/site/nycha/section-8/about-section-8.page>

There was broad consensus in the Working Group that public funding was preferable to PACT conversion and infill development, but the uncertain timing of its availability would not meet the immediate need for capital repairs. Given the urgency of the capital repair need at the Chelsea NYCHA developments, the Working Group consensus was to move forward with alternative sources of financing. If there were to be a change in availability of public funding, the Sources for Capital Financing Plan can be modified to substitute public financing in place of another element. Public financing currently included in the financial model are City budget allocations from the New York City Council that NYCHA has not yet spent.

Transfer of Development Rights (TDR)

The West Chelsea Special Zoning District, immediately to the west of the Chelsea NYCHA developments, has multiple TDR zoning mechanisms, all of which have been successfully utilized to transfer air rights.

The TDR financing strategy was studied and presented by Manhattan Community Board 4 and staff from the City Council Land Use Division. Analysis on the degree of funding to be raised through TDR was reviewed by the Capital Finance Subcommittee and presented to the full Working Group. It was agreed that TDR could not provide immediate funding for capital needs as it is market-driven and dependent upon development sites in West Chelsea that will be developed into the future.

Instead, the Capital Finance Subcommittee recommended that when TDR is available, it be used to create an ongoing Capital Reserve Fund for the Chelsea NYCHA developments after the major proposed renovations are completed.

Ground Floor Retail and Community Facility Developments

The Fulton Residents Association pointed out that multiple ground-floor spaces within NYCHA developments along Ninth Avenue are empty or underused. Capital Finance Subcommittee members toured the spaces and proposed to convert them into commercial space. In addition, a strategy was proposed for the construction of one- and two-story infill buildings on parking lots on West 16th Street and on both sides of West 18th Street for retail, commercial, community facility use (Figure 2). One site for ground floor commercial redevelopment was also identified in the Elliott-Chelsea Houses.

These strategies will enhance the developments by creating practical active ground floor uses that will also connect the Fulton campus to the surrounding community. Through the current economic downturn, there continues to be a vital commercial, retail, and community facility market in Chelsea. Under current R8 zoning, midblock community facilities, like health clinics or schools, can be built as-of-right, but retail or office uses would require a zoning change to be undertaken by a future development team.

Resident Management Corporations

A Resident Management Corporation (RMC) is an official, legal option through which public housing residents can take full or partial management responsibilities of their developments.

A group of NYCHA residents of Chelsea invited Schulte Roth & Zabel LLP and Siegel Teitelbaum & Evans, LLP to present on RMCs to the full Working Group in February 2020. Although not fully detailed, it was discussed by the Working Group. There was a question of whether the RMC model could be applied to developments of this scale. The Capital Finance Subcommittee took no position and made no recommendation.

West Chelsea Affordable Housing Fund

The West Chelsea Affordable Housing Fund (WCAHF) was created as part of a West Chelsea Special District Rezoning in 2005. The rezoning enabled the sale of development rights over and above the High Line Transfer Corridor for property owners encumbered by the High Line Right-of-Way and established the creation of the WCAHF after 90% of the High Line development rights were sold. The WCAHF enables owners to gain a zoning bonus in certain areas of the West Chelsea Special Zoning District by making set contributions to the City-administered fund and is to be used for “the development, acquisition or rehabilitation of low, moderate- or middle-income housing located in Community District 4 in the Borough of Manhattan.”⁸

The renovation of the Chelsea NYCHA developments is clearly an affordable housing need. Currently, the administrator of the WCAHF has \$0, but the Fund has \$1,733,500 committed⁹ from developers that can be applied to the new construction. The Capital Finance Subcommittee recommends that a portion of this fund be used, subject to availability, to meet the Chelsea NYCHA development capital needs.

Mixed-Income Residential Infill Construction

As part of West Chelsea Rezoning Points of Agreement, two new affordable housing developments at 401 West 25th Street and 425 West 18th Street, comprising 326 affordable apartments with AMI bands from 40% to 195%, were developed. Both Chelsea NYCHA resident associations were part of the public process in siting and reviewing those developments. Additional affordable housing sites were identified in Manhattan Community Board 4’s 2015 Affordable Housing Plan¹⁰ to expand the supply of affordable housing in Chelsea.

Since the concept of infill development was not new to Chelsea NYCHA developments, the Capital Finance Subcommittee dove into the details of siting, affordability, and constraints for new mixed-income residential infill construction.

Discussion and Debate on ULURP for Mixed Income Residential Infill

The Working Group discussed the Uniform Land Use Review Process (ULURP), the City’s public review process for land use actions. Some Working Group members believed that the proposed infill developments should go through ULURP, noting concerns regarding the precedent set for future NYCHA PACT conversions with proposed infill developments and the importance of ongoing public input and a final City Council vote. Some Working Group members did not support ULURP, noting that the Working Group process has already provided significant opportunities for public review and outlined future extensive resident participation. Residents of Fulton and Elliott-Chelsea in particular opposed ULURP because it would further extend the timeline for rehabilitation. The Working Group ultimately opted not to recommend ULURP in this instance.

⁸NYC Department of City Planning <https://zr.planning.nyc.gov/article-ix/chapter-8/98-262>

⁹The WCHAF has \$1,733,500 committed from the Related Companies in relation to a zoning matter at 500 West 28th Street. The execution of a regulatory agreement with the Department of Housing Preservation and Development (HPD) to deliver the funds was delayed by COVID-19.

¹⁰Manhattan Community Board 4 (2015) <https://cbmanhattan.cityofnewyork.us/cb4/wp-content/uploads/sites/10/2020/05/29-HHHS-Updates-to-MCB4-Affordable-Housing-Plan-no-memo.pdf>

Review Of Sites

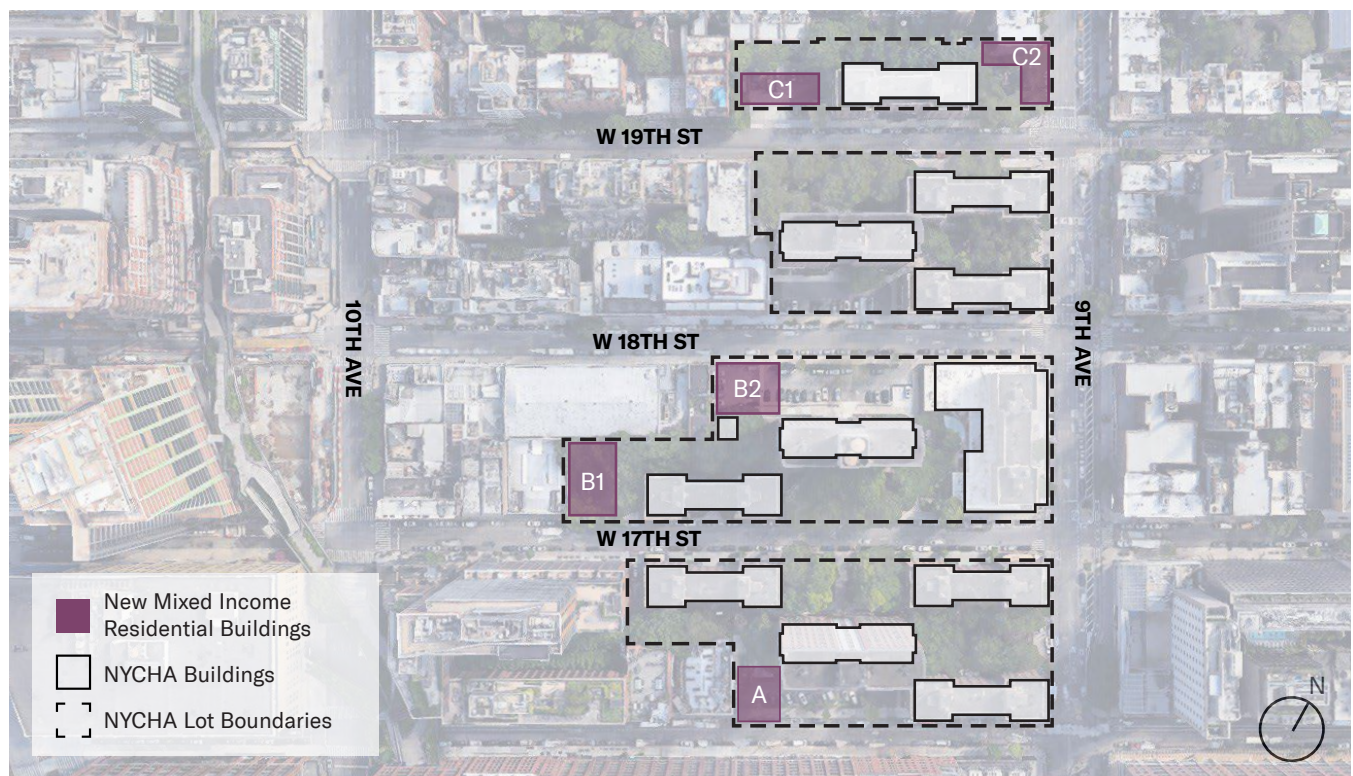
NYCHA presented a version of its original plan for mixed-income residential infill development on sites that required the demolition of some Fulton Houses buildings. At the request of the Capital Finance Subcommittee, NYCHA presented a map with other potential locations for new infill housing, including the playground on Ninth Avenue and West 19th Street (see Figures 1 and 3) and sites A through C.2 on the Elliott-Chelsea Houses campus. The first charge of the Capital Finance Subcommittee was to review all sites and to develop acceptable parameters.

Infill development site selection criteria included:

- The site requires no residential demolition
- Infill sites will not replace open space areas (i.e., basketball courts or playgrounds), except for one location at Fulton Houses¹¹
- To protect light and views from existing apartments, infill sites adjacent to NYCHA buildings would have a 60-foot separation from existing NYCHA windows to new infill windows
- A 30-foot separation from existing NYCHA windows to an infill building blank wall would be required
- The height of infill buildings would be kept between 22 and 24 stories to be consistent with existing building heights
- Parking for existing NYCHA permit holders would be retained and redistributed throughout the campuses

Based on these conditions, plus the total square footage of the infill lot to be created, sites were selected, with the given parameters, and the maximum square footage of infill developments was determined.

Figure 1: NYCHA Site Analysis Fulton Site Map



¹¹That open space will be replaced with an indoor community center located at 429 West 17th Street

Site by Site Review

The Capital Finance Subcommittee reviewed each site and came to consensus on sites on the Fulton and Elliott-Chelsea campuses. The infill housing would produce approximately 696 new apartments. The Capital Finance Subcommittee worked with NYCHA and did its own local market research to determine the economics of constructing such buildings, taking into account development, construction, and market rate rents. NYCHA reviewed those suppositions and the Capital Finance Subcommittee built a financial model to incorporate them.

Fulton Infill Sites

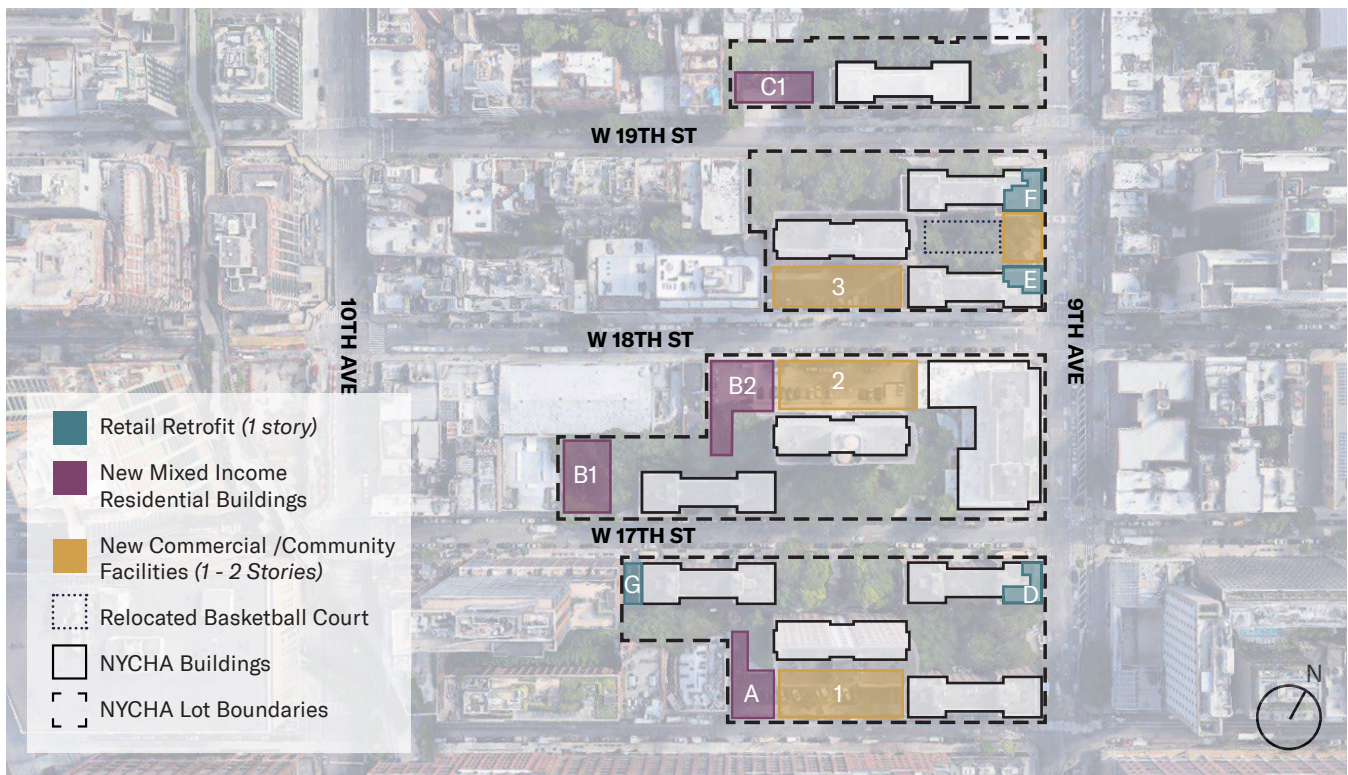
Sites A, B1, B2, C1, 1, 2, 3, D, E, F, G are in Figure 2. The Capital Finance Subcommittee reviewed each site and came to the consensus that each site would be acceptable to the NYCHA tenants and the community given the footprint, massing, and height.

Based on information from the model, the Capital Finance Subcommittee realized that infill sites were needed on the Elliott-Chelsea campus as well.

Elliott-Chelsea Infill Sites

The Capital Finance Subcommittee reviewed the current site of garbage storage at Elliott on West 26th Street near Ninth Avenue, Site EC1. The same requirements for footprint, building separation, and height that were agreed to by consensus were used for the Elliott campus. After Site EC1 was incorporated into the model, there still remained a shortfall in capital funding.

Figure 2: Working Group Recommended Fulton Site Map



Hudson Guild Site

Members of Capital Finance Subcommittee toured the Hudson Guild site, Site EC2, including the adjacent playground, with the President of the Elliott Resident Association, Darlene Waters, and then had follow up discussions with Ken Jockers, Executive Director of Hudson Guild; other Resident Association members; and City Council Speaker Corey Johnson's staff. With that guidance, the Capital Finance Subcommittee discussed the siting of another residential infill building at the Hudson Guild site, along with the construction of a new Hudson Guild. This site was the most difficult since it required phased construction planning, relocation of a playground, and retrofit of the existing one-story building at the Hudson Guild Children's Center for commercial purposes.

As an outcome of those site visits and discussions, it was recommended that a new residential building be located on West 27th Street facing Chelsea Park, which would place the building further from the adjacent east and west windows of NYCHA buildings to preserve their light and air. This proposed development would result in moving the Hudson Guild to the entry playground area on West 26th Street. The Hudson Guild replacement building would consolidate all of its West 26th Street programs in a single location within a two-story building to preserve light and air to the adjacent NYCHA buildings on West 26th Street. Sites on Elliott-Chelsea, EC1 and EC2 (Figure 4), could be built and that square footage would produce approximately 236 apartments.

Once consensus was reached on the infill sites, the next discussion centered around the income mix of the residential development sites.

Figure 3: NYCHA Site Analysis Elliott-Chelsea Site Map



Figure 4: Working Group Recommended Elliott-Chelsea Site Map



Table 2: Proposed Development Summary

Development	Units
Chelsea	425
Elliott	96
Chelsea Addition	606
Fulton	944
Affordable	348
Market Rate	348
Total	2,767

Housing Program & Affordability

Background

West Chelsea today is one of the highest income districts in the city, with many high-end condominiums, luxury rentals, and a series of 80/20 Program¹² developments. The long-term lower- and middle-income tenants in Chelsea are surrounded by the massive change and gentrification that have come to the neighborhood, which many see as a result of the West Chelsea Rezoning in 2005. Within West Chelsea, the Chelsea NYCHA developments are now an island of affordability in a sea of high-income rental and ownership housing.¹³ Many members of the Capital Finance Subcommittee, including elected officials and NYCHA residents, voiced concern over introducing market rate apartments on NYCHA land.

For NYCHA residents of Chelsea, this concern was not an abstract fear because residents have friends and family members who have been displaced by the gentrification of Chelsea. The new market rate developments in Chelsea are immediately adjacent to, or across the street from, the NYCHA Chelsea developments. This change has created an extreme disparity in incomes in the neighborhood which was chronicled in the 2015 HBO documentary, *Class Divide*, featuring many NYCHA residents of Chelsea. Therefore, minimizing the number of market rate units in proposed mixed-income residential infill buildings was important for NYCHA residents of Chelsea.

Increased Capital Financing vs. Range of Affordability

The more market rate housing there is in an infill building, the more funding there is for NYCHA capital repairs. Less market rate housing within new infill development runs counter to the goal of generating maximum investment for the Chelsea NYCHA developments' capital renovations, so the percentage of affordable apartments and the range of incomes to which those apartments would be affordable became the next major discussion.

While more market rate housing on each infill site would generate more funds for Chelsea NYCHA capital repairs, fewer new affordable apartments would be available. Such an approach would create either the 75/25 Program or Mandatory Inclusionary Housing¹⁴ programs completed or under construction throughout Chelsea and Manhattan Community District 4. Less market rate housing would have three results:

- Less capital financing generated for renovations
- More affordable apartments
- Affordability at moderate- and middle- income, not low-income ranges

A robust discussion revolved around how to balance these competing needs and concerns.

¹²The 80/20 Program of the NY State Housing Finance Agency (HFA), now the 75/25 Program, offered tax-exempt financing to multi-family rental developments with 20% of the apartments for very low-income residents

¹³In Chelsea A Great Wealth Divide, NY Times, October 25, 2015

¹⁴Mandatory Inclusionary Housing is a city program that requires sites affected by zoning actions to create permanently affordable housing. Passed in 2016, it has two basic affordability options (25% or 30% of units set aside for affordable housing).

Recent Affordable Housing Production in Chelsea

As a result of the West Chelsea Rezoning in 2005, Chelsea has seen significant production of affordable apartments, the majority of which serve low-income households.

According to data collected by Manhattan Community Board 4, 1,296 affordable apartments were built in Chelsea between 2008 and 2018 through Inclusionary or other zoning-driven programs. Of those, 992 units, or 76.5%, are for low-income households earning less than 80% AMI, with the majority of those, 835 units, affordable for households earning between 40% and 60% AMI (see Appendix B). The remaining 304 units are for households between 100% and 195% AMI, the majority of those, 249 units or 23.5%, are for households between 100% and 165% AMI. Therefore, while the market serves the highest incomes and Inclusionary Housing predominantly serves incomes below 50% AMI, affordable housing for moderate- and middle-income households are left out of the mix.

Discussion and Debate on Range of Apartment Affordability

The Capital Finance Subcommittee discussed and reviewed multiple income mix scenarios. Some members requested only affordable apartments with no market rate units. NYCHA offered its original scenarios based on the Mandatory Inclusionary Housing zoning requirements (which would mix 70 or 75% market rate apartments with 30 to 25% affordable apartments). It was noted the Mandatory Inclusionary Housing scenarios would produce the most capital investment for NYCHA, with a smaller number of affordable apartments and with those apartments affordable to lower income households, but more market rate units. Neighborhood economic integration was discussed, noting the side-by-side examples of Penn South as middle-income housing alongside NYCHA's low-income housing. Questions were raised about how the draft recommendations could balance economic integration at multiple income bands, provide lower affordability bands and still produce the needed financing for the Chelsea NYCHA capital renovation.

This discussion continued throughout the Working Group process because of the complexity of trying to achieve multiple development and housing goals and considerations at the same time. One housing goal was to reach civil servants, teachers, and two-income households who fall in the middle-income range of 120-165% of the AMI (see Table 4 for AMI Income limits), for households of one to five people, making \$95,520–\$186,605 (Table 5). These are members of the community who cannot compete in the housing market in Chelsea, where market-rate studios start with a rent of \$3,200, one-bedrooms at \$3,800, and two bedrooms at \$5,500/month.

In direct opposition to the above goal, developments with majority market-rate and a lower number of affordable units would raise the most capital funding for the renovation plan. However, some Working Group members were reluctant to support any market-rate housing development within the Chelsea NYCHA developments.

Consequently, the Capital Finance Subcommittee's initial proposal tried to balance the competing needs by the preservation of 2,071 low-income Chelsea NYCHA apartments for the low-income portion of the capital plan, new income-restricted units would be for middle-income households, and market rate units would comprise the balance. Throughout the discussion, all parties agreed that the proposed plan needed to reach more moderate- and low-income households.

Table 3: Initial Apartment Income Affordability Bands and Units

Income Bands	Percent of Total Units	Number of Units
Low-Income (<i>Existing</i>)	75%	2,071
Middle Income (<i>New</i>)	12.5%	348
Market Rate (<i>New</i>)	12.5%	348
TOTAL		2,767

Table 4: Initial Affordability Summary

	AMI Bands	Projected Rent*	Number of Units	Percent of Total Units
MID	125%	\$2,979	174	25%
	165%	\$4,131	174	25%
Market Rate Units			348	50%
TOTAL			696	
Income Levels: MID - <i>Middle</i>				
*Projected rent price based on 2 bedroom unit HPD AMI Levels Source: https://www1.nyc.gov/site/hpd/services-and-information/area-median-income.page				

Table 5: Initial Middle-Income Apartment Median Income Breakdown

Family Size	MID	
	125% AMI	165% AMI
1	\$95,520	\$131,340
2	\$109,200	\$150,150
3	\$122,880	\$168,960
4	\$136,440	\$187,605
Income Levels: MID - <i>Middle</i>		

The Impact of the Coronavirus Pandemic on Housing Finance

The economic impact of COVID-19 created a nationwide decrease in mortgage interest rates.¹⁵ The financial model was modified to reflect that decrease, which generated an additional \$14.4M in PACT funding for renovations. A further mortgage interest revision in January 2020, generated a further \$25.4M from PACT. That change enabled more lower-income units to be incorporated into the income band mix. With that final change, the proposed housing program was modified to include affordable apartments in the income bands listed below.

Summary of Discussion on Range of Affordability

With a deeper and broader range of affordability, reconciliation of the competing needs—creating wider affordability range, minimizing market rate units, and providing sufficient capital financing towards existing NYCHA apartment renovation—was achieved. The consensus on the range of affordability for mixed-income residential infill on the Chelsea NYCHA developments was driven by extremely local conditions and concerns. Chelsea NYCHA developments are adjacent to some of the highest-cost residential housing in the City. That proximity, and its real and perceived effects, informed the debate and the consensus reached.

The income affordability mix for infill projects on other NYCHA campuses in the city should be tailored to neighborhood needs. What makes sense for Chelsea may not make sense for other neighborhoods in the city. The Working Group recommendations, including affordability range and mix, represents the Working Group’s vision for meeting the needs expressed by the residents of the Chelsea NYCHA developments. The Working Group recommends the following affordability bands:

Figure 7: Proposed Market Rate and Affordable Unit Breakdown

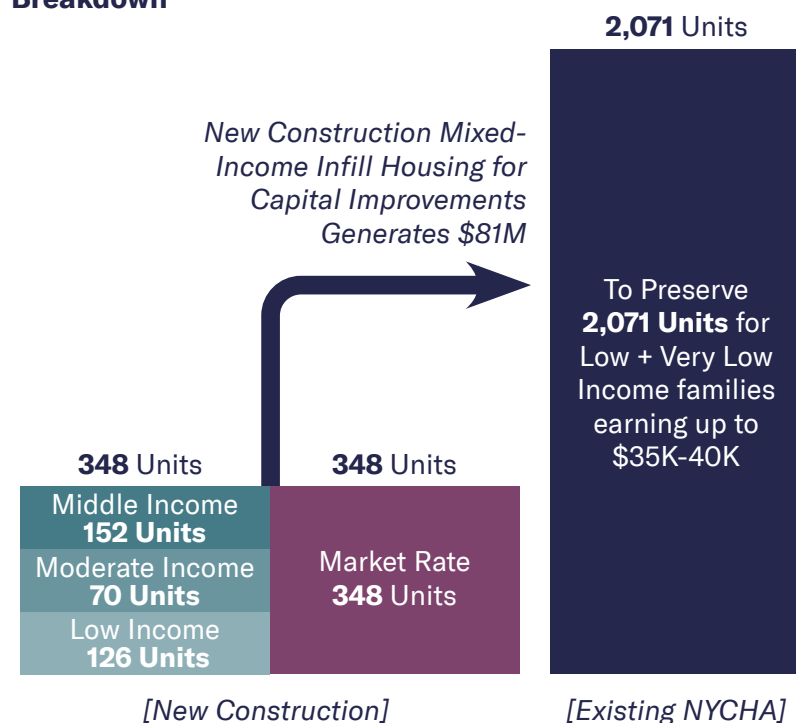


Table 6: Revised Apartment Income Affordability Bands and Units

Income Bands	Percent of Total Units	Number of Units
Low-Income (Existing)	75%	2,071
Low-Income (New)	4.5%	126
Moderate Income (New)	2.5%	70
Middle Income (New)	5.5%	152
Market Rate (New)	12.6%	348
TOTAL		2,767

¹⁵Those lower mortgage rates are market driven, based on current interest trends.

Table 7: Affordability Summary

	AMI Bands	Projected Rent*	Number of Units	Percent of Total Units
VLI	50%	\$1,110	35	5%
LI	60%	\$1,366	35	5%
	80%	\$1,878	56	8%
MOD	100%	\$2,467	70	10%
MID	125%	\$2,979	70	10%
	165%	\$4,131	82	12%
Market Rate Units			348	50%
TOTAL			696	
Income Levels:				
VLI - Very Low LI - Low MOD - Moderate MID - Middle				
*Projected rent price based on 2 bedroom unit HPD AMI Levels Source: https://www1.nyc.gov/site/hpd/services-and-information/area-median-income.page				

Table 8: Moderate- and Middle-Income Apartment Median Income Breakdown

Family Size	VLI	LI		MOD	MID	
	50% AMI	60% AMI	80% AMI	100% AMI	125% AMI	165% AMI
1	\$39,800	\$47,760	\$63,680	\$79,600	\$95,520	\$131,340
2	\$45,500	\$54,600	\$72,800	\$91,000	\$109,200	\$150,150
3	\$51,200	\$61,440	\$81,920	\$102,400	\$122,880	\$168,960
4	\$56,850	\$68,220	\$90,960	\$113,700	\$136,440	\$187,605
Income Levels: VLI - Very Low LI - Low MOD - Moderate MID - Middle						

PACT Conversion

The main resident concern about PACT conversion centered around misinformation suggesting that the City and NYCHA sought to sell public housing developments to private owners. Tenants expressed concern about losing City and NYCHA oversight, losing existing rights granted under NYCHA ground leases, and losing existing rights for complaints and grievances.

Presentations on PACT by NYCHA informed the Working Group deliberations. These program terms became the most important considerations in the group's deliberations:

- NYCHA would continue to own the Chelsea NYCHA land and existing buildings, which would be ground leased to a private and nonprofit development team
- The terms of the ground lease would protect all tenant rights and tenant engagement requirements as agreed to in the Working Group proposal
- Each new residential, commercial, or community facility infill development site would be owned by NYCHA, ground leased to a PACT project team, and have a separate regulatory agreement governing apartment affordability
- The Section 9, or Public Housing, Program does not allow a mortgage for capital renovation, while the Section 8 Program allows mortgages; therefore, a development is eligible for significant financing following a PACT conversion
- NYCHA would have multiple provisions in the ground lease and other regulatory documents to hold the PACT project team accountable, and enforce the requirements of the PACT conversion and residential infill
- If the PACT project team did not perform, NYCHA would be able to terminate their ground lease

The Working Group conducted a comprehensive assessment of PACT, including budget estimates, zoning analyses, and conversations with key stakeholders.

How a PACT Conversion Works

NYCHA issues an RFP for PACT conversion. Project teams (a developer, property manager, general contractor, and social service provider) submit proposals that must be responsive to the RFP. The RFP for the PACT developments would include the following terms:

- Development of a renovation plan to meet capital needs, as identified by the Physical Needs Assessment and modified by the Working Group's proposal, with a detailed timeline for development and construction
- A 99-year ground lease from NYCHA that maintains affordability
- Conversion of rental subsidies from Section 9 to Section 8
- At least 25% of the Section 8 units would be Tenant Protection Vouchers (TPV), with higher rents and subsidies paid to the project
- The higher subsidies from the TPVs would allow the development to carry a larger mortgage to finance the renovation
- NYCHA has agreed to seek a waiver from HUD to implement a rent cap for PACT conversion at Chelsea NYCHA developments. A series of performance standards for the completion of renovations, residential infill, and commercial and community facility spaces (if proposed in RFP response)

After NYCHA and Resident Associations leadership evaluate the RFP responses, NYCHA awards the project to a PACT project team. NYCHA and the selected team will complete the plan which would then be submitted to HUD. After HUD approval, NYCHA closes on the 99-year lease with the PACT project team and the financing is secured. The capital renovations of the existing NYCHA buildings would then begin and new infill construction will also be phased over time.

The entire development process from NYCHA's release of an RFP to project closing with a PACT project team will take approximately 24-36 months.

Why PACT?

The main discussion focused on why a PACT conversion was needed at all. Over multiple meetings, it became clear that a PACT conversion provided the single largest source of funds to finance the NYCHA Chelsea developments' capital needs. Of the \$366M needed, PACT would provide approximately \$263M, or 72% of the total project funds.

However, the Working Group agreed that PACT could proceed only if the NYCHA Chelsea residents maintained and strengthened their current tenant rights and protections, and the PACT conversion must also include a robust and long-term resident engagement process that centers resident experience and priorities.

A PACT conversion should move forward only under the following conditions:

- Resident Rights and Protections recommendations must be incorporated into the NYCHA RFP, NYCHA lease, and other regulatory documents
- Resident Engagement recommendations must be incorporated into the NYCHA RFP, NYCHA lease, and other regulatory documents
- The RFP would preference development teams that include nonprofit partners and/or Minority and Women-Owned Business Enterprises (M/WBEs) developers, and other protected groups

The Working Group recommends that the PACT conversion be an integral part of the solution under those conditions. PACT would generate the largest portion of the capital financing required to meet the Chelsea NYCHA developments' capital finance needs and to provide renovated, safe, sound, and permanently affordable housing for the NYCHA residents of Chelsea.

Principles & Recommendations

The Principles and Recommendations listed below were developed to guide a NYCHA-issued RFP for the above-mentioned scope, setting parameters for the process and means by which the redevelopment would be undertaken. The goals of this endeavor are to meet the NYCHA Capital Needs and to ensure that NYCHA residents of Chelsea play a central role in the planning for, and renovation of, their homes.

These recommendations are interconnected to, and contingent on, the implementation of the Resident Rights & Protections and Resident Engagement recommendations.

Principles

1. No existing residential buildings in the NYCHA Chelsea developments will be demolished.
2. All financing generated in this proposal will be used only in the NYCHA Chelsea developments.
3. NYCHA resident rights must be protected and detailed in NYCHA's 99-year lease with the PACT project team and in all regulatory documents with complete enforceability. These resident rights must be subject to the recommendations made by the Working Group.
4. NYCHA residents must continue to be engaged consistently and substantively, throughout the development process, by NYCHA and the PACT project team. This engagement must be subject to the recommendations made by the Working Group.
5. Development of residential infill sites must balance maximum capital financing for Chelsea NYCHA development renovations while respecting the NYCHA campus and neighborhood context, in height and bulk. Infill development must balance a range of affordability, with minimum market rate units to keep comprehensive renovations at each development financially feasible.
6. Residential infill developments' affordable units shall have a 50% community preference. Within the 50% community preference, 50% of those apartments will have NYCHA tenant preference.

Recommendations

1.0 Development Team

- Preference for significant nonprofit (NFP) and M/WBE developer participation, including but not limited to:
 - NFP participates in all major decisions concerning program and performance
 - NFP shares equitably in developer fee
 - NFP participates actively in resident engagement
- High preference for nonprofit developers who have experience and/or ties to the Chelsea community.¹⁶
- Development team must have experience with local hiring, apprentice programs, and Section 3 hiring, to provide employment for very low- and low-income NYCHA residents.

2.0 Siting and Design Considerations

- Activate space by re-configuring or re-locating existing building entrances to ensure safety, and to adjust to new retail spaces.

3.0 Capital Renovations

- Must be completed in accordance with the most recent PNA for all four Chelsea NYCHA developments, corrected and revised as Appendix A, and any new inspections conducted through the process
- Must also include the installation of individual, per building heating systems, including new distribution piping to and throughout all apartments
- Must include upgrades to building systems to ensure optimal utility performance (heating, cooling, water) and indoor air quality
- Make apartments accessible and in compliance with ADA Standards for disabled tenants

4.0 Security Improvements

During the Chelsea NYCHA Resident Engagement Sessions and Manhattan Community Board 4 Public Forum in December 2020, multiple residents brought forth requests for security improvements, including:

- Upgraded or replaced building entry doors
- Installation of security cameras in stairwells and on grounds
- Replacement of apartment intercoms, with consideration of video intercoms
- Replacement of building and entry door keys with an electronic fob system
- Consideration of providing space for Police Service Area (PSA) 4 substation on both campuses

5.0 Construction & Renovation Impacts

- PACT project team must meet all Department of Buildings requirements for occupied apartment renovation and keep renovation and construction sites safe, clean, and healthy
- Infill construction phasing and logistics must be planned to minimize construction impact on NYCHA residents of Chelsea
- Renovation and construction logistics planning and communication must be developed in consultation with the Resident Associations

¹⁶Being a key member of the Working Group, Joe Restuccia, Executive Director of the Clinton Housing Development Company, has recused himself and his organization from participation on development teams connected to the future redevelopment RFP for the Chelsea NYCHA developments.

6.0 Flood Resiliency

Subject to the Zoning for Flood Resiliency Text Amendment currently under public review, the project should incorporate, and manage the cost implication of, the following flood mitigation measures:

- 0.2% (500-year flood) annual chance flood requirements should apply to the entirety of the Fulton campus and where applicable on the Elliott-Chelsea campus
- In order to ensure adequate ground floor building height, and no 'squashed floors' (with low ceiling height), the residential entrances will be dry floodproofed for any new construction,
- Retail retrofit will be wet floodproofed¹⁷
- Community facilities will be dry floodproofed¹⁸
- Parking will be wet floodproofed
- Additional height is allowed for flood proofing purposes, that additional height allowance flows from the Base Flood Elevation (BFE)
- The NYCHA tax lots border on a BFE of 2 to 4 feet. That standard allows 5 ft in additional height. Therefore, the plan should increase the maximum height on the Fulton campus from 220 feet to 225 ft and on the Elliott-Chelsea campus from 240 feet to 245 feet.
- There is no need for the flood resiliency Floor Area Ratio (FAR) exemption, since the proposed new infill developments are well under the existing available FAR in the NYCHA campuses.
- For the existing buildings, all mechanical and heating systems must be relocated above the first floor. All building entrances on the Fulton campus must be dry floodproofed.¹⁹ All elevator or equipment or elevator pits must be dry floodproofed.

¹⁷Allows flood waters to enter the enclosed areas. For more, see: <https://www.fema.gov/pdf/rebuild/mat/sec6.pdf>

¹⁸Prevents the entry of flood waters. For more, see: <https://www.fema.gov/pdf/rebuild/mat/sec6.pdf>

¹⁹Dry floodproofing of buildings are not required at the Elliott-Chelsea campus since all building entrances are already elevated.

Sources Of Capital Financing

The following financing sources were discussed extensively and comprise a viable combination of Capital Financing sources to meet Chelsea NYCHA Capital Needs. **Please note, estimated financing amounts are based on the financial model, and are not a final financing plan, but a set of financial parameters.** The sources are listed below in order of magnitude:



Modified RAD/PACT Conversion with Private Mortgage Debt (Estimated \$263 million)

- PACT conversion must be conditional on acceptance of the Resident Rights and Protections recommendations.
- Resident Protection provisions must be included in NYCHA Ground Lease and Regulatory Agreements with the PACT project team. NYCHA will pursue HUD waivers if necessary, as described in the Resident Rights and Protections section, to ensure those protections in perpetuity.
- Section 8 TPVs must be secured for 25% of the Chelsea NYCHA tenant to ensure the project's financial viability.
- Section 8 TPVs must be secured for the 96 apartments in Chelsea Addition if the development meets the criteria of the Federal Public Housing obsolescence rules, to ensure the overall project's financial viability.
- PACT conversion must be conditional upon acceptance of the Resident Engagement recommendations.



Mixed-Income Residential Infill Construction (Estimated \$81 million)

The Working Group considered sites A through C.2 (Figures 1 and 3) proposed by NYCHA on the Fulton campus and proposed two additional sites on the Elliott-Chelsea campus. Each site was carefully considered in relation to the existing NYCHA residential buildings surrounding the proposed site and the current uses (i.e., tenant parking, open space, community facility or maintenance facility). Overall development criteria were developed. Sites were evaluated against that criteria. Six sites were recommended for mixed income residential development—sites A, B.1, B.2, and C.1 in the Fulton campus, sites EC1 and EC2 in the Elliott-Chelsea campus (Figures 2 and 4). The Working Group rejected site C.2 as not being appropriate for development in the Fulton campus. Overall considerations are listed below: a site-by-site evaluation is attached as Appendix C.

Site Considerations

- Height and bulk of any new development must fit within neighborhood context.
- Maximum Building Heights of 22 floors (or 225 feet) on the Fulton campus and 24 floors (or 245 feet) on the Elliott-Chelsea Campus.
- NYCHA Resident parking must be retained at the current number of parking spaces. NYCHA Resident parking will be reconfigured and relocated within each NYCHA campus in Chelsea, and existing tenant parking contracts will be continued.

- NYCHA garbage and recycling facilities must be relocated, redistributed, and incorporated into designs of residential or commercial/community facility infill buildings.
- Any community open space, playground, or outdoor recreation space that is displaced by new construction must be replaced.
- Development on existing open space or playground must replace that community amenity. The first Temporary Certificate of Occupancy for the new mixed-income residential building replacing the open space or playground must be conditioned upon the Temporary Certificate of Occupancy in the new community or recreational facility.
- The renovation/replacement of the Hudson Guild building must be phased to ensure minimal disruption of social and community services provided by Hudson Guild.



Retail Retrofit (Estimated \$12 million)

- Pursuant to the recommendations of the Fulton Resident Association, six sites (D, E, F, H, I and an infill site between E and F) were identified to be developed as retail retrofit spaces on West 17th Street and between West 18th and 19th Streets. An estimated 19,100 SF of retail retrofits spaces can be created, which would restore ground floor retail continuity between West 16th and West 19th Streets on the west side of Ninth Ave. The basketball court currently located between West 18th Street and West 19th Street would be shifted west to allow for an additional one-story retail infill site of 3,800 SF to connect sites E and F.



Public Financing (Estimated \$8 million)

- Public funding is preferable, but public funding sufficient to meet the current serious Chelsea NYCHA development capital needs of \$366 million is not available at the Federal, State, or City government level at this time.
- Federal-level funding has dramatically been reduced over past decades. State capital funding is minimal compared to the capital need at the Chelsea NYCHA developments. While the City has recently included \$2.2 billion from 2019 to 2029 in its budget for NYCHA, that amount is for the entire city. Any allocation would not meet the total need at the Chelsea NYCHA developments.
- If and when there is a change in government budget capacity for NYCHA, the Sources for Capital Financing can be modified to substitute public financing in place of another element.
- The current City Council Capital Budget allocation for Chelsea NYCHA developments of \$7,553,750 is included in the Capital Finance Subcommittee financial model.²⁰

²⁰City Council funding has certain restrictions that impact when and how that funding can be used. Developer respondents to the Chelsea NYCHA RFP should perform their own analysis to determine whether this funding should be relied upon.



Ground Floor Retail and Community Facility Developments (Estimated \$5 million)

- A plan for ground floor reuse at four sites (1, 2, and 3, G), for an estimated total of 38,618 SF, was developed to include not only renovation of spaces along Ninth Avenue for commercial use, but also construction of one- to two-story infill commercial or community facility buildings on parking lots on West 16th Street and on both sides of West 18th Street (Figure 2), which was extended to one site on the Elliott-Chelsea campus.
- Under the current R8 zoning, community facilities are as-of-right while midblock retail / office developments would require a zoning change.



West Chelsea Affordable Housing Fund (WCAHF) (Estimated \$734,000)

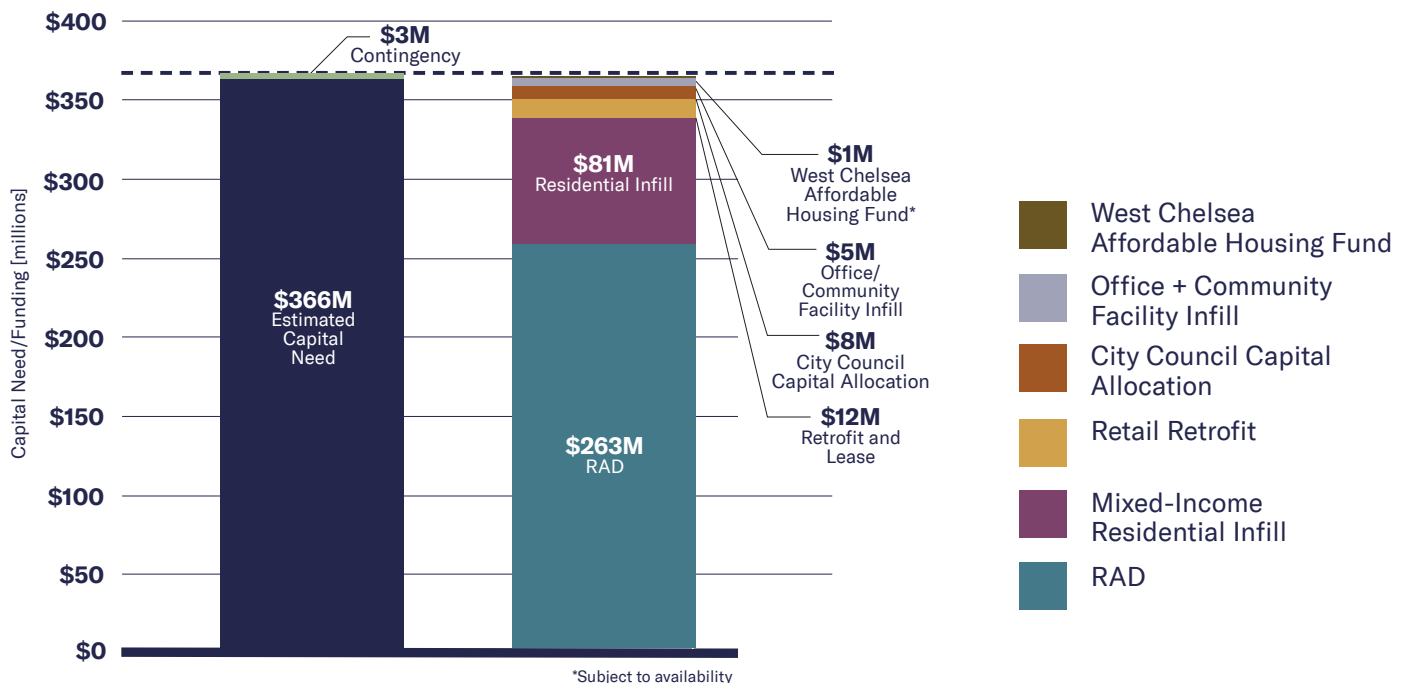
- The WCAHF has \$1,733,500 committed by developers. With \$1M of that commitment allocated for another City project, the remaining committed funds of \$733,500 should be used for the Chelsea NYCHA developments' capital needs, if available.



Additional Contingency (Estimated \$3 million)

- The plan also contains an additional \$3 million in contingency to cover funding unforeseen capital improvement needs that may be discovered during the course of construction.

Table 9: Estimated Sources of Capital Funding Against 5-Year Capital Need



Mechanisms Discussed, but Not Included

Transfer of Development Rights (TDR) and Resident Management Corporations (RMCs) were discussed extensively in multiple meetings. The Capital Finance Subcommittee reached consensus that neither mechanism could provide timely and adequate funding to address the capital needs of the Chelsea NYCHA developments. The Working Group recommends that since the TDR process is market-driven and dependent upon development sites in West Chelsea developed over a period of time, it cannot provide immediate funding for capital needs. However, TDR should be used to create an ongoing Capital Reserve Fund for the Chelsea NYCHA developments after the major proposed renovations



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Activity 1: What We Agree

Activity 2: Understanding Agreement

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Resident Rights and Protections

The Chelsea Working Group Resident Rights and Protections Subcommittee was charged with reviewing the differences between the NYCHA Public Housing (Section 9) and NYCHA PACT (Section 8) programs and ensuring both current and future residents have their rights as tenants protected and expanded should a PACT conversion take place. Residents shared with the Working Group that, due to longstanding concerns about the management of public housing, there is deep mistrust of NYCHA. This is reflected in resident concerns about their ability to stay in their homes without seeing increases in rent or threats of eviction. Furthermore, many residents experienced fear and confusion about what a PACT conversion would mean for them.

From January to March 2020 and September to December 2020, the Resident Rights and Protections Subcommittee performed a detailed review of leasing and contract documents, consulted experts in New York housing law and NYCHA policy, researched responses to resident concerns, and created the following recommendations to protect and expand resident rights before, during, and after a PACT conversion.

Background

General Overview of Existing Protections for PACT Conversions

When the RAD program was first created, HUD codified the rights of residents in developments undergoing a RAD conversion, which carry through to all PACT conversions as well. For example, during a RAD conversion, residents have the right to remain in their homes, with no re-screening for income eligibility or criminal background checks. In 2016, Enterprise Community Partners, a nonprofit that is focused on the preservation and development of affordable housing, in partnership with NYCHA, convened the RAD Roundtable, a group of resident leaders and housing advocates, to further ensure resident rights were protected as NYCHA converted properties through RAD. The RAD Roundtable issued a document with Guiding Principles that NYCHA committed to follow in its conversions. NYCHA has also committed to expanding both RAD tenant protections and the RAD Roundtable Guidelines to its PACT conversions.

The following are key existing resident protections from the RAD Roundtable Guidelines:

Notice of a RAD Conversion: Residents and Resident Associations (RAs) will have notice that their development is under consideration for a RAD conversion. NYCHA will begin outreach and education with residents while HUD considers NYCHA applications to ensure residents can learn about RAD in advance of HUD approval of developments.

Rent: Residents will continue paying no more than 30% of adjusted gross household income towards the rent. Households that pay a flat rent (less than 30%) prior to conversion will experience a rent increase, to be phased in over a five-year period.

Grievances and Lease Terminations: NYCHA will develop a set of procedures for resident grievances and lease termination proceedings that will take effect upon conversion. The procedures will be uniform for each converted development and must be implemented by each property manager.

Succession Rights: After a conversion, current residents will continue to have the same Public Housing succession rights, and new residents will have Section 8 succession rights.

Right to Organize: Residents will continue to have the right to form a resident organization, which the property manager must recognize. If one does not exist before a RAD conversion, the property manager is required to support resident efforts to create one.

Resident Participation Funding: Resident organizations will continue to decide how to use their portion of Tenant Participation Activity (TPA) Funds.

Guiding Principles

The Working Group aimed to create recommendations that would ensure residents have the same or greater protections after a PACT conversion as they do under the Public Housing program. There are four guiding principles that drove the Working Group's review:

- **Rent & Fees:** Ensure residents do not see higher rents or non-rent charges as a result of a PACT conversion.
- **Legal Protections:** Ensure residents have greater, or at minimum the same, legal rights to stay in their homes, and protection against eviction or loss of subsidy.
- **Tenant Placement & Selection:** Ensure residents have better, or at least similar, rules when it comes to succession rights, apartment size, entering the development, or requesting to move.
- **Development Rules:** Ensure that residents have a meaningful and enforceable right to participate in decisions made about the development and an opportunity to challenge decisions they oppose.

Section 1: Rent and Fees

Ensure residents do not see higher rents or non-rent charges as a result of a conversion.

Recommendations

- 1.1** NYCHA should seek to implement a rent cap, set at the contract rent, for all units converting through the PACT program to prevent higher-income residents from paying above market rents and to reduce the risk of displacement. Currently, under HUD's rules for PACT-converting households, the tenant's share of the rent would be 30% of a household's adjusted gross income. There is not an upper limit on the actual dollar amount a tenant can be asked to pay—similar to a “flat-rent”—which means that while the rent will be limited to 30% of a household's adjusted gross income, the amount tenants pay may be higher than market rents in the area. If, at the time of conversion, the tenant was not paying 30% of adjusted gross household income, the rent increase would be phased in over five years.

The Working Group heard from many residents, particularly those with multiple working household members, who were concerned that without a rent cap they would end up paying above market rents and be priced out of their homes, constructively evicting them. While capping rent at 30% of a tenant's income ensures no tenant will become "rent burdened," preventing residents from reaching an upper limit on their rent also inhibits them from building the intergenerational wealth that is a key to building economic security and exiting a cycle of poverty.

To implement a rent cap, NYCHA would require approval from HUD. In the past, NYCHA has sought HUD's approval to institute a rent cap on other PACT conversions without success. However, those projects were distinct from any proposed PACT conversion at Chelsea; therefore, the Working Group recommends NYCHA seek permission to implement a rent cap for PACT conversion at Chelsea. The Working Group recommends it be set at no higher than the "contract rent," which is the total amount of rent NYCHA or a private landlord can receive from HUD for a Section 8 unit. Alternatively, if HUD is not willing to grant permission, the Working Group also recommends NYCHA require any rent collected above the contract rent amount remain within the development and ensure it is used in a way that does not provide a PACT partner additional revenue.

1.2 Ensure no fees or other non-rent charges are higher than those for Public Housing. This includes late fees or fees for appliances like air conditioners or washing machines, pets, parking, or tenant damage to the apartment. Under Public Housing and PACT, there are no late fees, and no fee or charge can be considered "added rent."

The Working Group recommends that no fee or charge exceed the limits set by NYCHA, and these limits should be included in binding documents between the developer and NYCHA.

1.3 Notification, comment, and approval on submetering. Utility responsibility currently does not change as the result of a PACT conversion, i.e., if utilities are included in the resident's rent under the Public Housing program, the utilities will still be included in the resident's rent after PACT conversion. After PACT conversion, a property manager may seek to employ energy- and water- conservation strategies, such as installing sub-meters and shifting responsibility of utilities to tenants, if NYCHA consents. Should this occur, NYCHA must provide residents with a utility allowance deduction, which would be applied when a tenant's rent is being calculated. NYCHA performs a HUD-mandated annual review of electricity, heat, and hot water consumption rates to establish a Section 8 utility allowance schedule.

If a new property management team is seeking to move to submetering under a conversion, the Working Group recommends:

1. Tenants be notified in advance of decision;
2. NYCHA elect to establish a site-specific utility allowance;
3. Tenants have opportunity for public comment / feedback in advance of decision; and
4. NYCHA approves the final decision.

Existing Protections

Residents raised concerns about the following areas, and after the Working Group reviewed them, it determined no change was needed to strengthen existing protections

- 1.4 Transfer fees already paid.** During a PACT conversion, any security deposit and/or pet fees that a household already paid to NYCHA will be transferred to the new PACT property manager, and the household will not have to pay anything additional even if, for example, the original security deposit paid at the time of move-in is less than the current share of the rent. After a PACT conversion, any household newly entering the development will be required to pay a security deposit limited to one month of the tenant's portion of the rent.

With the understanding that residents of developments undergoing PACT conversions will not have to pay any pet and/or security deposit fees they have already paid to NYCHA, the Working Group has no recommendation.

Section 2: Legal Protections

Ensure residents have greater, or at minimum the same, legal rights to stay in their homes, and protection against eviction or loss of subsidy.

Recommendations

- 2.1** Extend protections under the Tyson-Randolph consent decree to PACT residents. Under Public Housing, NYCHA, as landlord, may terminate a tenancy for “good cause” using an administrative hearing process. Grounds for termination include misrepresentation of income; chronic rent delinquency; unauthorized occupants; and criminal activity on or off development grounds. A tenant is entitled to a hearing before an impartial hearing officer at NYCHA’s hearing office currently located at 803 Atlantic Avenue, Brooklyn, New York. If the tenancy is terminated as a result of the administrative hearing process, a tenant may appeal the decision in an Article 78 proceeding in the New York State Supreme Court. If terminated, NYCHA must commence a holdover proceeding in Housing Court in order to secure a possessory judgment and warrant of eviction. In most holdover cases, NYCHA secures a termination of tenancy at the administrative hearing level, and issues at the administrative hearing level cannot be heard in Housing Court and are binding on a Housing Court judge.

Under the Tyson-Randolph federal consent decree that currently governs NYCHA, in termination of tenancy administrative hearings involving Non-Desirability charges, if the tenant of record can show that, at the time of the administrative hearing, the alleged “offending” household member is no longer part of the household, NYCHA cannot terminate the tenancy. NYCHA is limited to issuing a probationary order and/or an order of Permanent Exclusion in these cases.

As with Public Housing, under the PACT lease, the new property manager may only evict a tenant for “good cause” such as nuisance, criminal activity, and harboring a pet in violation

of a no-pet clause. Under PACT, these cases are brought in Housing Court—not in NYCHA’s administrative hearing process—and decisions issued by a Housing Court judge are appealed to the State Appellate courts.

Under PACT, NYCHA may move to terminate a resident’s Section 8 subsidy for “good cause” including failure to submit required documentation, misrepresentation of income, and criminal activity in the unit. Tenants are entitled to notice and a hearing before an impartial hearing officer under the *Williams* Consent Decree. If terminated, a tenant can appeal the decision in an Article 78 proceeding in State Supreme Court.

The Working Group understands that PACT residents have stronger protections against eviction or loss of subsidy in most cases. To further protect residents, the Working Group recommends PACT tenants receive protection under the Tyson-Randolph consent decree post-PACT conversion.

2.2 NYCHA should clarify the tailored grievance procedures for PACT conversions. Under Public Housing, a tenant can commence a grievance against NYCHA for tenancy issues, including rent, adding household members, and reasonable accommodation requests. Initial steps in the grievance process are heard by NYCHA property management staff. If necessary, a tenant may present their grievance before an impartial hearing officer at NYCHA’s Administrative Hearing Office currently located at 803 Atlantic Avenue, Brooklyn, New York.

After a PACT conversion, tenant grievances related to their Section 8 subsidy, such as the amount of rent they pay or reasonable accommodation requests related to the Section 8 subsidy, are heard by NYCHA. All other grievances will be heard by the PACT property manager.

The Working Group recommends NYCHA clarify the grievance procedures for PACT residents, including which issues can be grieved, with what procedure each issue can be grieved, and where each issue can be grieved.

2.3 NYCHA should notify residents of lease changes, so they have an opportunity to comment prior to NYCHA issuing approval. The PACT lease currently states:

“Schedules of added charges for services, equipment, repairs and utilities, rules and regulations, policies, House Rules and all items specifically herein required to be posted shall be publicly posted in a conspicuous manner in the Management Office and in a prominent location in each building and shall be furnished to the Tenant on request. **Such schedules, policies, rules and regulations may be modified from time to time by the Owner and/or Managing Agent, provided that the Owner and/or Managing Agent shall give at least 30 days’ prior written notice to the Tenant.** Such notice shall set forth the proposed modification and the reason therefor and shall provide the Tenant an opportunity to present written comments which shall be taken into consideration by the Owner and/or Managing Agent prior to the proposed modification becoming effective.” [emphasis added]

¹Approved PACT Lease (as of 8/6/2020) https://www1.nyc.gov/assets/nycha/downloads/pdf/NYCHA%20PACT%20Resident%20Lease_English.pdf

The Working Group recommends this language be updated to make clear that:

1. Residents will be notified of any lease changes;
2. Residents will have the opportunity to comment on any lease changes prior to NYCHA approval; and
3. Only lease changes that have been approved by NYCHA must be accepted within 30 days.

2.4 Support residents to access their rights by ensuring assistance is available. Residents raised that while they can file for interim recertifications if their income changes or to add or remove members of their households, their ability to do so in public housing was often limited by the lack of trained staff to assist them in filling out the appropriate forms. After a PACT conversion, NYCHA will still process all income eligibility forms, including annual and interim recertifications.

To ensure that residents can access all of their legal rights during and after a PACT conversion, including receiving timely assistance with submitting required tenant forms to NYCHA, the Working Group recommends NYCHA set minimum staffing levels for PACT project partners. This may require additional trained staff to be provided on-site. Furthermore, the Working Group recommends NYCHA and the PACT project partners provide residents with clear guidance stating their right to request documents and notices in their preferred language and their ability to specify their household's preferred method of communication.

2.5 Automatic termination of permanent exclusions, tenant notification of the termination process, and admission of excluded individuals who meet Section 8 eligibility criteria. Federal law requires Public Housing Authorities, like NYCHA, to ensure that no tenant, member of the tenant's household, or guest engages in: (1) criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents, or (2) drug-related criminal activity on or off the premises. Permanent exclusion was created to preserve the tenancy of a public housing household that might otherwise be evicted for such activities and requires that the offending individual not live in, visit, or return to the household.

Under PACT, households can apply to add previously excluded tenants to the lease, and if the excluded tenant meets the Section 8 standards for admission, they are added to the household.

The Working Group recommends NYCHA go further to ensure permanent exclusion is not a barrier to accessing PACT housing by making the following changes:

1. Any order of permanent exclusion that exists on a current tenancy should be automatically lifted when a development converts through PACT, and
2. NYCHA should notify all residents of this change by email/mail.

Completed Recommendations

Over the course of the Working Group, NYCHA made updates to its PACT lease that incorporated some of the committee's draft recommendations, including:

- 2.6 Removal of the “As-is” condition clause from the lease.** The PACT lease previously stated, “Tenant accepts the apartment in the condition it is in as of the date of the Lease as set forth above.” The Working Group found this clause did not reflect the goal of a PACT conversion, which is to dramatically change the condition of the apartments.

The Working Group appreciates that NYCHA has removed this clause from the lease.

- 2.7 Alignment of the Objectionable Conduct Standard to NYC Law.** Previously, the PACT lease included a provision that required residents to refrain from playing music that disturbs other residents, but violation of this provision was unlikely to result in legal action.

The Working Group appreciates that NYCHA has removed this clause, which the Working Group believed to be unenforceable, from the lease.

- 2.8 Limit Form Requirements.** Previously, the PACT lease stated, “Tenant agrees to complete any and all forms that may be requested by Owner from time to time.”

The Working Group appreciates that NYCHA has agreed to limit required forms to those relevant to subsidy or financing and forms mandated by law.

Existing Protections

Residents raised concerns about the following areas, and after the Working Group reviewed them, it determined no change was needed to strengthen existing protections.

- 2.9 Maintaining tenant rights should an eviction take place.** Under NYCHA Public Housing, NYCHA is able to bring accusations against a tenant for violations that will result in the loss of their subsidy before an administrative law judge. These proceedings have a lower standard of evidence than those brought directly to Housing Court and more often result in the eviction of a resident.

Under PACT, the landlord must bring eviction cases directly to Housing Court. As landlords, both NYCHA and PACT project partners must share timeline and notice requirements with tenants before eviction cases, including non-payment cases, can be brought against a tenant.

Given that the eviction timeline under PACT remains consistent with NYCHA and other housing and given that PACT partners must bring cases directly to Housing Court, which will likely result in fewer evictions for minor violations, the Working Group has no additional recommendation on this area.

2.10 Ensuring tenants have safe, livable conditions, with respect to mold, lead and asbestos.

The Working Group understands that NYCHA is responsible for all open work orders prior to a conversion, and that if NYCHA does not complete those work orders before conversion, they are transferred to the PACT developer to address. Furthermore, the Working Group understands that the comprehensive scope of repairs will address the root and underlying causes of mold covered by the Baez Consent Decree, the presence of lead recognized in the 2019 HUD Agreement, and the presence of asbestos. In particular:

- **Mold:** NYCHA requires all PACT developers to adhere to the most current guidance for moisture control and mold growth prevention for PACT developments. When a development converts through PACT, the development will undergo a comprehensive scope of repairs (including upgraded plumbing and heating systems, bathrooms, kitchens, roofs, facades, and other capital improvements), which addresses the root and underlying causes that can result in mold.
- **Lead:** PACT developers are also required to abate all lead-based paint during construction.
- **Asbestos:** All Asbestos Containing Material (ACM) must be addressed in accordance with New York City Department of Environmental Protection, New York State Department of Labor, and U. S. Environmental Protection Agency guidelines, but does not have to be removed if the site is found to be asbestos free, or the amount of ACM found is intact, in good condition and will not be disturbed by any potential work. If the ACM is not removed, proper maintenance and control measures to keep it intact must be provided by the PACT developer.

The Working Group also understands that residents have more, and better, avenues for legally compelling repairs and receiving regular inspections for substandard housing conditions after a PACT conversion.

With the understanding that NYCHA transfers all uncompleted repair requests to the new PACT project partners to address outstanding issues as it takes stock of the condition of the buildings and units for the larger rehabilitation and that residents are not required to resubmit an outstanding repair request to the new PACT management team, the Working Group has no recommendation in this area.

2.11 Owners Inability to Provide Service. Currently, the PACT lease states, “If Owner is unable to provide certain services as a result of circumstances which are not the fault of Owner, Tenant’s obligations under this Lease, including the obligation to pay rent, shall remain in effect, except as otherwise permitted by law.”

The Working Group understands that the clause “except as otherwise permitted by law” adequately protects the ability for tenants to legally withhold rent when allowed under New York State and New York City housing laws; therefore, the Working Group does not have an additional recommendation on this area.

Section 3: Tenant Placement + Selection

Ensure residents have better, or at least similar, rules when it comes to succession rights, apartment size, entering the development or requesting to move, rights to stay in their homes, and protection against eviction or loss of subsidy.

Recommendations

3.1 Guarantee seniors can choose between a studio or 1-bedroom should there be a change in the development. Under Public Housing, seniors who are requesting to transfer to a senior development have the option to choose between studios or one-bedroom units, but their choices are often limited by available apartments.

The Working Group recommends that if a single, senior resident is forced to move because of a change to the development, they should be able to choose between a studio or 1-bedroom, without their choice being limited by availability.

3.2 Limit additional credit and background checks. During a conversion from Public Housing to PACT, current household members that are on the lease are not rescreened. After a PACT conversion, HUD mandates that NYCHA screen new households entering the development using a criminal background check; a sex offender check; and confirmation of no Public Housing Authority debt. Currently, PACT project partners have the ability to further screen for “tenant suitability,” including checking credit history or requesting evidence of 12 months of on-time rental payments.

The Working Group recommends that all PACT project teams be prohibited from doing any “tenant suitability” screenings beyond that which NYCHA completes, and this requirement should be memorialized in the RFP and leasing documents, to better align total PACT screening requirements with those of Public Housing.

3.3 Provide Temporary Relocation Agreements. Residents have a federally protected legal right to return to their units should they have to temporarily move because of construction or repairs. Although most work is expected to be completed with residents in place, should a health condition or other situation necessitate a household temporarily relocate, renovated vacant units within the developments, called “hospitality suites” by NYCHA, are used for the temporary living space.

The Working Group recommends that relocating residents receive a Temporary Relocation Agreement, which is a binding guarantee of resident rights and protections signed by NYCHA and each relocating household. In addition to specifying residents’ rights, the Temporary Relocation Agreement could include the process for temporary relocation, the benefits and assistance available for relocation, and the roles of all parties involved in the relocation. The Working Group also recommends that residents be provided temporary living space as close to their apartment as possible.

3.4 Ensure tenants' right to move. After a PACT conversion, residents will no longer be able to transfer to or from other public housing developments. The Working Group understands that any resident with a pending Public Housing transfer will receive a notice cancelling the Public Housing transfer and information on how to request a transfer once the property has converted to project-based Section 8. Additionally, one year after a PACT conversion, income qualifying residents will have the option to request a Choice Mobility Voucher (sometimes known as a “portable voucher”) to move within or outside of New York City to any jurisdiction nationwide that has a tenant-based Section 8 program, limited by the availability of the vouchers.

If a household is under-occupied or over-occupied, they do not need to request a transfer within the development. Instead, NYCHA will maintain a list of the units that are over-occupied and under-occupied. Once the development fully converts, or earlier if possible, NYCHA will share the list with the PACT property management team to begin rightsizing units based on availability and starting with the most extreme cases of under-occupied and over-occupied households. After this initial rightsizing takes place, NYCHA's Section 8 program will establish a site-based waitlist for new admission households to move into the development. Current residents will continue to maintain priority for internal transfers to appropriately-sized units, as part of the right-sizing process, and will maintain their place in the transfer priority ranking based on the length of time they have been waiting.

The Working Group understands that conversion to PACT may provide stronger protections for residents who are experiencing domestic violence, who are intimidated victims or witnesses, who face life threatening Housing Quality Standards (HQS) violations, or who have reasonable accommodation needs. Once they submit a Section 8 transfer request and identify these reasons as the reason for the transfer, they will be considered an emergency transfer and will receive a tenant-based “portable” Section 8 transfer voucher, as long as there is available funding.

Should residents require assistance moving to a rightsized apartment, the PACT Social Service Provider can help them access moving resources available through the Human Resources Administration (HRA) or elsewhere, although the Working Group understands that seeking this assistance may be a burden. PACT partners in previous conversions have not typically paid for moving costs unless a tenant is being temporarily relocated due to renovations.

The Working Group recommends that when a household is obligated to right-size, the developer should provide upfront funding for moving expenses alongside any assistance provided through HRA. Residents should also be provided assistance through the PACT Social Service Provider to navigate HRA's application process.

Completed Recommendations

Over the course of the Working Group, NYCHA made updates to its PACT lease that incorporated some of the committee's draft recommendations, including:

- 3.5 Aligning Public Housing and Section 8 Succession Rights for future tenants.** Under PACT, current residents keep their Public Housing succession rights and future residents have Section 8 succession rights. NYCHA is currently rewriting its policies to align the Section 8 succession rights with those of Public Housing, so there will be no difference for current and future residents.

With the understanding that Section 8 succession rights will align with those of Section 9 for current and future tenants, the Working Group has no additional recommendation on this area.

- 3.6 Allowing Public Housing and Section 8 Housing Choice Voucher applicants to join PACT waitlists.** The Public Housing waitlist is significantly larger than the NYCHA Section 8 waitlist, which closed to new applicants in 2009, and individuals on the Public Housing waitlist are not eligible for placement at developments once they convert through PACT. However, last year, NYCHA updated its Self-Service Portal to protect long-waiting applicants from losing their “spot” in line as properties convert from one program to another. Applicants on the Public Housing and Section 8 waitlists can now opt into PACT-development waiting lists through the same portal, and use their original application date to maintain their order on the waitlist. For example, if an applicant is currently on the Public Housing waitlist, they can opt into site-specific Section 8 Project-Based Voucher (PBV) waitlists for PACT-converted properties, and their application date will be based on the day they originally applied for Public Housing. The same standards apply for those on the Section 8 Housing Choice Voucher waitlist who want to opt into any and/or all Section 8 site-specific PBV waitlists and maintain their application date from when they originally applied for a Housing Choice Voucher.

With the understanding that the process to fill vacancies largely mirrors the process for Public Housing, and individuals have the ability to opt into both Public Housing and Section 8 waitlists, the Working Group has no additional recommendation on this area.

Existing Protections

Residents raised concerns about the following areas, and after the Working Group reviewed them, it determined no change was needed to strengthen existing protections.

- 3.7 Ensure Occupancy Standards are not more restrictive than current Public Housing standards.** Under Public Housing, residents can add caregivers and foster children as temporary members of their household who are ineligible for succession rights; however, public housing residents cannot add household members who would cause their unit to become “overcrowded.” Under PACT, new and current residents are still able to add caregivers and foster children as temporary members of their household who are ineligible for succession rights, but new residents can add family members to the lease, even if doing so would make the unit “overcrowded,” and these overcrowded households are not required to right-size until a unit becomes available.

Given that occupancy standards are the same, and even better in some cases, after a PACT conversion, the Working Group has no additional recommendation on this area.

Section 4: Development Rules

Ensure that residents have a meaningful and enforceable right to participate in decisions made about the development and an opportunity to challenge decisions they oppose.

Recommendations

4.1 Engage residents in shaping House Rules during and after a PACT conversion. House Rules set expectations and responsibilities for tenants. Under Public Housing, House Rules are included in a resident's lease agreement with NYCHA. Under PACT, House Rules are not part of the lease, significantly reducing the ability to use violations of the House Rules as grounds for eviction. The Working Group considered the potential of House Rules to curb unwanted behavior, as well as to be overly restrictive or punitive, and think it is important that residents are consulted to develop fair and balanced House Rules based on individual development needs.

The Working Group recommends that:

1. When tenant engagement on House Rules begins, PACT project teams should use NYCHA's House Rules as the proposed House Rules and tenants can negotiate further based on their development's specific needs.
2. If PACT project teams propose any changes to NYCHA's House Rules through this process, tenants should be a key part of the process, and any changes should be subject to NYCHA's final approval.
3. Tenants should similarly have an opportunity to shape and comment on any rule changes in the future, and any future changes should be subject to NYCHA approval only after residents have had an opportunity to provide comments and feedback.

4.2 Respect tenant apartment improvements, and provide for appliances going forward. Under Public Housing, residents cannot install appliances or perform alterations without NYCHA's prior written permission, including washing machines, freezers, painting or replacing fixtures. Under PACT, the ability to perform apartment alterations depends on the House Rules.

The Working Group recommends NYCHA proactively assist tenants in registering apartment improvements and grandfathers any safe and legal alterations, including providing written retroactive approvals, to the greatest extent possible, in advance of a PACT conversion. Furthermore, tenants should also have a meaningful opportunity to help shape rules governing appliances and improvements moving forward.

1. For air conditioners, residents should be allowed at least one per room if it does not interfere with fire or safety codes, and any PACT project partner should be encouraged to explore the possibility of central air.
2. For laundry services, any PACT project partner should be encouraged to explore the possibility of affordable/at cost on-site laundry facilities, in-unit washer-dryer combos, or allowing tenants to install new washers going forward, beyond grandfathered, properly installed and registered washers.

4.3 Ensure any pet policy is not more restrictive than NYCHA's current Public Housing policy. Under PACT, pets registered with NYCHA prior to conversion have the “right to stay” with the household after conversion, and new tenants admitted after conversion must comply with property management’s rules for pets in their Section 8 lease. Residents in the Working Group expressed both a desire for more enforcement of the current pet policy and more permissive pet policies.

The Working Group recommends that at a minimum, any pet policy is not more restrictive than NYCHA’s current policy and that a developer consult with residents before setting reasonable pet limitations. Furthermore, any fees for new pets after conversion should not exceed NYCHA’s Public Housing pet fees.

4.4 Engage residents of Senior Buildings regarding any changes to the Senior Building status. Federal rules prohibit PACT from having a senior-only designation like public housing developments often have. In order to maintain an elderly occupancy, NYCHA can provide a preference to households with a head of household or spouse who is an elderly member (age 62+) but cannot deny admission to a non-elderly household that comes to the top of the waiting list. Removing the senior designation from the Chelsea Addition building could allow adult children to move in with their parents and to be added to the lease, which is currently prohibited. This change could also lead to a longer-term demographic change in the building.

The Working Group recommends the residents of any senior building are robustly engaged on any decisions related to the senior building’s status. To the extent that residents want a senior-only designation, NYCHA should pursue all options to create this designation, including seeking a waiver from HUD, if necessary.

4.5 Ensure full Tenant Participation Activity (TPA) Funds are provided to Resident Associations. Under PACT, any current TPA funds held by NYCHA, on behalf of a Resident Association, will be carried forward, and Resident Associations will continue to receive the same amount of funding as they receive under Public Housing.

The Working Group recommends that the full value of the TPA funds be passed to the resident organization for its use and that no portion of the TPA funds be retained by a PACT project partner.

4.6 Ensure residents have safe homes and developments. Residents expressed deep concern regarding safety and security within the developments. Some physical safety measures, including security cameras, better lighting, and electronic locks, are addressed in other areas of the report. These recommendations are just a starting point, and further resident engagement, outlined in the following section, is required to identify the specific security recommendations.

Given the impact of policing on residents' lives, the Working Group recommends that NYCHA consult residents on whether they would prefer a PSA 4 substation to be placed in Chelsea or whether the developments should be covered by the 10th Precinct. The Working Group also recommends the PACT partners work collaboratively with the New York City Police Department to address drug selling on the property. Additionally, the Working Group recommends the PACT partners implement and enforce identification standards for on-site personnel, including all contractors and tradespeople that provide repairs.

Existing Protections

Residents raised concerns about the following areas, and after the Working Group reviewed them, it determined no change was needed to strengthen existing protections.

4.7 Process for complaining about Housing Conditions. Under Public Housing, residents can call NYCHA's Customer Contact Center (CCC) to complain about housing conditions. Under PACT, residents can call 311, in addition to the CCC, to log complaints regarding housing conditions. Under PACT, any 311 complaints will be directed to the Department of Housing Preservation and Development (HPD), and any CCC complaints will result in the scheduling of an HQS inspection if the tenant requests it.

The Working Group has reviewed this issue and because tenants have more avenues for making complaints about housing conditions under PACT, does not have a recommendation.

Community Priorities

STEP 1

Instructions: Write a priority that follows listed in your list and say that you think are missing.

- Tenant Succession Rights
- Renting my rent at 10% of my income
- Continued Public Ownership
- No Displacement
- No Displacement
- No Displacement

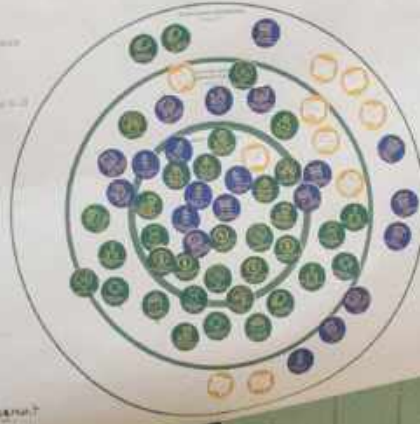
- Safety - Security
- Economic Development - Workforce Center
- On-Site Social Services
- Waste Management
- Affordable Housing - Rent
- Power heat and hot water supplies

Feeling like I have a voice
Good quality of life
Robert A. Frost Center
NO BUSTON INHABITANTS
SAY UP AFTER 2004
BETTER USE OF RESOURCES

STEP 2

Instructions: Rank the priorities in order of importance using the dot matrix diagram.

1. Place most important priorities in center circle
2. Place second most important priorities between 1 & 2
3. Place remaining priorities in outer circles in order of importance



STEP 3

Instructions: As a group, create the total number of each community priority in the room using your dot matrix.

1. Tenant Succession Rights
2. Safety - Security
3. Economic Development
4. Waste Management

read ahead

OCCUPANCY
OF MORE THAN
156
PERSONS IS
DANGEROUS
AND
UNLAWFUL

Resident Engagement

The Resident Engagement Subcommittee focused on two main tasks: to provide support and guidance to Hester Street in engaging residents in the Working Group process itself and to lay out recommendations to ensure meaningful, consistent, continuous, and documented resident engagement for the PACT conversion and renovation process.

The Resident Engagement Subcommittee membership skewed toward residents of the NYCHA Chelsea developments, with elected officials and NYCHA also represented. Miguel Acevedo, President of Fulton Resident Association, and Chris Nickell, Deputy Chief of Staff for State Senator Robert Jackson, co-chaired the Subcommittee. Meetings regularly included 15–20 members.

In addition to the Working Group engagement described elsewhere in this report, the Subcommittee arranged for special briefing sessions to be held for Elliott-Chelsea Houses residents, who had not been given as many opportunities to understand the PACT program as their neighbors in Fulton. The Resident Engagement Subcommittee also held a briefing to Mandarin- and Cantonese-speaking residents in Elliott-Chelsea Houses.

The below recommendations lay out the Resident Engagement Subcommittee’s vision for giving residents real decision-making power in the renovation of their homes. After the guiding principles, the recommendations are organized by stage of renovation, from development of the RFP to the post-renovation move-in and beyond.

Guiding Principles

These guiding principles apply to engagement during all aspects of the renovation process and beyond. The Resident Engagement Subcommittee crafted these principles to provide a baseline for informing and consulting residents that is higher than what currently exists within NYCHA as a whole and the buildings that have undergone PACT conversions in particular. These guiding principles carry forward the fundamental value of self-determination for residents of Public Housing.

- The Elliott-Chelsea and Fulton Houses Resident Associations (collectively the “RAs”) should collaborate to guide NYCHA on the complete renovation of the four Chelsea NYCHA Developments.
- The RAs should invite community board representatives, local community-based organizations, and other key stakeholders to participate in milestone meetings and to share their expertise.
- The RAs and NYCHA should establish communication goals and identify issues that require campus/neighborhood-wide meetings at key milestones in the renovation process.
- Informed by the public engagement during the Working Group process, the RAs and NYCHA, in collaboration with a third-party facilitator, should organize a transition process to ensure the RAs and NYCHA are well positioned to jointly carry out a pre-development engagement process that aims to affirm the required, preferred, and negotiable RFP and project deliverables of Chelsea NYCHA residents.
- The RAs and NYCHA should work collaboratively to identify key communication protocols and transparency standards to ensure that, throughout the development process and beyond, tenants receive ample, clear information (in their preferred language) about any update, input opportunity, or anything relevant to their apartment and their quality of life.
- NYCHA should partner with the RAs to communicate information, and NYCHA should seek input in the following ways: mailings; robocalls; building and floor meetings; campus-wide tenant meetings; posted information in common areas and hallways, under the doors, on doorknobs; and one-on-one conversations with tenants. NYCHA should also use other methods to receive input such as Google forms and a dedicated email address for people who cannot attend meetings.

Section 1: RFP Development

The first stage in the renovation will be development of an RFP. Government agencies often draft RFPs with little input from the members of the public who would be affected by the resulting project. In envisioning what resident engagement should look like during renovations at the Chelsea NYCHA developments, the Resident Engagement Subcommittee saw an opportunity to give residents a seat at the table, at the outset, by including the RA leadership in the development process.

The Resident Engagement Subcommittee also agreed on several broad recommendations regarding the RFP itself: preference for a nonprofit development partner, local hiring for temporary and long-term positions, conducting comprehensive outreach, and implementing temporary tenant relocations.

Recommendations

- 1.1** NYCHA and outside advisors should provide training on the RFP process (development, evaluation, and award) to the RAs, and other interested NYCHA residents from the four Chelsea developments to ensure the RAs are well-prepared to effectively participate in and guide the process of renovation.
- 1.2** The RFPs should have as strong a preference as possible for all PACT project teams to include a nonprofit partner with a meaningful role in the team.
- 1.3** The RFPs should have a preference for applicants that commit to working with existing local nonprofit social services providers and can demonstrate a track record of having done that in other places.
- 1.4** The RFPs should require applicants to provide a detailed plan for hiring local NYCHA residents of Chelsea for temporary positions (i.e. construction, relocation assistance) and long-term positions.
- 1.5** RFP applicants that provide comprehensive work training and employment opportunities for residents should receive extra point considerations for their application.
- 1.6** The solicitation for a full renovation of the Chelsea NYCHA developments should require applicants to provide a detailed outreach and engagement strategy that encompasses all phases of development, design, construction, move-in, and day-to-day management.
- 1.7** The solicitation for a full renovation of the Chelsea NYCHA developments should require applicants to provide information about how they currently collect, track, and provide updates and information about repairs and work orders.
- 1.8** The solicitation for a full renovation of the Chelsea NYCHA developments should require applicants to provide detailed information about any previous (or current) temporary tenant relocation they have successfully conducted. If they have not conducted relocation, they should provide specific information about how they would conduct that process.

- 1.9** Citing a list of community needs and priorities, the RAs may provide additional recommendations for RFP criteria (i.e., programming details, testimonials on management, etc.) to NYCHA as the RFP is developed. In particular, RAs will work with NYCHA to determine an appropriate weight for resident feedback in the evaluation process below.
-

Section 2: RFP Evaluation + Award

In the selection of a developer team, the Resident Engagement Subcommittee felt strongly that residents—via the RAs—must be given a seat at the table. In order to remove as many ambiguities as possible, the Subcommittee sought to articulate a clear connection between resident feedback and the concrete way that feedback will factor into the selection of a developer team. In other words, despite this section of Resident Engagement recommendations being the shortest the Working Group is issuing, it is in many ways the most important.

Recommendations

- 2.1** NYCHA will put all applicants through a threshold review to ensure they meet the basic criteria laid out in the RFP. NYCHA will also review additional technical aspects of the proposals to narrow the pool of applicants to multiple finalists.
- 2.2** RA board members who have been trained during the RFP development phase and who have signed confidentiality forms will be granted access to de-anonymized finalist proposals and will have the opportunity to interview the developer teams. They will rank the finalists. NYCHA will allocate a certain number of points, determined in advance per 1.9 above, according to the aggregate resident rankings.
- 2.3** As much anonymized information about these finalists' applications as possible will be shared with the residents of both campuses. NYCHA and the RAs can collaborate to provide opportunities for residents to voice feedback on these finalists consistent with legal procurement requirements.

Section 3: Pre-development

After residents and NYCHA select a PACT Project team, the responsibility of resident engagement shifts largely to that PACT Project team. The Resident Engagement Subcommittee maintains that before renovation begins, the PACT Project team must engage with the RAs to proactively address concerns about safety, changes to the rules and regulations residents currently navigate in public housing, and the possibility of temporary relocation during renovations.

While the Resident Engagement Subcommittee does not prescribe exactly how that engagement should occur, the Guiding Principles above apply. Drawing on the work of Subcommittee Member Jessica Katz and her organization, Citizens Housing and Planning Council, the Resident Engagement Subcommittee prioritized recommendations in line with the process many public housing developments in England took in recent years to renovate their stock after decades of similar disinvestment.

Recommendations

- 3.1** The selected PACT Project team should work with RAs to establish a comprehensive safety and security plan for each Chelsea NYCHA Development, including collaboration with PSA 4 or local NYPD 10th Precinct officers.
- 3.2** The selected PACT Project team should work with NYCHA and the RAs to engage residents on any changes to the House Rules, pet policy, and/or the Chelsea Addition's Senior Building designation during the PACT conversion process.
- 3.3** The selected PACT Project team should provide clear information and options for temporary or permanent relocation to tenants so that building renovation and apartment renovations can take place in the most seamless manner possible.

Section 4: Design

Residents on the Resident Engagement Subcommittee felt particularly strongly about this section of the recommendations, and it was easy to understand why—it directly affects how their homes will look and feel after renovation. The Resident Engagement Subcommittee expects any PACT Project team to work closely with residents on design elements of the renovation, down to selection of building materials and fixtures.

Recommendations

- 4.1** The selected developer should propose building improvements and new construction that is contextual with existing NYCHA buildings and with the neighborhood character of Chelsea.
- 4.2** The selected PACT Project team should provide information about its construction materials and building-wide systems specifications to the RAs and tenants, including apartment mock-ups and samples of materials and finishes.
- 4.3** The selected PACT Project team should provide ample opportunities for tenants to weigh in on design elements and improvements in shared spaces, hallways, stairwells, elevators, front doors, and outdoor areas.
- 4.4** The selected PACT Project team should offer opportunities for tenants to tour other developments it has constructed and renovated. Tenants should have an opportunity to ask current tenants about their assessments of management communication and repair response time.

Section 5: Construction

During the construction phase of renovation, clear communication and engagement with residents is paramount. The overwhelming preference among residents is for construction to occur without temporary relocation. However, given the extent of disrepair at these and many Chelsea NYCHA developments, the Resident Engagement Subcommittee understood in-apartment renovation may not always be possible, including where health concerns exist for residents. These recommendations focus on the temporary relocation process, should it be necessary, and with the understanding that one goal of renovation will be to minimize the number of families who need to be temporarily relocated. Above all, the Resident Engagement Subcommittee seeks to ensure that the PACT Project team communicates proactively, often, and through multiple avenues with affected residents.

Recommendations

- 5.1** Before any type of tenant relocation is planned, an exhaustive effort to inform and assist impacted tenants must be made.
- 5.2** Tenants needing to temporarily or permanently relocate during any renovation or construction period should receive enough notice in writing, through one-one meetings, and lobby meetings.
- 5.3** NYCHA and the selected PACT Project team must prepare relocation plans, including assistance for tenants needing to relocate personal belongings (i.e. furniture, appliances, etc.), and ensure residents are well aware of available resources for moving.
- 5.4** Tenants of units undergoing renovation or adjacent to the roof, façade, etc. should have an option to temporarily relocate to reduce any construction-related impact.
- 5.5** The PACT Project team should establish a construction-phase security and safety plan to minimize potential negative impacts to quality of life (noise, dust, etc.) during the construction phase. This should include communications plans to ensure tenants understand what to expect during construction activities.

Section 6: Move In + Beyond

The Resident Engagement Subcommittee also considered the need for resident engagement to continue post-renovation. The Resident Engagement Subcommittee recommendations center on the ongoing relationship between the PACT management of the Chelsea NYCHA developments and the residents. While the day-to-day nature of that relationship will hinge on the culture of responsiveness management builds, the long-term success will depend on continued engagement with residents on guiding documents like the lease and House Rules. The Resident Engagement Subcommittee believes strongly that new PACT management should avoid a unilateral approach; residents must be consulted on the issues that affect their homes.

Recommendations

- 6.1** The selected PACT project team and future PACT management should work collaboratively with the existing RA at each Chelsea NYCHA development as a partner to ensure its local expertise and connection to the tenants is considered and valued.
- 6.2** Many of the anticipated areas of resident engagement are covered above, but these recommendations are not all-inclusive. There may be some changes that arise after move-in that would also require thorough engagement of residents. For example, as the Resident Rights and Protections Subcommittee raised in its recommendations, any changes to the PACT lease or any changes to the utility metering practices that management may propose in the future would require renewed engagement with residents.
- 6.3** If and when any issues arise that may require an update to the House Rules, the selected developer should collaborate with the RAs to establish an inclusive series of public meetings with interpretation available to ensure residents have ample opportunities to provide input on any changes. Draft changes to the House Rules should be subject to final NYCHA approval.

Conclusion

Like the recommendations in the rest of this report, these recommendations cannot be taken piecemeal. They come as a package, working together to create a culture of resident engagement at every step of the renovation process and afterwards. They build on the work to focus on residents, which the Resident Engagement Subcommittee led with the larger Working Group. NYCHA and the Mayor's Office came to the table with the valuable perspective of how things are done across the citywide portfolio and the ways they are already turning a corner to prioritize deeper resident engagement. The resident members of the Resident Engagement Subcommittee, along with content experts and elected official representatives, pushed the Resident Engagement Subcommittee to consider ways of engaging residents that may have precedent elsewhere but have not been tried out recently by NYCHA. In the course of the Subcommittee's work, these give-and-take conversations resulted in a set of recommendations that the Working Group believes are both possible and effective ways to center resident voices during the renovation process and beyond.

The Resident Engagement recommendations provide a guide to ensure robust and meaningful resident engagement throughout the PACT conversion and renovation process. The Working Group recognizes some iteration and adjustments may be necessary as implementation begins but wants to underline the importance of consistent, clear, and inclusive engagement.

Lessons Learned

This report was prepared by the Working Group and reflects the results of more than fifteen months of regular meetings, out-of-meeting thinking, and hard work. This process was a reflection on where people live and how their lives are impacted by both housing and neighborhood changes, and, at the same time, on one's own role in those changes. The Working Group is also reflective of a new wave of local civic leadership.

We learned that when a diverse set of community stakeholders makes an investment of time, energy, and focus, it is possible to strengthen our capacity to have difficult trade-off conversations, to compromise, to make tough decisions, and to learn from each other. Most importantly, this process was a model that showed how any proposed policy can be effectively vetted by the people most impacted by it.

The Working Group and public engagement process to make recommendations on actionable and achievable approaches to meet the approximately \$366M capital need of Chelsea NYCHA developments also provides a framework that could be helpful in future NYCHA development and/or PACT conversions:

1. Engage residents early and often. Planning for development, PACT conversion, or other types of renovation on NYCHA campuses must start and end with NYCHA residents. Resident engagement must be inclusive, accessible, accountable, frequent and consistent.

2. Establish process, goals, and roles.

Establishing a process with agreed upon goals and clear roles will ensure group work and conversation are productive and solution oriented.

3. Structure an iterative process. Ensure resident priorities feed NYCHA plans and that NYCHA plans are shared with residents to create a strong feedback loop.

4. Be flexible, patient, and a collaborator.

A collaborative approach with diverse perspectives and priorities in the room requires that everyone commit to being patient, to being open-minded, and to shift gears from the individual to the collective to build consensus and inspire forward thinking.

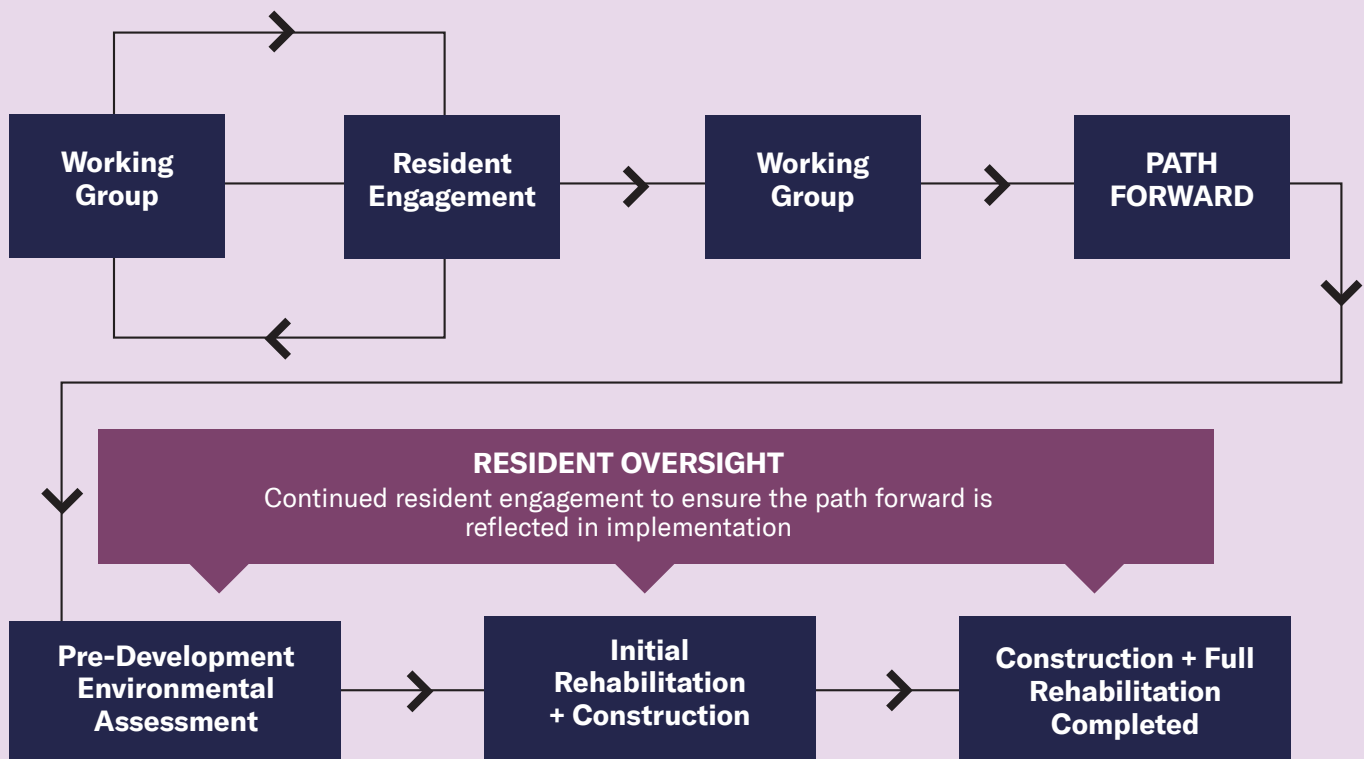
5. Build trust and ensure accountability.

Establishing guidelines for confidentiality, sharing speaking time, and helping to uncover new options, while also being honest and clear about intentions, can ensure a team dynamic that yields the most fruitful outcomes.

Next Steps

The goal of the Working Group is to establish a path toward a long-term solution that addresses the rapidly decaying buildings that are home to nearly 5,000 New Yorkers in the Chelsea neighborhood.

The recommendations included in this report should provide guidance and a measure of accountability to NYCHA, the City, Resident Associations, and residents in the Chelsea NYCHA Developments as they work collaboratively to develop and issue an RFP, review application submissions, select a PACT project team, and establish a public engagement process throughout the development timeline to ensure NYCHA residents of Chelsea are meaningfully engaged and involved in deciding the future of their homes.





Appendix A1.
NYCHA Chelsea NYCHA Physical Needs Assessment Summary

2017 PNA Need	57,135,546
Exterior Brick Repairs Building 1 (2018)	(891,302)
Exterior Brick Repairs Building 2 (2018)	(696,764)
Playground Improvements (2021)	(132,762)
Updated Five Year Need	\$55,414,719
Inflation to 2020 (3% Annually)	\$5,138,441
Cost of Remaining Needs	\$60,553,160

Appendix A2.
Chelsea Addition Physical Needs Assessment Summary

2017 PNA Need	17,570,176
Building 1 Front Door & LAC Relocation (2019)	(129,766)
Building 1 Roof Tank (2023)	(900,000)
Building 1 Brickwork LL-11 (2025)	(312,666)
Updated Five Year Need	\$16,227,744
Inflation to 2020 (3% Annually)	\$1,504,750
Cost of Remaining Needs	\$17,732,494

Appendix A3.
Elliott Physical Needs Assessment Summary

2017 PNA Need	100,546,789
Exterior Brick Repairs Building 1 (2017)	(826,280)
Replacement of Underground Water & Fire Distribution Piping (2019)	(1,092,000)
Roof Tank Replacement Building 4 (2021)	(900,000)
Two Exterior Compactors (2023)	(250,000)
Updated Five Year Need	\$97,478,510
Inflation to 2020 (3% Annually)	\$9,038,890
Cost of Remaining Needs	\$106,517,399

Appendix A4.
Fulton Physical Needs Assessment Summary

2017 PNA Need	167,357,771
Brick Repairs (2017-2018)	(3,954,773)
Senior Center Renovation (2018)	(3,189,081)
Playground Renovation (2019)	(512,687)
Accessible Ramps (2019)	(73,484)
Roof Replacement (2023)	(10,536,568)
Senior Center Renovation (2020)	(669,669)
Updated Five Year Need	\$148,421,509
Inflation to 2020 (3% Annually)	\$13,762,681
Cost of Remaining Needs	\$162,184,191

Appendix B. Recent Affordable Housing Production in Chelsea¹

Address	Project Name	Total Units	Affordable Units	40% AMI	50% AMI	Below 60%	80% AMI	125% AMI	130% AMI	165% AMI	195% AMI
450 W 17th St	Caledonia	282	59	-	59	-	-	-	-	-	-
303 10th Ave	Port 10	89	18	3	15	-	-	-	-	-	-
316 11th Ave	The Ohm	369	74	11	63	-	-	-	-	-	-
500 W 30th St	Abington House	385	77	-	-	77	-	-	-	-	-
525 W 28th St	AVA High Line	691	138	12	67	63	-	-	-	-	-
507 W 28th St	507 W. 28th Street	375	75	-	75	-	-	-	-	-	-
529 W 29th St	(MP Transfer)	125	125	-	-	-	125	-	-	-	-
401 W 25th St	Artimus	168	168	7	28	-	-	-	20	-	58
425 W 18th St	Artimus	158	158		32	-	32	-	-	31	63
535 W 23rd St	The Tate	313	79	20	59	-	-	-	-	16	-
601 W 29th St		931	234	93	95	-	-	-	47	-	-
606 W 30th St		277	70	31	25	-	-	14	-	-	-
Total		4,163	1,275	177	518	140	157	14	67	47	121

¹West Chelsea Points of Agreement – MCB4 Annual POA Tracking 2020 - <https://cbmanhattan.cityofnewyork.us/cb4/wp-content/uploads/sites/10/2020/12/WC-POA-Inventory-for-Cb4-Website-12.23.20.pdf>

Appendix C.
CFS Recommended Sites
Apartment and Square Footage Counts by Campus⁴

Site #	Building Footprint (SF)	# of stories	GFA (SF)	Loss Factor (SF)	Net GFA (SF)	Average apt size (SF)	Total Apts	Value to NYCHA
Fulton								
Site A	4,800	22	105,600	21,120	84,480	800	105	15,958,162
Site B1	4,800	22	105,600	21,120	84,480	800	105	10,765,412
Site B2	6,800	22	149,600	29,920	119,680	800	149	22,629,280
Site C1	4,600	22	101,200	20,240	80,960	800	101	14,934,397
Site 1 ¹	8,083	2	14,883	1,489	13,394	N/A	0	4,785,203
Site 2	4,410	2	7,710	771	6,939	N/A	0	
Site 3	7,200	2	14,400	1,440	12,960	N/A	0	
Site G	1,625	1	1,625	81	1,544	N/A	0	
Site D ²	1,200	1	1,200	60	1,140	N/A	0	4,698,173
Site E	1,000	1	1,000	50	950	N/A	0	
Infill Site F & E	3,800	1	3,800	0	3,800	N/A	0	
Site F	1,300	1	1,000	50	950	N/A	0	
Total	49,618		507,618		411,277		460	\$73,770,627
Elliott-Chelsea								
Site EC 1 ³	5,692	24	136,608	27,322	109,286	800	137	1,904,801
Site I	18,000	2	18,000	1,800	16,200	N/A	0	
Site EC 2	4,500	22	99,000	19,800	79,200	800	99	15,122,515
Site H	11,800	1	11,800	590	11,210	N/A	0	7,599,294
Total	39,992		265,408		215,896		236	\$24,626,610
GRAND TOTAL	89,610		773,026		627,173		696	\$98,397,237

¹combined value for Office or Comm Facility Infill at 1, 2, 3, & G

²combined value for Fulton Site Retail Retrofit at D, E, F, & Infill F & E

³combined value for Site EC1 & I

⁴Estimated building footprints, Gross Floor Area (GFA), net GFA, average apartment size, number of total apartments, and value to NYCHA based on CFS Working Group financial model and should not be construed as a final financing plan, but instead as a set of parameters.

Appendix D.
CFS Recommended Sites
Apartment Counts & Square Footage by Development Type¹

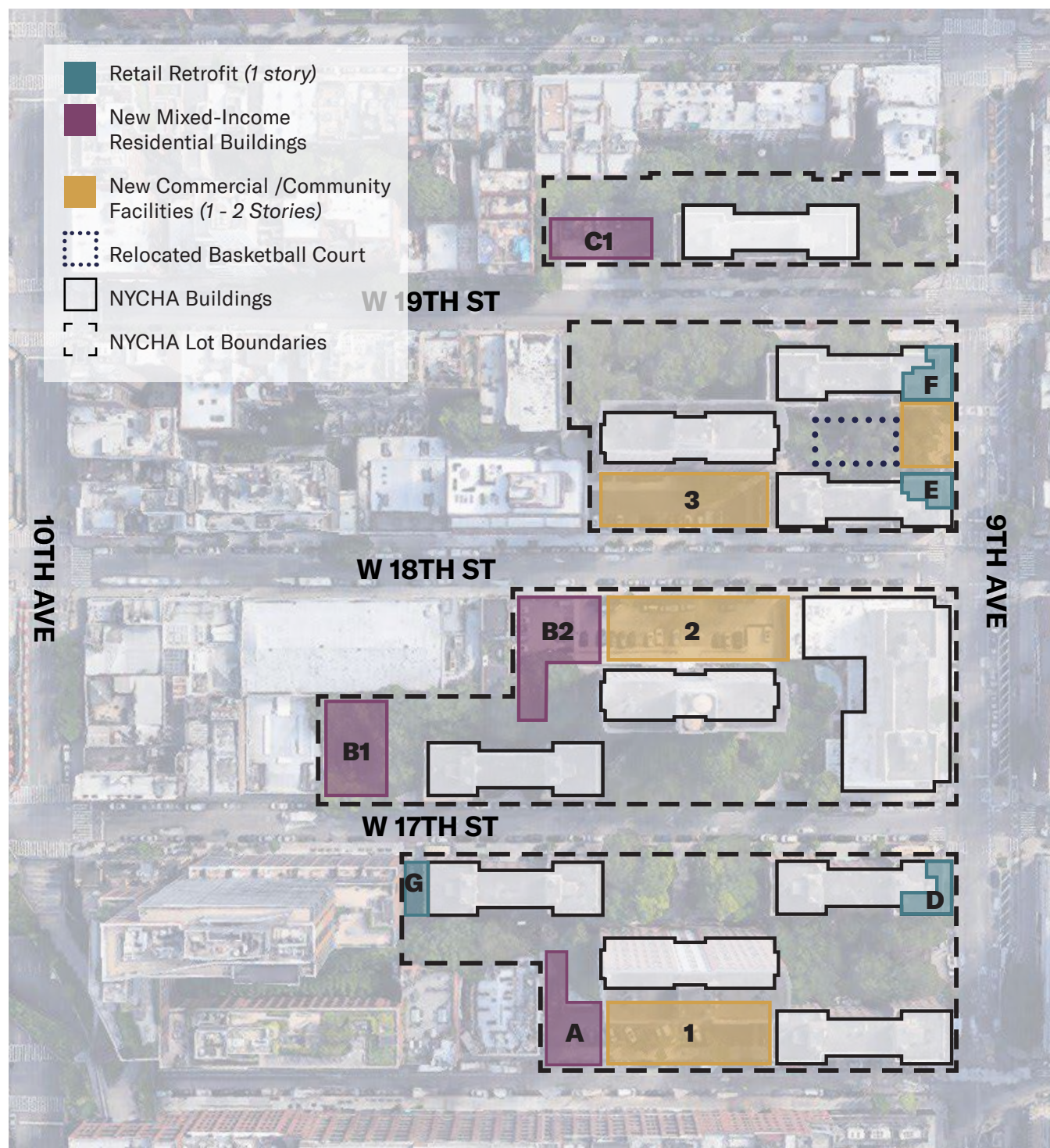
Site #	Building Footprint (SF)	# of stories	GFA (SF)	Loss Factor (SF)	Net GFA (SF)	Average apt size (SF)	Total Apts
Mixed Income Residential Infill							
Site A	4,800	22	105,600	21,120	84,480	800	105
Site B1	4,800	22	105,600	21,120	84,480	800	105
Site B2	6,800	22	149,600	29,920	119,680	800	149
Site C1	4,600	22	101,200	20,240	80,960	800	101
Site EC 2	4,500	22	99,000	19,800	79,200	800	99
Site EC 1 ²	5,692	24	136,608	27,322	109,286	800	137
Total	31,192		697,608	139,522	558,086		
Office/Community Facility Infill							
Site 1	8,083	2	14,883	1,489	13,394	N/A	0
Site 2	4,410	2	7,710	771	6,939	N/A	0
Site 3	7,200	2	14,400	1,440	12,960	N/A	0
Site G	1,625	1	1,625	81	1,544	N/A	0
Site H	11,800	1	11,800	590	11,210	N/A	0
Total	33,118		50,418	4,371	46,047		
Retail Infill & Retrofit							
Site D ³	1,200	1	1,200	60	1,140	N/A	0
Site E	1,000	1	1,000	50	950	N/A	0
Infill Site F & E	3,800	1	3,800	0	3,800	N/A	0
Site F	1,300	1	1,000	50	950	N/A	0
Total	7,300		7,000	160	6,840		
Community Facility New Construction							
Site I	18,000	2	18,000	1,800	16,200	N/A	0
TOTAL	89,610		773,026		627,173		696

¹Estimated building footprints, Gross Floor Area (GFA), net GFA, average apartment size, number of total apartments, and value to NYCHA based on CFS Working Group financial model and should not be construed as a final financing plan, but instead as a set of parameters.

²combined value for Site EC1 & I

³combined value for Fulton Site Retail Retrofit at D, E, F, & Infill F & E

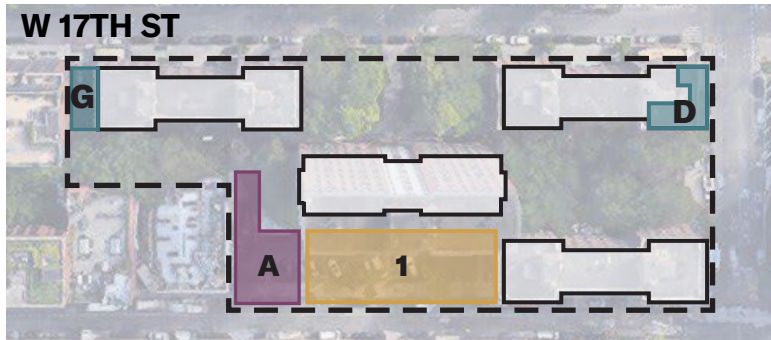
Appendix E1. Working Group Recommended Fulton Site Map



Appendix E2. Fulton Site A1

Site #	Building Footprint (SF)	# of stories	GFA (SF)	Loss Factor (SF)	Net GFA (SF)	Average apt size (SF)	Total Apts	Value to NYCHA ¹
Site A	4,800	22	105,600	21,120	84,480	800	105	\$15,958,162

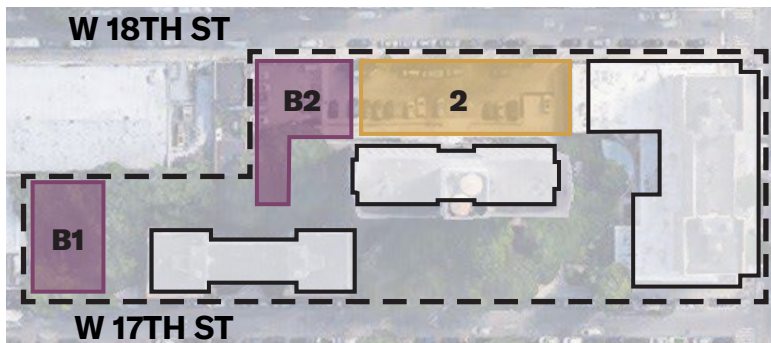
¹Net of replacement parking cost of \$250,000.



Appendix E3. Fulton Site B1

Site #	Building Footprint (SF)	# of stories	GFA (SF)	Loss Factor (SF)	Net GFA (SF)	Average apt size (SF)	Total Apts	Value to NYCHA ¹
Site B1	4,800	22	105,600	21,120	84,480	800	105	\$10,765,412

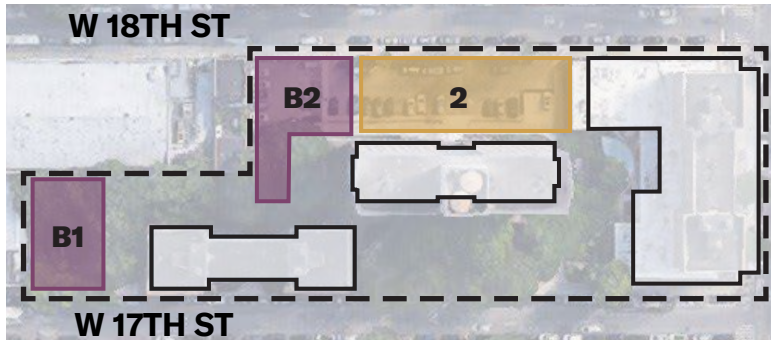
¹Net of the cost of new Rec Center of \$5,442,750.



Appendix E4. Fulton Site B2

Site #	Building Footprint (SF)	# of stories	GFA (SF)	Loss Factor (SF)	Net GFA (SF)	Average apt size (SF)	Total Apts	Value to NYCHA ¹
Site B2	6,800	22	149,600	29,920	119,680	800	149	\$22,629,280

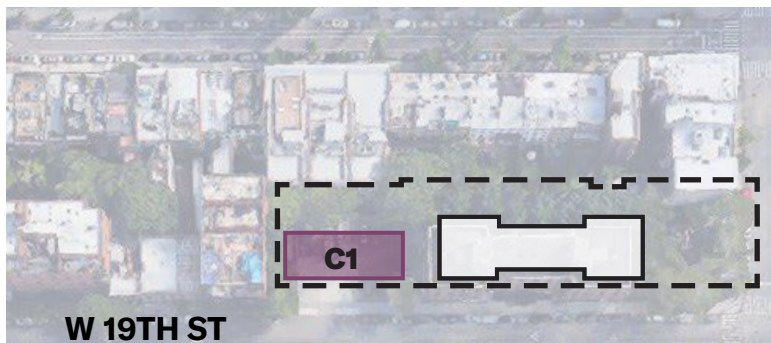
¹Net of replacement parking cost of \$300,000.



Appendix E5. Fulton Site C1

Site #	Building Footprint (SF)	# of stories	GFA (SF)	Loss Factor (SF)	Net GFA (SF)	Average apt size (SF)	Total Apts	Value to NYCHA ¹
Site C1	4,600	22	101,200	20,240	80,960	800	101	\$14,934,397

¹Net of replacement parking cost of \$550,000.



Appendix E6. Fulton Site 1

Site #	Building Footprint (SF)	# of stories	GFA (SF)	Loss Factor (SF)	Net GFA (SF)	Average apt size (SF)	Total Apts	Value to NYCHA ¹
Site 1	8,083	2	14,883	1,489	13,394	N/A	0	
Site 2	4,410	2	7,710	771	6,939	N/A	0	
Site 3	7,200	2	14,400	1,440	12,960	N/A	0	
Site G	1,625	1	1,625	81	1,544	N/A	0	
Total	21,318		38,618	3,781	34,837			\$4,785,203

¹Net of replacement parking cost of \$3.1M.



Appendix E7.

Fulton Site D, E, F, and Infill Site F and E

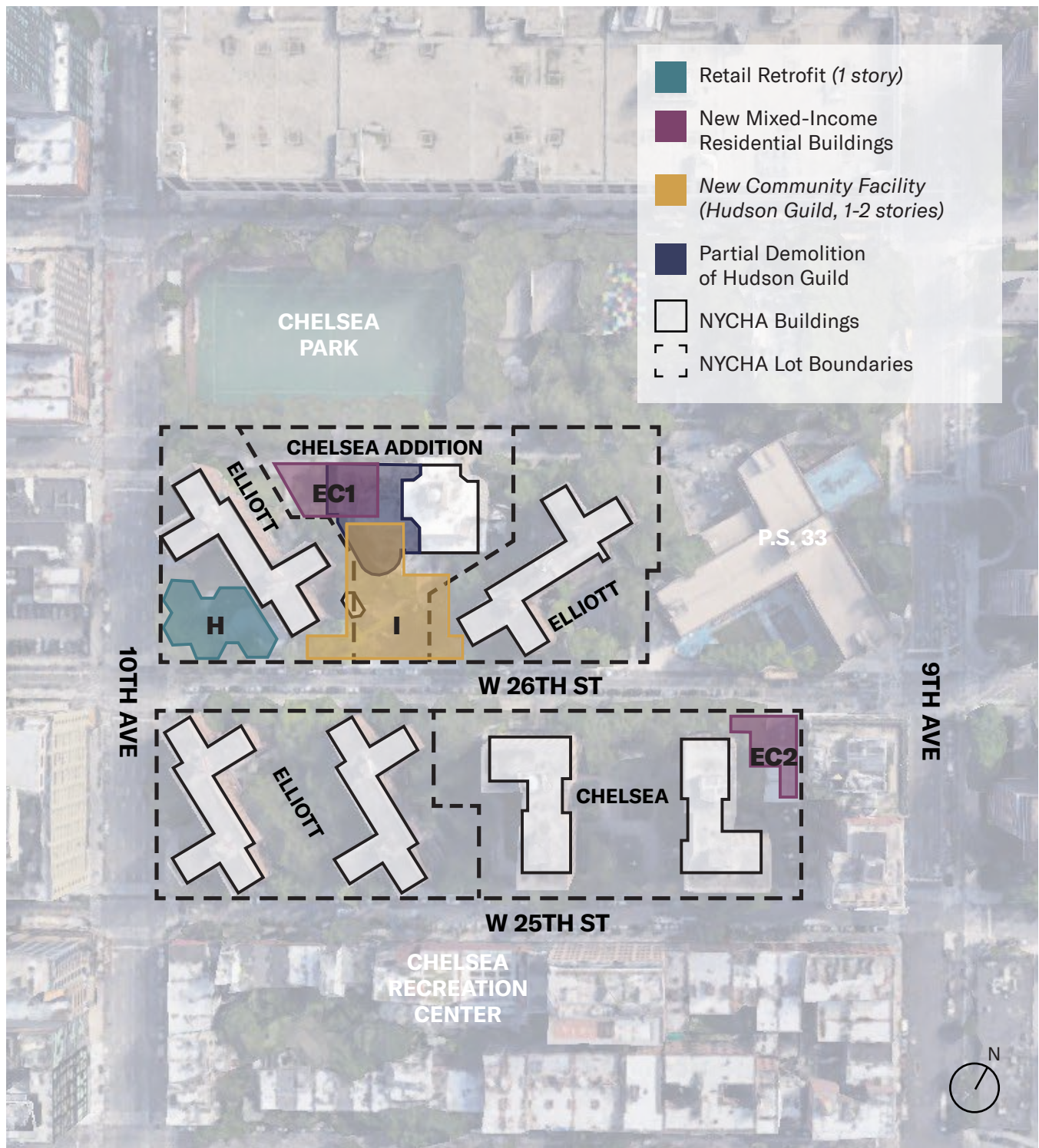
Site #	Building Footprint (SF)	# of stories	GFA (SF)	Loss Factor (SF)	Net GFA (SF)	Average apt size (SF)	Total Apts	Value to NYCHA ¹
Site D	1,200	1	1,200	60	1,140	N/A	0	
Site E	1,000	1	1,000	50	950	N/A	0	
Infill Site F & E ²	3,800	1	3,800	0	3,800	N/A	0	
Site F	1,300	1	1,000	50	950	N/A	0	
Total	7,300		7,000	160	6,840			\$4,698,173

¹Combined value for Fulton Site Retail Retrofit at D, E, F, & Infill F & E. Net of basketball court relocation cost of \$67,260.

²Planned relocation of basketball court to the west of Infill Site F and E.



Appendix F1. Working Group Recommended Elliott-Chelsea Site Map



Appendix F2. Elliott-Chelsea Site EC1, I, and H

Site #	Building Footprint (SF)	# of stories	GFA (SF)	Loss Factor (SF)	Net GFA (SF)	Average apt size (SF)	Total Apts	Value to NYCHA ¹
Site EC 1	5,692	24	136,608	27,322	109,286	800	137	1,904,801
Site I	18,000	2	18,000	1,800	16,200	N/A	0	
Site H	11,800	1	11,800	590	11,210	N/A	0	7,599,294
Total	35,492		155,198	29,712	136,696		137	\$9,504,095

¹Combined value for EC1 and Hudson Guilds Site I. Net of New Hudson Guild construction cost of \$22,150,000.

Appendix F3. Elliott-Chelsea Site EC2

Site #	Building Footprint (SF)	# of stories	GFA (SF)	Loss Factor (SF)	Net GFA (SF)	Average apt size (SF)	Total Apts	Value to NYCHA
Site EC 2	4,500	22	99,000	19,800	79,200	800	99	\$15,122,515

Appendix G. Flood Resiliency

Flood Resiliency Text Amendment: Impact on Chelsea NYCHA Plan Analysis

Table of Contents

1. Summary
2. Recommendations
3. Background
4. Regulatory Context
5. Wet vs. Dry Flood Proofing
6. Coastal Resilience: Elliott Chelsea & Fulton
7. Working Group Recommended Sites & Flood Proofing Requirements by NYCHA Campus

Summary

In light of the Zoning for Flood Resiliency Text Amendment certified for ULURP by the Department of City Planning on October 2020, the Working Group reviewed additional recommendations to address how the 1% (100-year) and 0.2% (500-year) annual chance flood requirements would affect the proposed plan.

Recommendations

Subject to the Zoning for Flood Resiliency Text Amendment the project should incorporate and manage the cost implication of the following flood mitigation measures:

- 0.2% (500-year flood) annual chance flood requirements should apply to the entirety of the Fulton campus and where applicable on the Elliott-Chelsea campus
- In order to ensure adequate ground floor building height, and no 'squashed floors' (with low ceiling height), the residential entrances will be dry floodproofed for any new construction,
- Retail retrofit will be wet floodproofed
- Community facilities will be dry floodproofed
- Parking will be wet floodproofed
- Additional height is allowed for flood proofing purposes, that additional height allowance flows from the Base Flood Elevation (BFE).
- The NYCHA tax lots border on a BFE of 2 to 4 feet. That standard allows 5 ft in additional height. Therefore, the plan should increase the maximum height on Fulton from 220 feet to 225 ft & Elliott Chelsea from 240 feet to 245 feet.
- There is no need for the flood resiliency Floor Area Ratio (FAR) exemption, since the proposed new infill developments are well under the existing available FAR in the NYCHA campuses
- For the existing buildings, all mechanical and heating systems must be relocated above the first floor. All building entrances in Fulton must be dry floodproofed.¹ All elevator or equipment or elevator pits must be dry floodproofed.

¹Dry floodproofing of buildings are not required at Elliott Chelsea since all building entrances are already elevated.

Background

Subsequent to Hurricane Sandy, the Department of City Planning (DCP) has been working with West Chelsea, one of the communities where there was particularly heavy damage from Sandy and where there are substantial flood risks due to climate change. DCP's Resilient Neighborhoods, an initiative funded by HUD, focuses on areas that present specific land use, zoning and resiliency issues that cannot be fully addressed by citywide zoning changes or guidelines. In 2013, DCP brought the Flood Resilience Zoning Text Amendment through ULURP and it was adopted in October to encourage flood-resilient building construction throughout designated flood zones.² The proposed changes are needed in order to remove regulatory barriers that would hinder or prevent the reconstruction of storm-damaged properties. The amendment would enable new and existing buildings to comply with new, higher flood elevations issued by the Federal Emergency Management Agency (FEMA), and to new requirements in the Building Code.

As the conditions continue to change, the City has proposed a new zoning amendment. On October 19, 2020, DCP referred out the Zoning for Coastal Flood Resiliency (ZCFR) Citywide Text Amendment, beginning the public review process. ZCFR would improve upon and make permanent the relevant provisions of the current temporary zoning rules and provide homeowners, business owners, and practitioners who live and work in the city's floodplain the option to design or otherwise retrofit buildings to: (a) reduce damage from future coastal flood events, (b) be resilient in the long-term by accounting for climate change, and (c) potentially save on long-term flood insurance costs. In addition, ZCFR would include citywide provisions to help sites provide back-up energy, and rules that help the City recover from future disasters, including provisions intended to help address the COVID-19 pandemic and its associated economic effects.

Most critically, as DCP states, "the 2013 Flood Text and the 2015 Recovery Text focused on modifying zoning regulations so that buildings could be constructed or modified to meet minimum requirements set forth in Appendix G of the Building Code[, the Flood Resistant Construction Code³]. However, the city's flood risk will continue to increase with climate change, since sea level rise will increase the potential height of storm surges. For that reason, current building code standards that are tied to today's storm surge projections may not be sufficient to protect buildings from being damaged by future storms. In addition to increasing the potential height of storm surges, sea level rise will also cause the floodplain to expand over time."⁴

As one can see in Figure 1, there are many NYCHA sites on flood zones, such as the Rockaways and Red Hook sites. One of the sites adjacent to the 500-year flood is the Elliott Chelsea and Fulton Houses (see Figure 2 for Sandy Inundation around the Chelsea NYCHA sites).

²2013 DCP Flood Resilience Zoning Text Amendment - https://www1.nyc.gov/assets/planning/download/pdf/plans/flood-resiliency/flood_resiliency.pdf

³2013 Appendix G of the NYC Building Code, the Flood Resistant Construction Code - https://www1.nyc.gov/assets/buildings/apps/pdf_viewer/viewer.html?file=2014CC_BC_Appendix_G_Flood-Resistant_Construction.pdf§ion=conscode_2014

⁴Project Description – Zoning for Coastal Resiliency, Page 4 - <https://www1.nyc.gov/assets/planning/download/pdf/plans-studies/flood-resiliency-update/project-description.pdf>

Figure 1: 100 (1%) and 500-Year (2%) Annual Chance Flood Bordering NYCHA Campuses

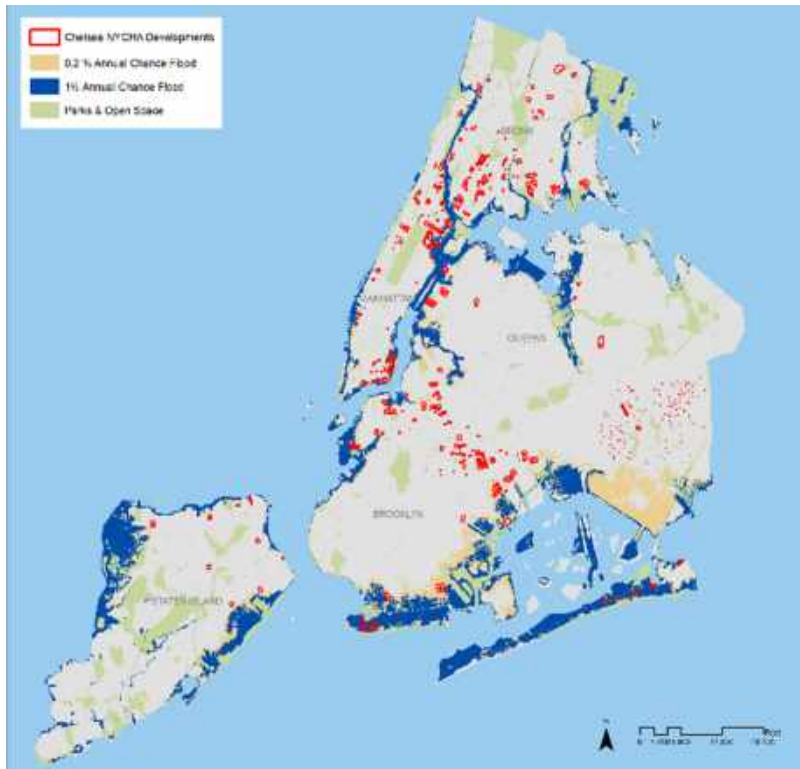


Figure 2: Sandy Inundation (2012) Around the Chelsea NYCHA Sites)

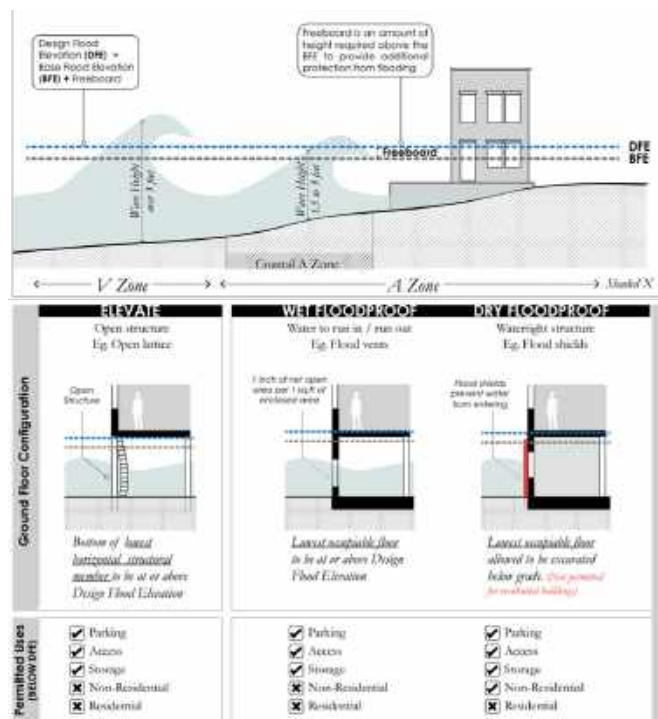


Regulatory Context⁵

A wide array of programs and regulations at various levels of government shape the City's approach to managing flood risk and promoting resilient development. In the United States, floodplain regulation begins with Flood Insurance Rate Maps (FIRMs), which FEMA creates and maintains. The maps show the extent and elevation to which flood waters are expected to rise during a 100-year flood or a flood that has a 1% chance of occurring in any given year. The elevation of the expected 100-year annual chance flood is called BFE. FIRMs also show the 500-year or 0.2% annual chance floodplain, which is shown as the Shaded X Zone. The 100-year annual chance floodplain is divided into three areas -- the V Zone, Coastal A Zone, and A Zone -- each associated with a different degree of flood risk (Figure 3).

The 100-year floodplain is also the area where property owners with federally-regulated or federally-insured mortgages are required to carry flood insurance. For residential structures, flood insurance premiums under FEMA's National Flood Insurance Program (NFIP) are determined by the relationship between the lowest occupied floor of the structure and the BFE shown on the FIRMs at the structure's location, as well as other factors. Homes built before the FIRMs were established have historically been offered subsidized insurance rates. However, due to recent federal legislative changes, those subsidized rates are gradually increasing to come in line over time with actuarial rates more closely reflecting the flood risk a home faces. For the past several years, FEMA has been in the process of updating the FIRMs for New York City, which were implemented in 1983 and most recently updated in 2007. As part of the mapping update, FEMA issued updated Preliminary FIRMs (PFIRMs) in December 2013 with another revision in January 2015 (Figure 4). In most places, these PFIRMs show an expanded 100-year floodplain. The maps also heighten Base Flood Elevations for much of the city (Figure 5). The City filed an appeal of the PFIRMs because they overstate the size of the city's 100-year floodplain due to inaccuracies in FEMA's underlying analysis. The FIRMs will not be updated until 2026 at the earliest.

Figure 3: Flood Zones, Risks & Strategies (Source: DCP)



⁵Information from Department of City Planning, Resilient Neighborhoods: West Chelsea Report (May 2016) - <https://www1.nyc.gov/assets/planning/download/pdf/plans-studies/resilient-neighborhoods/west-chelsea/summary-report-west-chelsea>.

Figure 4: Preliminary Flood Insurance Rate Maps (PFIRMs) Flood Zones (Source: DCP)



Figure 5: Base Flood Elevation 2015 (Source: DCP)



Flood Risk Summary

- West Chelsea, like many other areas in the floodplain, is **low-lying infill land that is vulnerable to coastal storm surge-related flooding**, which compromises the building stock, impairs ground-level businesses, disrupts the gallery community, and impacts local residents.
- The neighborhood's vulnerability will only become **more pronounced in the future** with sea level rise.
- Following FEMA's issuance of updated flood maps in December 2013, the **number of properties in the floodplain increased by 55%**.

Wet vs Dry Flood Proofing

Wet floodproofing is a method designed to allow the passage of water within parts of the structure that are located below the flood elevation, while ensuring that the structure resists water loads. Dry floodproofing is a method designed to seal a building's exterior walls to flood waters while ensuring that the building can resist water loads below the expected level of flooding. See Figure 6 for examples. Appendix G of the Building Code currently requires all habitable spaces of new construction, and existing buildings that were substantially damaged or are undertaking substantial improvements, to be raised above the Design Flood Elevation (DFE). Furthermore:

All spaces below the DFE must be either wet-floodproofed, if the building is used solely for residential use, or dry-floodproofed, if the building contains non-residential uses. Spaces that are wet flood proofed only can be used as crawl space, or for parking, storage and building access, and spaces that are dry-floodproofed can be used for non-residential uses. Additionally, residential buildings are not allowed to provide spaces, such as basements and cellars, below grade and mechanical equipment must be located above the DFE.⁶

Wet Floodproofed Spaces

ZCFR would provide a consistent floor area exemption for wet floodproofed ground floor spaces for all buildings to promote long-term resiliency improvements. "Flood-resistant construction standards" require the ground floor of residential buildings to be wet floodproofed, thereby limiting the use of this ground floor space solely to parking, storage and/or building access. The 2013 Flood Text addressed this by allowing all existing structures to fully exempt a wet floodproofed ground floor. In 2013, the City also updated its Building Code to require one or two feet of freeboard called the "Flood Resistant Construction Elevation" or FRCE: all buildings (except single family homes) were required to be elevated or floodproofed to 1-foot above the base flood elevation.

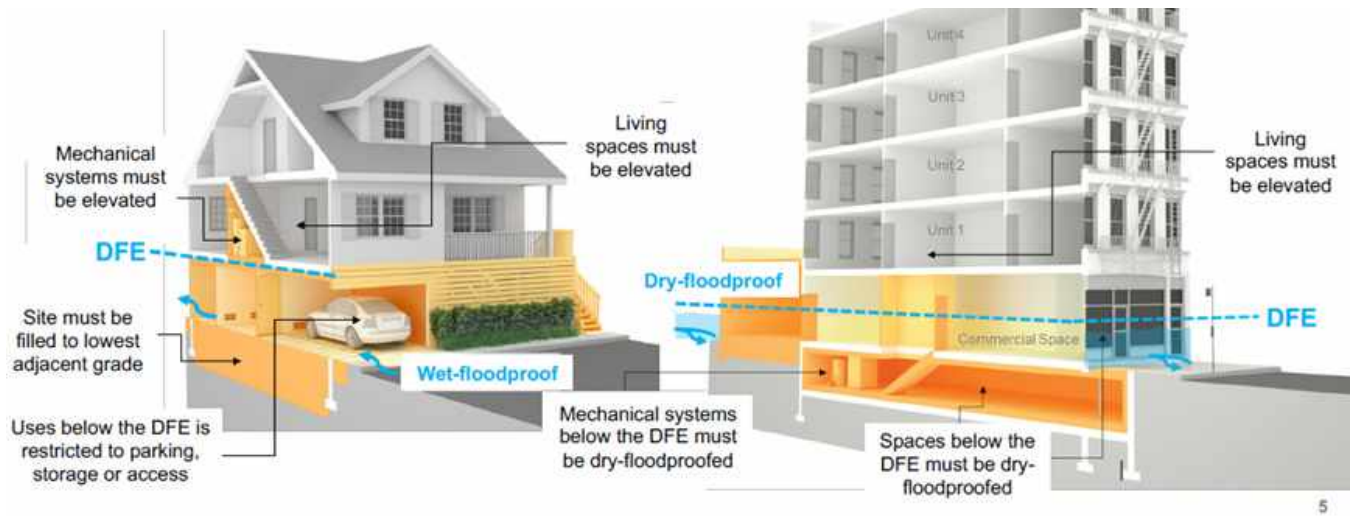
For new buildings, the exemptions are limited to entryway areas used for enclosed ramps and stairs to encourage access to be kept within the building. ZCFR would provide the full ground floor exemption for wet-floodproofed spaces to new and existing buildings.

Dry Floodproofed Spaces

To promote a safe and lively pedestrian environment, ZCFR would encourage active, non-residential dry floodproofed ground floor spaces along the City's retail corridors. While this method allows active uses to be kept close to grade, which is beneficial in maintaining retail continuity along the city's commercial streets, this method has proven to be quite costly. For new buildings, the exemptions are limited to entryway areas used for enclosed ramps and stairs, to encourage access to be located within the building.

⁶Department of City Planning (DCP) Project Description – Zoning for Coastal Resiliency, Page 2 - <https://www1.nyc.gov/assets/planning/download/pdf/plans-studies/flood-resiliency-update/project-description.pdf>

Figure 6: Dry & Wet Floodproofing Examples (Source: DCP)



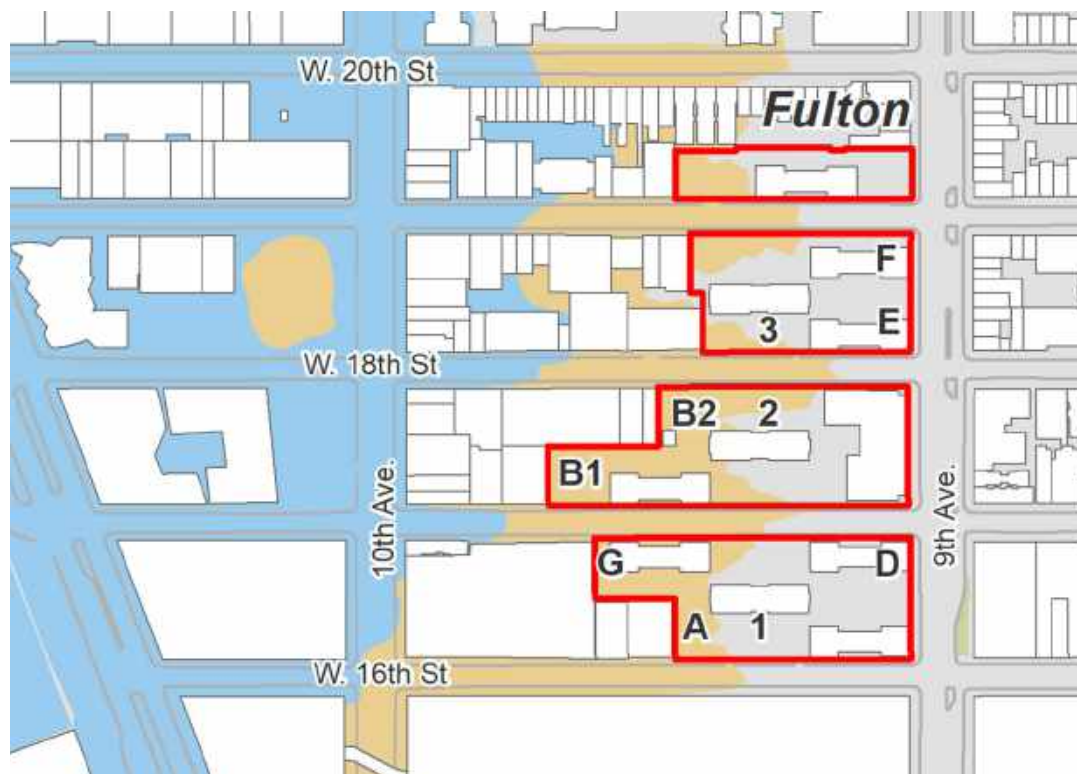
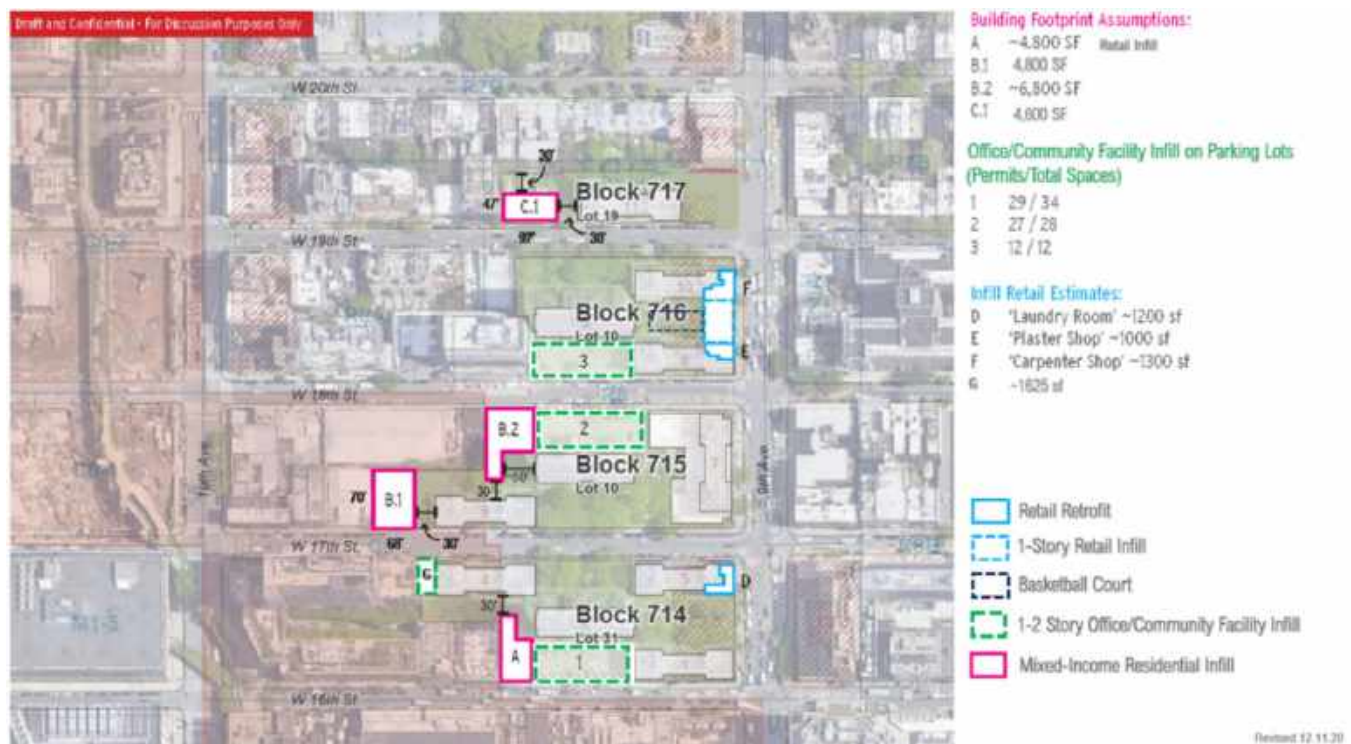
NYC PLANNING *the DFE is determined by adding freeboard (additional height for safety established in Appendix G) to the Base Flood Elevation (BFE), which is the elevation to which floodwater is anticipated to rise during a 1% annual chance storm as shown on FEMA's maps.

Chelsea, Chelsea Addition, Elliott, and Fulton are partially located in flood zone areas. Zoning for Coastal Resiliency (ZCFR) would simplify the design process for housing campuses by determining applicability based on the zoning lot. The consensus is to treat the worst-case scenario of the 0.2% (500-year) flood, which requires testing through the buildings against those requirements (Figure 7). The CFS should provide the most protection and resilience to climate change because the sites in the 500-year floodplain may come into the 100-year floodplain as climate change continues.

Fulton affected sites: sites 1, 2, 3, A, B1, B2, C1, G are in 500-year floodplain (4 residential, 4 office/community infill), all tax lots are partially in the 100-Year floodplain.

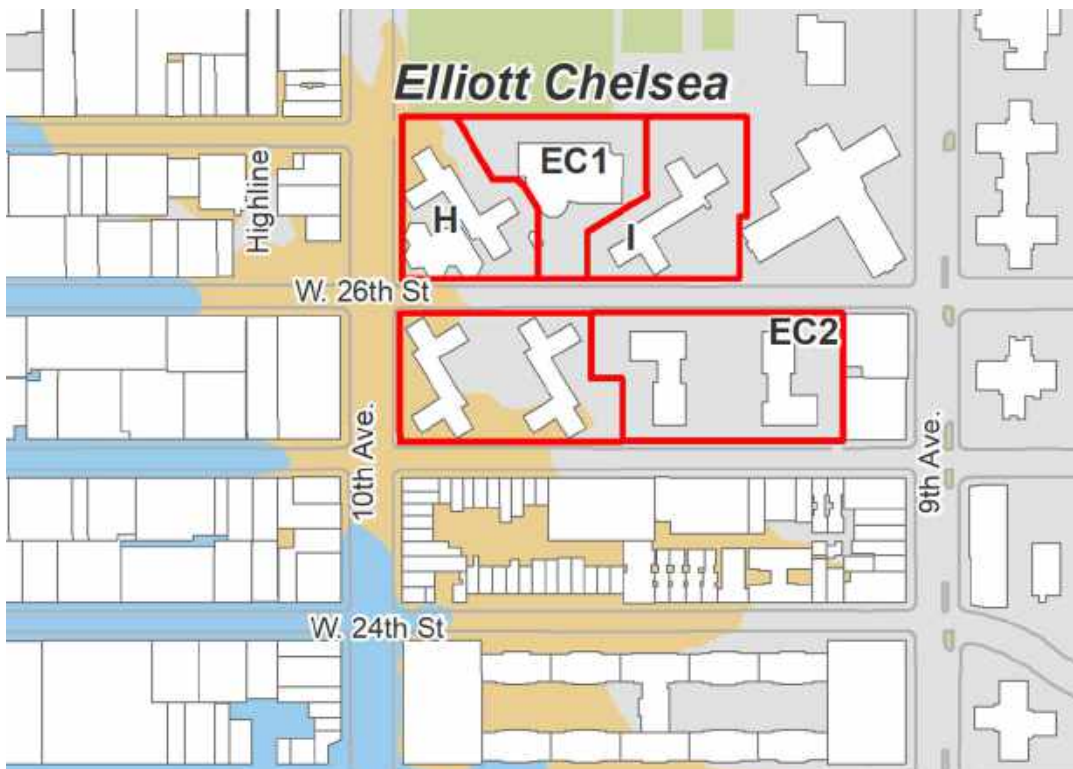
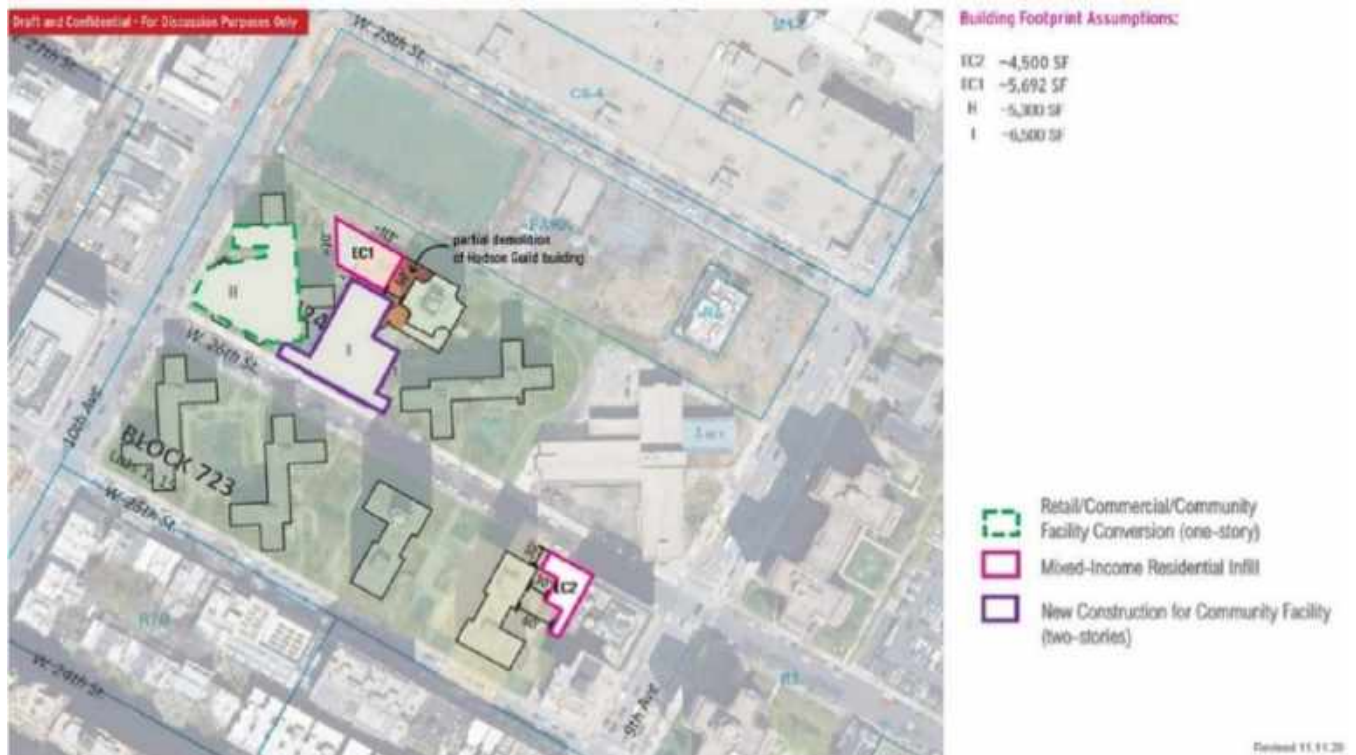
Elliott-Chelsea affected sites: sites H and I are in 500-year floodplain (1 retail/commercial/community conversion, 1 community facility new construction); both tax lots are partially in the 500-year floodplain.

Figure 8: CFS Recommended Site Maps Fulton Overall Map & Fulton 100 & 200-Year Annual Chance Floodplain Map⁷ (orange –500-Year (2%) annual chance floodplain, blue – 100-Year (1%) floodplain): sites 1, 2, 3, G, A, B1, B2, C1 are in the 500-year floodplain (4 residential, 4 office/community infill); all lots are partially in the 100 and 500-year floodplains.



⁷NYC Department of City Planning Community District Profiles: Manhattan Community District 4 <https://communityprofiles.planning.nyc.gov/manhattan/4#floodplain>

Figure 9: CFS Recommended Site Maps Elliott-Chelsea Overall Map & Elliott-Chelsea 100 & 200-Year Annual Chance Floodplain Map (orange –500-Year (2%) annual chance floodplain, blue – 100-Year (1%) floodplain): sites H and I are in 500-Year floodplain (1 retail/commercial/community conversion, 1 community facility new construction; both lots are partially in 500-Year floodplain)



Site Impact & Recommendations

- **Applicability:** The 0.2% (500-year flood) annual chance flood requirements should apply to the entirety of Chelsea, Chelsea Addition, Elliott, and Fulton NYCHA campuses.
- **New Construction Impacts:** For any new construction, in order to ensure adequate ground floor building height, and not to create a 'squashed floor' (with a low ceiling height), residential entrances will be dry floodproofed. The ground floor community facility on site B1 at West 17th Street will also be dry floodproofed. Any other retail and commercial uses will be wet floodproofed.
- **Ground Floor Use Impacts:** Ground floor retail and commercial uses to be wet-floodproofed. Building entrances will need to be dry floodproofed under Appendix G of the Building Code.
- **Retail Impacts:** Retail retrofit to be wet-floodproofed. Retail facilities on the Fulton Site can be dry floodproofed to comply with Appendix G of the Building Code. Retail is exempt for the first 30 feet; however, metal grill work is sometimes required. It might be more desirable for a retail tenant to have dry floodproofing in place, as retail insurance could be lower.
- **Community Facility Impacts:** Community facilities to be dry floodproofed. The Hudson Guild on the ground floor would have the same requirements as retail buildings.
- **Parking Impacts:** Mid-block parking relocations throughout Fulton will be allowed to be wet floodproofed.
- **Height Allowances:** New infill developments in the Chelsea NYCHA developments could receive height and FAR benefits in the 500-year floodplain with the new zoning, only if they completely comply with Appendix G. There is no need for the flood resiliency FAR exemption since the proposed new infill developments are well under the existing available FAR in the NYCHA campuses. Additional height is allowed for flood proofing purposes, that additional height allowance flows from the Base Flood Elevation (BFE). The NYCHA tax lots border on a BFE of 2 to 4 feet. That standard allows 5 ft in additional height. Therefore, the plan should increase the maximum height on Fulton from 220 feet to 225 ft & Elliott Chelsea from 240 feet to 245 feet.
- **Existing Building Impacts:** For the existing buildings, all mechanical and heating systems must be relocated above the first floor. All building entrances in Fulton must be dry floodproofed. All elevator or equipment or elevator pits must be dry floodproofed.

CFS Recommended Sites & Flood Proofing Requirements by NYCHA Campus⁸

Site #	Building Footprint (SF)	# of stories	GFA (SF)	Net GFA (SF)	Total Apts	Proposed Use	Present in Flood Plain	Flood Proofing (Wet/dry)	BFE (2015 PFIRMs)	Value to NYCHA
Fulton										
Site A	4,800	22	105,600	84,480	105	Residential	0.2%	Dry ⁹		19,836,303
Site B1	4,800	22	105,600	84,480	105	Residential	0.2%	Dry	0.1-2 ft	14,643,553
Site B2	6,800	22	149,600	119,680	149	Residential	0.2%	Dry	0.1-2 ft	28,123,313
Site C1	4,600	22	101,200	80,960	101	Residential	0.2%	Dry	0.1-4 ft	18,650,949
Site 1	8,083	2	14,883	13,394	0	Office/Community	0.2%	Dry		4,785,203 (combined
Site 2	4,410	2	7,710	6,939	0	Office/Community	0.2%	Dry	0.1-2 ft	value for Office or Comm
Site 3	7,200	2	14,400	12,960	0	Office/Community	0.2%	Dry	0.1-2 ft	Facility Infill at 1, 2, 3, &
Site G	1,625	1	1,625	1,544	0	Office/Community	0.2%	Dry	0.1-2 ft	G)
Site D	1,200	1	1,200	1,140	0	Retail Infill & Retrofit		Wet		
Site E	1,000	1	1,000	950	0	Retail Infill & Retrofit		Wet		4,698,173 (combined
Infill Site F										value for Fulton Site
and E	3,800	1	3,800	3,800	0	Retail Infill & Retrofit		Wet		Retail Retrofit at D, E, F,
Site F	1,300	1	1,000	950	0	Retail Infill & Retrofit		Wet		& Infill F & E)
Total	49,618		507,618	411,277	460					\$90,737,494
Elliott										
Chelsea										
Site EC 1	5,692	24	136,608	27,322	109,286	Residential		Dry		\$ 3,812,654 (combined
Site I	18,000	2	18,000	1,800	16,200	Community Facility		Dry		value for Site EC1 & I)
Site EC 2	4,500	22	99,000	19,800	79,200	New Construction	0.2%	Dry		\$18,758,272
Site H	11,800	1	11,800	590	11,210	Residential		Dry		\$ 7,599,294
Site H						Office/Community	0.2%	Dry		
Total	71,628		265,408		215,896					\$30,170,220
Total										
	Total Bldg Footprint		Total GFA (SF)		Net GFA (SF)					Total Value to NYCHA
	89,610		773,026		627,173					\$120,907,714

⁸Estimated building footprints, Gross Floor Area (GFA), net GFA, average apartment size, number of total apartments, and value to NYCHA based on CFS Working Group financial model and should not be construed as a final financing plan, but instead as a set of parameters.

⁹Residential entrances will be dry floodproofed

Appendix H. Case Studies

NYCHA is the largest Public Housing Agency in North America, so finding comparable housing authorities is not an easy task. However, the Working Group expressed an openness to work collaboratively in good faith with diverse perspectives and expertise by casting a wider net for models to help shape the process of renovating and effectively sustaining Fulton, Elliott, Chelsea, and Chelsea Addition.

Below are two examples from across the country and across the Atlantic Ocean that together provide good lessons and examples to learn from and pilot, in New York City.

i. England Case Study

By Heather Beck & Jessica Katz, CHPC

**Portions of this section are included in CHPC's Report 'Public Housing Revolution: Lessons from London' released in October 2019.*

England is working to solve an even larger public housing crisis than the one NYCHA faces today. Key principles and ideas are drawn from research conducted by Citizens Housing & Planning Council, meetings with key policy and decision makers along with a trip to see on-ground realities of England's resident engagement in person.

While England regeneration efforts are still underway, they have leveraged several key principles that have enabled the transformation of their public housing stock.

The three principles are:

1. A Decent Homes Standard was created, and local councils are required to meet the standard.
2. The expertise of residents is paired with the resources of the affordable housing industry.
3. A menu of different options provides residents and local councils the ability to decide how to reach the Decent Homes Standard.

Critical to the success of any regeneration plan is a resident-centric process which includes practical ways for residents to have meaningful participation in the planning and execution of housing plans. Residents are rightly put at the center of decision-making, with acknowledgement of their expertise as the consumers of housing. While the affordable housing industry is given an elevated role and brings new resources to public housing, the industry must work alongside residents to create a plan that works for all parties. True resident participation is only possible when a menu of options exists, as residents can make real choices about the future of their development.

Residents and the affordable housing sector are enabled by the requirement to meet the Decent Homes Standard, which provides them a clear and tangible goal. The federal government requires that resident participation and resident approval of any plan to revitalize public housing.

Options Bring Everyone to the Table

In England, Public Housing residents, local authorities and housing providers have balanced roles because they must make decisions together. To reach the Decent Homes Standard, the national government authorizes local councils and residents to develop a menu of options based on the unique needs of each development. This facilitates an environment for residents to move forward with a plan that fits their needs and values.

Some Public Housing residents have chosen to transfer to an affordable housing owner and manager, demolish existing buildings, and re-develop the sites with new affordable housing, with the guarantee that they will be able to receive brand new homes. In other cases where renovation was not needed, residents have been allowed to choose a new management structure. For example, residents can opt to contract with their housing authority, to run certain aspects of their housing management themselves. Each decision reflects the residents who make up that community.

The ability to choose from a menu of options acknowledges that there is no one perfect solution, and that people will differ in their approach to Public Housing regeneration.

ii. San Francisco Case Study

The San Francisco RAD conversion is historic because the San Francisco Housing Authority (SFHA) turned over their entire portfolio of 28 properties and a total of 3,482 units where over 10,000 people reside across three years. SFHA originally estimated the capital needs at \$270 million, but later discovered it was over \$1 billion to adequately repair all units. To most efficiently address the tremendous need, the process established a triage approach that prioritized life safety issues, followed by building envelope needs, common areas, and unit upgrades. Although SFHA's entire portfolio is comparable to 1-2 developments alone for NYCHA, there are key components that can be helpful to consider as NYCHA considers an innovative and collaborative approach to complete rehabilitation in the four Chelsea developments.

Key Components:

For each of the 28 SFHA properties, a development team included the leadership of a nonprofit partner familiar with the surrounding neighborhood and had close ties to the Public Housing residents. This built-in relationship with the local neighborhood made good faith tangible.

A huge network of hundreds of people made up of over 72 organizations, residents, non-profit service providers, affordable housing developers, labor unions, private developers, and governmental representatives strategized on a plan forward together.

Wrap-around social services that included a combination of translation, health care, youth development, wellness and case management and mental health services for each property ensured that residents' needs were considered and addressed.

Interactive and deep resident engagement took on many shapes to ensure that people were met where it made it easier for them to fully engage.

SFHA made public commitments to ease fears and tensions early in the process that included (but not limited to):

- 99-year lease with development team that required affordability be maintained throughout contract

- No displacement of existing residents
- No rescreening of existing residents
- Method of rent calculation will not change
- If any relocation is required, it will be temporary

iii. Resident Management Model

Adopted from concept paper, “Resident Management Corporation: A Viable Option for Fulton House Residents,” Schulte Roth & Zabel LLP and Siegel Teitelbaum & Evans, LLP. February 2020

Upon the request of Fulton Residents on the Working Group, Normal Seigel presented their concept paper about an alternative model of property management or improvement that could position residents as the managers of their housing development. Under HUD regulations, residents may create a Resident Management Corporation (RMC) through an election of residents to serve as the Board of Directors. The RMCs are required to be incorporated as non-profit organizations by the state. The RMC would verify their ability and skill to perform management duties and would enter a management contract with the Public Housing Authority, or in this case, NYCHA. The PHA would review the RMC’s performance at least once a year to determine compliance with all requirements of habitability.

Adopting the RMC model does require extensive training and technical support to ensure that residents are able to adequately manage the property. In St. Louis, following a rent strike, a Civic Alliance for Housing was established to provide training and technical assistance to RMCs in the city. Similar training would be necessary in Fulton, Chelsea, Elliott, and Chelsea Addition Houses to establish a solid base of understanding of property management. Funding for technical support and to ensure existing capital needs are met is a huge need. While there have been many RMC models across the country—some of which have existed for about 20 years—most have been dissolved and turned over to their local Public Housing authorities.

Appendix I.
Engagement Attendance for December 2020 sessions

Date	VIRTUAL ZOOM MEETINGS for RESIDENTS of Chelsea Addition, Elliott and Fulton Houses	# of Participants	# of Residents in Attendance
12/8/2020	Tuesday, 6-8pm	148	94
12/10/2020	Thursday, 6-8pm	98	50
12/12/2020	Saturday, 10am-12pm	66	36
12/14/2020	Monday, 10am-12pm	82	36
12/16/2020	Wednesday, 6-8pm	88	55
	Total	482	271

Appendix J.

Resident Engagement

DRAFT - Resident-Participation in RFP/Solicitation Framework

Disclaimer: The Proposed Developer Selection framework reflects conversations amongst the Working Group members in late January 2021. The Developer Selection framework will continue to evolve based on input from Chelsea resident leadership ahead of the RFP issuance.

Chelsea RFP – Proposed Developer Selection Process

Technical Review

- NYCHA/Housing Development Corporation (HDC) reviewers conduct preliminary screening of proposals to ensure:
 - Completeness of proposal
 - Compliance with RFP requirements
 - Ability to finance
- NYCHA/HDC reviewers evaluate proposals that pass initial screening in the following areas:
- Development experience and capacity
 - Property management experience
 - Financial proposal
 - Quality of proposed rehabilitation plans (i.e., to ensure the proposal can address the full 20-year capital need as required by HUD)
- Proposals that meet technical criteria advance.

Competitive Review

- Resident leaders join with NYCHA/HDC reviewers to vet proposals that have passed Technical Review.
 - Residents must sign a confidentiality and conflict of interest agreement.
- NYCHA/HDC reviewers and resident leaders score proposals in areas such as:
 - Community goals and priorities, including alignment with Working Group recommendations
 - Property management plan
 - Resident engagement plan
 - Design
- NYCHA/HDC reviewers and resident leaders conduct interviews with finalist development teams.

Developer Selection

- Scorecards are finalized and tabulated.
- NYCHA/HDC reviewers and resident leaders meet to review final scorecard results and make recommendations for developer selection.

