

Executive Summary

NYCHA’s Draft Agency Plan for FY 2024

Federal law requires the New York City Housing Authority (NYCHA) to develop – with input from public housing residents, Section 8 participants, elected officials, and the public – a plan outlining its major initiatives for the coming year.

The Draft Agency Plan for Fiscal Year 2024 will be available for public review on NYCHA’s website: <http://www1.nyc.gov/site/nycha/about/annual-plan-financial-information.page>. NYCHA will also provide a copy of the Draft Agency Plan to each development’s Resident Association President. The Draft Plan will also be made available at the management office of every NYCHA public housing development during regular business hours.

NYCHA will hold a hybrid in person and virtual public hearing on July 12, 2023 and accept written comments on the Draft Agency Plan through July 15, 2023. Please see the Notice on page 8. NYCHA met with the Resident Advisory Board members for their comments in eight (8) meetings from March to May 2023.

NYCHA’s Final Agency Plan will be submitted to the U.S. Department of Housing and Urban Development (HUD) by October 18, 2023. Following NYCHA’s submission, HUD has 75 days to review and approve the plan.

NYCHA’s priorities for the coming year are outlined on pages 19 through 32. NYCHA aims to strengthen its business model through its Transformation Plan and raise much-needed capital funding for its developments through the recently authorized NYC Public Housing Preservation Trust, Permanent Affordability Commitment Together (PACT) initiative, and other preservation programs. In January 2019, NYCHA and the City of New York signed an Agreement with the U.S. Department of Housing and Urban Development (HUD), which outlined specific deadlines and objective compliance standards for making significant improvements in several high-priority areas, including lead-based paint, mold, heat, elevators, annual inspections, pests, and waste management. NYCHA is committed to achieving these deadlines, and updates for each of these high-priority areas are highlighted below. With NYCHA’s capital projects work, the Authority is investing in projects outlined in its City Capital Action Plan, initiatives that are already underway, and projects focused on environmental resiliency and sustainability. Finally, NYCHA continues to pursue other initiatives that fund vital building and apartment upgrades.

NYCHA’s Transformation Plan and the NYC Public Housing Preservation Trust

NYCHA’s **Transformation Plan** is a top-to-bottom reorganization of NYCHA, with proposed strategies for restructuring NYCHA’s business model and operations to improve the delivery of services to residents. The NYC Public Housing Preservation Trust, recently authorized by the State, can completely rehabilitate an initial 25,000 apartments while keeping them fully and permanently public and affordable – investments that will also generate job and job training opportunities for residents.

Transformation Plan and NYCHA's Monitoring Agreement

On January 31, 2019, NYCHA and the City of New York signed an Agreement with HUD. The Agreement's overarching goal is to remedy the deficient physical conditions in NYCHA properties to benefit residents across the city. It establishes a foundation to continue strengthening the Authority and improving residents' quality of life. The Agreement sets objectives to significantly improve in seven high-priority areas: lead-based paint, mold, heat, elevators, inspections, pests, and waste management.

The work undertaken as part of the Agreement is overseen by a third-party federal Monitor. The efforts include, for instance, conducting visual assessments and completing interim controls for lead-based paint each calendar year, improving the response times for heat and elevator outages, completing capital improvements to replace aging boilers and elevators, remediating mold conditions and preventing mold recurrence, and utilizing Integrated Pest Management practices. To achieve these objectives, NYCHA is making a variety of operational improvements and capital investments, as described below.

The Transformation Plan was conceived as part of the 2019 HUD Agreement and includes a set of strategies that will improve the resident experience and set the agency on a path to a stronger future.

On March 8, 2021, HUD and the United States Attorney's Office for the Southern District of New York (SDNY) concurred to NYCHA's Transformation Plan, a vision for significant yet sustainable change to NYCHA's governance and leadership structure, property management systems, and central support functions. The release of the Transformation Plan marked the beginning of a multi-year implementation process, which now enters its third year.

To aid in these efforts, NYCHA has produced two plans that detail the implementation steps required by the Transformation. The first phase of the Implementation Plan was released in February 2022 and the second phase was released in February 2023. These plans detail a new approach to the agency's work with a particular focus on local management and control.

Together, the Transformation Plan and the two Implementation Plans comprise the Organizational Plan required under the HUD Agreement.

As of spring 2023, NYCHA has implemented several key changes to NYCHA's operating model, as well as numerous business process improvements that focus on service delivery pain points identified by residents and employees.

Resident-facing business process changes include: a full overhaul of our repair and work order management process, changes to our approach to janitorial work and cleanliness, and a new approach to lease enforcement issues at developments. The agency is also making new investments in training to ensure its workforce can deliver on the agency's mission. In addition, NYCHA is also pursuing a set of central office reforms, including a comprehensive asset management strategy and a focus on human resources to ensure staffing at all sites and prevent vacancies that disrupt service delivery to residents.

NYC Public Housing Preservation Trust

In June 2022, the State legislature passed a bill establishing the New York City Public Housing Preservation Trust (the Trust), and it was signed into law by Governor Kathy Hochul.

To dramatically improve residents' quality of life through comprehensive building renovations while preserving all their rights and protections (including permanently affordable rent) and providing economic opportunities, NYCHA will transfer an initial 25,000 apartments to the Trust. NYCHA will continue to own and manage the properties, entering into a long-term ground lease with the Trust to secure project-based vouchers, which have a subsidy worth double NYCHA's current federal subsidy. Similar to how other government entities raise revenue for capital improvements, the Trust will issue bonds that fund comprehensive building renovations (with input and partnership from residents at the development), including the latest sustainable technologies. And the Trust can hire better vendors who can complete high-quality work, faster.

The Trust bill went into effect 60 days after the date that Governor Hochul signed it into law—after which, NYCHA was required to meet certain obligations, such as publishing the draft resident opt-in voting procedures for public comment and incorporating appropriate feedback from residents into the final version of the voting procedures. In accordance with these requirements, draft voting procedures were issued in October 2022 and finalized in December 2022. In May 2023, the first members of the Trust board, including NYCHA residents, were appointed; they will be critical to the Trust's governance and operations.

Transfers to the Trust will not happen without extensive resident engagement, including a vote by residents at properties proposed for transfer on whether they want the transfer to occur.

Future Annual Plans and Significant Amendments will include more detailed information on the Trust and on proposed leasehold transfers to the Trust.

A Culture of Compliance

As required under the Agreement with HUD, NYCHA established new departments and units – a Compliance Department, an Environmental Health and Safety Department, and a Quality Assurance Unit – which have established programs for monitoring NYCHA's work at its developments, making recommendations for improvements and then providing technical assistance to development staff to improve performance. In the coming year, NYCHA will continue to scale up these departments and units while using data-centered risk assessments, sampling, and field monitoring to ensure Operations complies with all local, state, and federal regulations and internal policies and procedures.

Compliance Pillar Areas

The Agreement requires NYCHA to remediate living conditions at its properties by specific deadlines and to meet strict, objective compliance standards regarding the aforementioned high-priority areas

of lead-based paint, mold, heat, elevators, inspections, pests, and waste management. NYCHA is setting up systems and has established a dedicated unit, Strategy & Innovation, to track its progress on all the deadlines outlined in the Agreement. NYCHA is also building dashboards and other analytical reporting tools for each pillar area to show progress towards meeting these metrics. If any managing jurisdiction is not meeting the clearly defined data-driven benchmarks, they will need to design a plan – in partnership with their colleagues in other departments – to solve the problem.

As part of the Agreement, the City is providing \$1 billion for capital improvements over the first four years starting in 2018 and \$200 million per year starting in 2022 through 2031 – for a total of at least \$2.8 billion in capital funding. These funds, described in detail in the City Capital Action Plan approved by the Federal Monitor, will be invested in lead abatement, comprehensive lead- and mold-related capital projects, elevator and heat system replacements, and improvements to NYCHA’s waste management equipment across the portfolio.

The Agreement goals, as well as other priority areas, are outlined in the Goals Section of the Draft Agency Plan (pages 181 to 205). The following text includes examples of progress in Compliance Pillar Areas to date, as well as anticipated future progress.

Lead-Based Paint:

In April 2019, NYCHA kicked off an unprecedented effort to test approximately 135,000 apartments for the presence of lead-based paint using x-ray fluorescence (XRF) analyzer.

The XRF testing initiative was based on the standard of 1.0 mg/cm², on December 1, 2021, the New York City Department of Housing Preservation and Development (HPD) issued a regulation changing the definition of lead-based paint from paint with lead content measured at 1.0 mg/cm² to paint with lead content measured at 0.5 mg/cm² for purposes of New York City’s Local Law 1. The XRF testing initiative to test 134,084 units was based on the 1.0 mg/cm² testing initiative. NYCHA attempted to test 119,405 units and completed tests in 108,230 units. When the City changed its standard, NYCHA suspended its program to test units at 1.0 mg/cm² and pivoted to retest the child under 6 units at the new, lowered threshold of 0.5 mg/cm².

As of April 19, 2023, the Lead Hazard Control Department (LHCD) has attempted 43,183 units and completed an inspection in 39,427 units overall. Of these, 15,968 are currently identified as child under 6 apartments. NYCHA will also continue its door-knocking campaign to identify units where a child under 6 years old either resides or regularly visits the unit for more than 10 hours a week.

As of March 2023, NYCHA completed its field activities for the lead-based paint biennial risk assessment which began in 2022 and is completing the review of vendor reports. NYCHA has also been scaling up efforts to abate or rapidly remediate lead in units with a positive or presumed positive lead-based paint component where a child under 6 either resides or regularly visits the unit for more than 10 hours a week. Per its Lead Action Plan, NYCHA developed a Team for Enhanced Management, Planning, and Outreach (TEMPO) for apartments with a child younger than 6 years old with known or presumed lead-based paint.

NYCHA commenced abatement in TEMPO apartments and has been deploying the team to conduct repair work orders while utilizing enhanced assessment, clearance, interim controls and oversight protocols in TEMPO apartments with three or more positive components. NYCHA is also now scaling

up its abatement effort to comply with the City's change in standard. To ensure there are no lead-based paint hazards, NYCHA is retesting the child under 6 units at the new, lowered threshold. Following retesting, NYCHA creates abatement work orders for positive units and offers to abate units in an expedited fashion if a resident relocates temporarily.

NYCHA's current prioritization of lead abatements under the TEMPO lead abatement program is in those units where a Child Under 6 resides or regularly visits 10 or more hours per week and has a positive or presumed positive lead-based paint component. NYCHA is currently working with a project management firm, inclusive of case managers, who oversee the lead abatements at NYCHA developments as well as temporary resident relocation during the abatement process. As of April 2023, NYCHA has relocated residents in 930 units, completed lead abatements in 860 units and successfully returned the residents to 840 of those units with a completed lead abatement. NYCHA is continuing its efforts with lead abatements in primarily CU6 units citywide. In addition, NYCHA is conducting two rounds of visual assessments in TEMPO units.

Mold:

NYCHA has engaged in many initiatives in recent years to address mold, leak, and ventilation issues authority wide. From January through September 2019, NYCHA completed the launch of the *Mold/Mildew Control in NYCHA Residential Buildings Standard Procedure*. NYCHA began working on its new *Leak Standard Procedure (SP)* in April 2020 and has since completed one pilot test of the new procedure and is currently working through its second pilot test. In 2020, NYCHA began implementing its roof fan replacement and in-unit vent cleaning. In July 2021, NYCHA published the *Roof Fan Inspections at NYCHA Residential Buildings Standard Procedure* which provided staff guidance on how to conduct monthly roof fan inspections to ensure that fans are operable. The Roof Fan SP introduced a standard process for performing monthly preventative maintenance roof fan inspections (and thereby addressing ventilation issues) authority wide.

In May 2022, NYCHA introduced the Enhanced Oversight Program (EOP) and the Mold and Leaks Performance Scorecard and Dashboard to identify and assist NYCHA consolidations requiring additional support to improve compliance with court-ordered mold and leak performance parameters. EOP is being utilized along with other projects (Operation Mold Clean Up, Mold Inspection Initiative, Mold Cleaning Initiative, Maintenance Workers Performing Mold Inspections) executed by the Office of Mold Assessment and Remediation (OMAR) on a parallel track to improve compliance. NYCHA also expanded its mold contract capacity, adding two mold remediation contracts (to its existing two mold assessment and two remediation contracts) as of August 2022.

As of May 2022, NYCHA reached its noteworthy milestone to replace or retain 8,436 roof fans. In September 2022, NYCHA engaged engineers to launch the replacement and balancing of approximately 61,900 volume dampers with built-in fire dampers while approximately 14,000 vents will receive only volume dampers. As of January 31, 2023, the vent cleaning initiative is 79% complete (68,395 vents cleaned and 100% were attempted) and is estimated to conclude by the end of May 2023.

Finally, NYCHA launched Operation Dry Out in the spring of 2023. The purpose of Operation Dry Out is to reduce the backlog of open tub enclosure and plumbing work orders related to mold and leak complaints.

Over the next year, NYCHA will continue to execute the initiatives listed above to achieve the following goals:

- Decrease mold incidence and recurrence
- Improve compliance related to key performance parameters including time to complete initial inspections, mold removal, remediation, and related repairs
- Ensure that key staff are trained in mold inspections and remediation
- Launch the Leak Standard Procedure and begin to train staff on the enhanced leak inspection process

Despite these efforts, NYCHA recognizes that fully addressing the root causes of mold will require significant comprehensive capital investments. It is important to note, though, that addressing mold and leaks in NYCHA's developments in the long-term requires sustained investments of capital and comprehensive upgrades in addition to the more immediate operational and maintenance work that are currently being undertaken. Many of NYCHA's buildings are in a general state of disrepair with years, if not decades, of deferred maintenance needs. Many persistent mold and moisture issues within NYCHA buildings are capital issues that are symptomatic of buildings that have not received the regular reinvestment that all buildings require. The majority of NYCHA's buildings are more than a half century old and have not received needed capital improvements vital to their infrastructure. NYCHA's decades-old buildings require \$40 billion to bring them to a state of good repair – a figure that increases by approximately \$1 billion with each passing a year. To address each of the factors that have led to mold growth, leaks, and moisture complaints, NYCHA needs to invest in the comprehensive modernization of all its properties with chronic mold and leak problems across its entire portfolio.

Heat:

In the 2022-2023 heat season as of April 30, 2023, NYCHA resolved its heat outages on average in 7.5 hours. 99% of outages (570 out of 576) were resolved within 24 hours. NYCHA continues to utilize a heating team dedicated to resolving service interruptions 24/7, the activation of a "Situation Room" during periods of extreme cold to coordinate the response to interruptions and mobilization of resources in real time, and the constant monitoring of outage data through the use of dashboards and reports to identify issues proactively. NYCHA also reviews the causes of outages to identify system components that may require extensive repair and or replacement. We then use this data to develop an operational investment strategy where we use operating dollars to make the identified repairs.

Each year, the Authority also develops a list of critical heat and hot water equipment and systems needing replacement or extensive repair. For the 2022-2023 heating season, the Authority identified \$35 million of investments in to three different areas including: Distribution, Equipment Replacements and Boiler Plant Upgrades. This is a significant increase in investment over the prior years.

NYCHA completed its installation of heat sensors at 44 developments. NYCHA will work to make additional year-over-year improvements to its heat outage response times in the coming heat season.

Since the HUD Agreement was signed in 2019, NYCHA has replaced 86 boilers at 22 developments. NYCHA projects 83 additional boiler replacements for completion in 2023, with a total of at least 311 boilers replaced through capital projects by the end of 2026. In addition, NYCHA has addressed 263 boilers through the Permanent Affordability Commitment Together (PACT) housing preservation initiative, and an additional 97 other boilers at 28 developments are now being addressed through the initiative. These investments will make heat more reliable for hundreds of thousands of residents.

Elevators:

NYCHA continues to strive to make improvements to its elevator operations. NYCHA is continuing to hire and train additional elevator mechanic teams while also investing in air conditioners in motor rooms, door lock monitors, and other equipment that will help improve elevator service.

As of April 2023, construction work for two elevators at Boston Road Plaza have been completed and both cars are in service. Construction phase activities have started for 242 elevators at nineteen developments, with 16 to be completed by the end of May 2023. Fifty-seven (57) elevators are currently in design or procurement. Through NYCHA’s capital plan, 275 elevators are now scheduled to be replaced by the end of 2024.

Additional updates include:

- The implementation of NYCHA’s Elevator Motor Room Air Conditioner Installation Initiative. As of March 2023, 99% of the installations are complete with 24 pending.
- As of March 2023, NYCHA’s elevator in-house staff and vendors have completed the Door Lock Monitoring installation work.
- ESRD has also successfully submitted and awarded a contract to install Remote Elevator Management Systems (REMS) at 202 elevators.
- Work began in fall 2021, and, as of March 2023, 202 (100%) elevators out of 202 have been completed.

Pests and Waste Management:

In January 2021, NYCHA launched a new Integrated Pest Management (IPM) standard procedure across its portfolio that sets new standards for pest management. NYCHA will continue training its workforce on proper pest control methods for exterminators. Training will also be provided to non-pest control staff since IPM requires that grounds staff and skilled trades fix issues causing pests such as a lack of exclusion and good waste management practices.

In connection with its goal to reduce the rat population, in February 2022, NYCHA met its goal of installing 8,000 door sweeps on basement doors with gaps. NYCHA also hired 26 exterminators to focus on rats on grounds and basements in the Rat Mitigation Zone, which is a group of developments identified through a partnership with DOHMH as having the highest rat population within NYCHA’s portfolio. Additionally, NYCHA continues to work towards meeting response times laid out in the Agreement: (a) respond to 75% of all rat complaints within 2 business days and to all

rat complaints within 5 days and (b) respond to 75% of all other pest complaints within 7 days and to all other pest complaints within 10 days. As of April 2023, for resident complaints the average response time for rats is 6 days and 11.8 days for all other pests.

To advance NYCHA’s Waste Management Plan, Design Build contracts began in 2022 for seven waste yard redesigns and a new pneumatic waste collection system for Polo Grounds Towers. The designs are underway, the construction at Polo Grounds began in January 2023 and construction on the waste yards is expected to start in Summer 2023. By 2028, waste yards will be completely overhauled across the portfolio.

Public Housing Assessment System (PHAS) and Annual Inspections:

As of March 2023, NYCHA completed the following key activities:

- Concluded training relating to PHAS/Uniform Physical Conditions Standards (UPCS). Approximately 87% of all Caretakers have been trained using the two-day version of the training for Caretakers. 628 NYCHA staff members took the PHAS/UPCS refresher training. 2,437 staff have completed the PHAS/UPCS three-day class for new staff or recently promoted staff.
- Actively worked to implement enhancements to the Supervisory Inspections of Buildings and Adjacent Grounds and Skilled Trades Supervisory Inspections, as well as skilled trades work orders from the inspections.

In FY 2022-2023, NYCHA focused on the following initiatives:

- Finalizing the implementation of the second phase of the PHAS dashboard.
- Continuing to utilize the reporting tools to track progress and promote completion of the Supervisory Inspections of Buildings and Adjacent Grounds and Skilled Trades Supervisory Inspections.

Other Capital Projects

In addition to the capital funding outlined in the City Capital Action Plan, NYCHA also continues to invest additional federal and City capital funds in other high-priority initiatives. A number of these are highlighted below.

Community Partnerships & Connected Communities

NYC Mayors Office of Neighborhood Safety expanded their NYCHA sites (from 15 to 30 developments) as a part of the “Mayor’s Action Plan”. This project addresses crime through several strategies such as open-space transformation and activation, lighting improvements, and government/non-profit/resident coordination. In 2023, this will lead to an additional \$1.2 million investment into local community organizations and residents to develop project scopes and programming that address resident safety needs.

NYC Parks is also leading design and construction across play areas at 6 NYCHA developments as a part of their ‘Walk to a Park’ initiative and will maintain and operate the renovated open spaces in

perpetuity. Of the 6 sites, the renovation at Pomonok, Redfern and Woodside Houses is complete, with construction at the remaining 3 sites (Watson, Kingsborough, and Sotomayor) anticipated to kick off later this year. This strategic partnership with the city invested \$23 million in City Capital funding to create new amenities for the NYCHA community and other New Yorkers who currently do not live within walking distance of a park.

Through the Connected Communities initiative, NYCHA has partnered with the Public Housing Community Fund to accept multiple philanthropic grants to improve open space at NYCHA. After a preliminary grant in 2019, in 2022 the Helmsley Charitable Trust awarded an additional 3-year \$3.2 million grant for participatory design-led open space transformation across 4 developments—Patterson, Castle Hill Houses, Roosevelt and Marlboro Houses. The site selection was informed by climate vulnerability, health and crime indicators, and resident leadership capacity. The grant allocates funding for stewardship and programming following the capital construction as well as the strategic planning for scalability of the program at NYCHA sites city-wide. Currently, on the Advisory Committee for this grant are NYCHA’s COO and the Commissioner of the Mayor’s Office of Equity—among other key partners to developing a scalable open space investment strategy for NYCHA’s grounds.

In March 2023, the Mellon Foundation gave preliminary approval for a \$2 million grant for the restoration of a historic artwork at Kingsborough Houses. The conservation of a WPA 80-foot long frieze on a freestanding wall, *Exodus and Dance*, was a capital project that experienced a significant shortfall. Mellon’s grant will cover the gap for the restoration and create a place-based storywalk, community mural, and performance art programming throughout the capital process. Mellon has also provided approval of a concept for an additional \$3 million 3-year grant to pilot an artist-in-residency program at NYCHA community centers with the Department for Youth Development (DYCD).

Additionally, NYCHA continues to support other non-profit investment of over \$1.5 million into smaller open space interventions. With East New York Restoration and the Trust for Public Land, two adult fitness zones were created. The Over Under Initiative, a youth-sports organization, has installed retractable soccer goals at two NYCHA developments to expand the programming of NYCHA’s many basketball courts. The pilot project inspired NYC Parks to institute their own at a city park. *Opening the Edge* at Wald Houses is a coming plaza that will be constructed by the Economic Development Corporation (EDC) under the partnership with Design Trust for Public Space.

Recovery

As of the end of Q4 2022, NYCHA had invested over \$2.83 billion in funding from FEMA, CDBG-DR, and insurance proceeds at the 35 developments most severely impacted by Superstorm Sandy. Completed work includes 72 new boilers providing heat and hot water to almost 3,415 units in 43 buildings, 185 roofs replaced, 98 full-power backup generators operational with 49 turned over to serve 9,846 apartments in over 100 buildings, and storm surge protection installation at 19 developments protecting over 100 buildings, ready for the 2023 hurricane season.

NYCHA is continuing to pursue funding for the damage related to the remnants of Hurricane Ida, which took place in September 2021. NYCHA has identified major damage at 12 developments and minor damage at other developments. NYCHA is working with FEMA to align on the cost of repairs

and potential mitigation opportunities to protect NYCHA developments against future storms. To supplement the anticipated FEMA funds, NYCHA has secured \$30M of CDBG-DR funds to cover the estimated local match and an additional \$30M for unfunded mitigation measures. NYCHA has also worked with the Hope and Bushwick Gardens team that manages these two former NYCHA developments that are now in the PACT program. Hope and Bushwick Gardens developments suffered major and unprecedented rain-driven flooding as a result of Hurricane Ida, and continued to suffer damage in subsequent extreme rain events. NYCHA and the development team secured \$51 million in CDBG-DR funding to provide a permanent solution to extreme rain at the development by elevating critical infrastructure and protecting first floors of the development.

Resilience

NYCHA is working to implement its Climate Adaptation Plan, released in 2021 and focusing on increasing resilience to the three greatest climate-induced threats to New York City Residents: extreme heat, coastal flooding, and extreme rain. NYCHA is identifying resiliency needs and actively seeking grant funding to support capital work to address them. Additionally, NYCHA is working to integrate consideration of resiliency needs into its pipeline of capital work, including participation in the pilot phase of Local Law 41, New York City's law requiring that all city-funded projects follow the city's Climate Resiliency Design Guidelines beginning in 2026.

NYCHA is pursuing all available funding sources for resiliency, including via the newly expanded FEMA Building Resilient Infrastructure and Communities funding program and the Hazard Mitigation Grant Program, by developing compelling resiliency plans that maximize co-benefits to residents. Three applications submitted by NYCHA were selected for award as part of the FY 2021 BRIC application cycle. Two were scoping awards: the first for a network of resilience hubs at developments and another for conceptual design studies for flood damage mitigation measures at four developments. A project application was submitted for Breukelen Houses to fund design and construction of a stormwater management system to mitigate against extreme rain and flooding. In addition, NYCHA's application, submitted in collaboration with DEP to install cloudburst infrastructure at Clinton Houses, was selected for award. This provided NYCHA with a total of \$500,000 in scoping funds and \$30 million in project funds in the FY21 application cycle.

Another application was submitted for St. Nicholas Houses to fund a heat mitigating retrofit; that application was not selected; however, it has been entered into another hazard mitigation funding application cycle, with the results of that application expected in Q3 of 2023. Lastly, with MOCEJ, NYCHA pursued FEMA funding of \$150k for signage and communication with residents about resiliency measures, and was notified that those funds have been awarded as well. In the FY 2022 application cycle, NYCHA submitted an application to FEMA's BRIC program for stormwater protection measures at Nostrand Houses and Sheepshead Bay Houses. Announcements regarding FY22 award selection are expected in Q3 of 2023, and additional applications will be submitted in the FY23 cycle. Additional sources of funding NYCHA may apply for to increase resiliency include the Urban and Community Forestry grant, to support the ability of NYCHA's tree canopy to provide resilience to extreme heat.

Energy

In 2021, NYCHA released a new Sustainability Agenda which outlines its commitment to healthy and comfortable homes that showcase environmental stewardship and sustainable design.

NYCHA is committing to host 30 megawatts of renewable energy on public housing and PACT roofs by 2026. Between NYCHA's installations at five developments and PACT developers' installations at seven developments, a total of 5.2MW has been completed with an additional 1.4MW in construction at PACT sites. Leases have been signed for an additional 3 MW of solar installations, and an additional 4 MW of leases are awaiting approvals. NYCHA has additionally just released its latest solar solicitation, which is expected to result in 10 MW worth of additional solar leases on Section 9 housing.

There are currently \$341M in active and complete energy Performance Contracts, and \$22M in weatherization upgrades are completed or in construction. In August 2022, NYCHA, in collaboration with New York Power Authority and New York State Energy Research and Development Authority, selected two vendors, Midea America and Gradient, to develop affordable cold-climate window packaged heat pumps. An initial 30,000 will be produced to help NYCHA reach its 80% reduction of greenhouse gas emissions by 2050. Woodside houses will have 24 apartments outfitted with the new units before the 2023/2024 heating season to review the unit's performance. NYCHA continues the implementation of the demonstration project to fully electrify 1471 Watson Avenue with heat pumps, induction stoves, and point-of-use water heaters in each apartment. This location will also receive a full plumbing upgrade through secured CDBG-DR funding. NYCHA also has its first building operating of heat pumps at 1700 Hoe Avenue. The Heating boiler was turned off in April 2023 and services are being provided by heat pumps in all units.

Waste Management

NYCHA has awarded 2 Design-Build contracts for the design and construction of a pneumatic waste collection system at Polo Grounds Towers and the redesign of 7 waste yards. These 7 sites kick off \$463M in City Capital Action Plan upgrades of waste yards across the portfolio. The construction of these 7 sites is expected to start early Summer 2023. In September 2022, NYCHA initiated the design of the next 15 developments' waste yards to progress additional work through the CCAP funds. Design will be completed in June 2023 and construction will go out to bid in July 2023. Design for the next 46 developments will be procured in Spring 2023.

The City Capital Action Plan also outlines \$116M for replacement of interior compactors. In January 2023, NYCHA started the replacement of interior compactors at 38 developments through CCAP funds. By the end of 2023, NYCHA is estimating approximately 200 units will be replaced and the rooms improved for staff. Planning for construction procurement for another 12 developments began in March 2023.

NYCHA launched a demonstration project on containerizing curbside refuse and recyclables. This initial pilot will employ sealed containers for waste and recyclables at sites where material is currently collected in loose bags on the curb and could provide more convenient disposal access for residents. The request for proposal (RFP) for trucks and containers was released on September 23,

2022 and responses were received on December 2, 2022. The evaluation committee selected a vendor and NYCHA is anticipating issuing the awarded contract in June 2023.

In July 2022, NYCHA was awarded a \$200,000 grant to expand access to on-site composting by the NYS Department of Environmental Conservation. NYCHA is using these funds to build and staff two new composting systems at Patterson Houses and Polo Grounds Towers with partners Green City Force and Compost Power. The grant work includes resident education and outreach, collection and processing of compost in three-bin systems, and measuring pest reduction metrics in collaboration with the Pest Control Department.

Comprehensive Modernization

As highlighted in the earlier sections, NYCHA initiated significant capital repairs in many developments that will be completed over the next few years. These and previous capital projects have been predominantly component-level replacements and upgrades. Moving forward, NYCHA aims to transition to more integrated and comprehensive renovations spanning multiple building systems, interiors and exteriors, and grounds improvements, wherever feasible. This will allow developments to be comprehensively renovated more quickly, at a higher quality, and with better value for money. A comprehensive modernization approach will also holistically address the HUD Agreement pillar areas and the broader needs of residents and reduce NYCHA's comparatively high operations and maintenance costs. NYCHA intends to pursue this approach for any new influxes of funding, whether through the Trust, additional federal capital funding, or sources of capital funds from other levels of government.

Four projects are currently being implemented through the Comprehensive Modernization program, with a total budget of approximately \$800M: Saint Nicholas Houses, Todt Hill Houses, Gowanus Houses, and Wyckoff Gardens. Extensive resident engagement including community visioning sessions have been completed, with regular resident engagement ongoing. All four projects are being implemented through a design-build approach and are now in the procurement phase. Saint Nicholas Houses and Todt Hill Houses are in the second step of design-build procurement, with vendor responses to the RFP due in May 2023. For Gowanus Houses and Wyckoff Gardens, vendor responses to the RFQ step of the procurement process were received in April 2023.

Leveraging new sources of revenue to preserve homes and renovate buildings

Considering the multibillion-dollar decline in federal Section 9 funding and massive repair needs across its portfolio, NYCHA must pursue innovative ways to fund the building and apartment upgrades that residents deserve. This includes the following programs:

PACT to Preserve

As part of its Permanent Affordability Commitment Together (PACT) initiative, NYCHA is addressing \$12.8 billion in overdue repairs in 62,000 apartments – a third of its units and home to approximately 140,000 New Yorkers. PACT relies on partnerships with private and non-profit development partners and converts developments to a more stable, federally funded program called Project-Based Section 8.

All 62,000 apartments converted to Section 8 funding will remain permanently affordable. The Project-Based Section 8 program provides a more stable flow of federal subsidy and allows NYCHA and its development partners to raise external financing to address a development's capital repair needs. Once developments are converted, private managers will be responsible for the day-to-day maintenance and operation of the buildings. The PACT program provides residents with important rights and protections. Residents will only pay 30 percent of their household income towards rent, will not have their household applications re-screened, and will have the right to remain in their homes during the renovations.

Renovations will provide residents with new kitchens, bathrooms, windows, and common areas while addressing critical repairs to elevators, boilers, roofs, and facades. The PACT program also enhances on-site social services by funding valuable community programming that will be provided by a growing list of Pre-Qualified non-profit social service providers. PACT renovations will be completed on a rolling basis – between 7,500 and 10,000 apartments per year – with the entire portfolio identified by the year 2028.

Approximately \$1 billion in renovations have been completed at more than 5,830 apartments. An additional 10,153 apartments are under construction, totaling \$2.53 billion in major upgrades. An additional 21,730 units are part of active development projects in the process of resident engagement or pre-development. In sum, NYCHA has just over 37,000 units completed, in-construction, or in a stage of resident engagement or pre-development.

Build to Preserve

NYCHA released an RFP in April 2021 to implement a community-driven preservation and investment strategy at Fulton, Chelsea, Chelsea Addition, and Elliott Houses in the Chelsea neighborhood of Manhattan. The four developments, which include 2,073 apartments across 24 buildings, have an estimated total of \$366 million in extensive capital need and repair costs ranging from heating infrastructure to building security improvements. In late 2021, NYCHA, together with resident leaders, selected a development team comprised of Essence Development (co-developer), The Related Companies (co-developer and property manager), and Related Construction (general contractor). The team is currently working with residents to evaluate options for providing residents with stable, affordable, high-quality homes. Residents are currently assessing whether to proceed with a master-planned rebuilding of the four developments.

Transfer to Preserve

NYCHA continues to tap into its extensive unused development rights, known as “air rights,” to raise revenue for the Authority. By transferring only a portion of the Authority's approximately 80 million square feet of air rights, in 2020, NYCHA completed two air rights transfers, one at Ingersoll Houses in Brooklyn for \$25 million and another at Hobbs Court in Manhattan, generating approximately \$2.6 million in proceeds for capital repairs for the adjacent developments. In 2022, NYCHA completed another sale at Manhattanville for \$27 million, for a total of nearly \$55 million in proceeds for capital repairs for the adjacent developments.

Commitments to Build New 100% Affordable Housing

New York City is confronting an affordable housing crisis, and New Yorkers have called for more affordable housing. In support of the City's plan to build or preserve 300,000 affordable apartments by 2026, NYCHA has pledged to provide underused land (such as parking lots and storage spaces) for the creation of 11,000 new, affordable apartments for both families and seniors – more than 3,000 of which are already in the pipeline.

Since 2015, NYCHA has closed on 18 transactions located in the Bronx, Brooklyn, Manhattan, and Queens. To date, 2,623 affordable apartments have been built or are under construction. An additional 72 co-op homeownership units began construction at the end of 2020. NYCHA also has numerous other affordable housing developments in the planning and pre-development phases.

Many of these buildings will include community facilities and neighborhood retail that will serve new and current residents. For instance, the new affordable housing at Ingersoll Houses features a new ground-floor senior center operated by Services and Advocacy for LGBT Elders (SAGE) that provides supportive services for seniors. The development at Mill Brook Houses includes a new senior center with a commercial kitchen, large dining room, community space, and activity rooms for programming for seniors. Other planned features across the 100% affordable housing portfolio include green roofs, upgraded basketball courts, and new community gardens and seating areas. The Atrium at Sumner in Bedford-Stuyvesant will feature 130 studio apartments and 59 one-bedroom apartments, as well as one two-bedroom superintendent apartment. The 11-story building is organized around a central atrium with corridors overlooking a year-round indoor garden on the ground floor. The Atrium at Sumner is designed to Passive House Standards, resulting in 60 to 70 percent less energy consumption compared to the average New York City apartment building. Its common areas will include an exercise room as well classrooms, conference rooms, and a large multi-purposes room that will be home to educational and arts classes and programming to meet the needs of seniors. The project will also feature a community garden for residents and outdoor seating adjacent to the building's entrances. The Sumner Houses campus' open space next to the new building will also receive a new playground, walking paths, lighting and seating.