

Executive Summary

NYCHA's Draft Agency Plan for FY 2025

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 and Five-Year Plan for Fiscal Year 2025 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 30, 2024 and accept written comments on the Draft Agency Plan through August 2, 2024. Please see the Notice on page 12. NYCHA met with the Resident Advisory Board members for their comments in 12 meetings from April to June 2024.

NYCHA's Final Agency and Five-Year Plan will be submitted to the U.S. Department of Housing and Urban Development (HUD) by October 18, 2024. 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 18 through 33. 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** 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.

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 performance targets 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 term of NYCHA's first federal Monitor, Guidepost Solutions, ended in February 2024, and NYCHA's new federal Monitor for a second five-year term is the law firm Jenner & Block. The Agreement's requirements will continue as oversight transitions to the new Monitor.

Efforts under the Agreement 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. The Agreement also required an "Organizational Plan" to "achieve sustained compliance with [the] obligations under [the] Agreement."

NYCHA issued three documents in response to this Agreement obligation—the Transformation Plan, issued in March 2021, followed by two Implementation Plans, issued in February 2022 and February 2023. Together, the Transformation Plan and the two Implementation Plans comprise the Organizational Plan required under the HUD Agreement. The plans include a set of strategies designed to improve the resident experience and set the agency on a path to a stronger future.

The plans include changes 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 fourth year.

As of spring 2024, 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. The agency has moved to the Neighborhood Model, pushing resources and decision-making authority away from its central office and into the 29 Neighborhood offices spread across the city. The agency continues to improve the model as more resident services are provided locally.

Additional 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.

In the balance of 2024, NYCHA is evaluating the remaining programs and projects identified in the Transformation to decide whether each requires adjustment, acceleration, or other changes. This evaluation will also include the possibility of new programs not originally identified in the Transformation Plan.

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 plans to 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 funding for capital improvements, the Trust will pursue conventional financing or 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.

In late-2023 and early-2024, the first such resident votes began taking place at Nostrand Houses in the Sheepshead Bay neighborhood of Brooklyn and Bronx River Addition in the Bronx respectively. One-hundred days of public engagement at the developments were followed by 30 days of voting, during which time residents could choose from three ballot options: joining the Trust, entering the PACT program or remaining Section 9. Votes could be placed by mail, online or during the last 10 days of the voting period, in-person. Results were certified by an independent third-party voting administrator, with both developments selecting to convert to the Trust. It will take up to two years to transfer the properties into the Trust—after which time the first stages of the repair process may begin.

Subsequent votes will continue to be rolled out at additional developments in the months ahead.

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 has built 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.

The Agreement goals, as well as other priority areas, are outlined in the Goals Section of the Draft Agency Plan (pages 194 to 234). 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 134,000 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 approximately 134,000 units was based on the 1.0 mg/cm² testing initiative. NYCHA attempted to test 119,161 units (89% of the target universe) and completed tests in 108,236 units (81% of the target universe). When the City changed its standard, NYCHA suspended its program to test units at 1.0 mg/cm² and pivoted to initially retest the child under 6 (CU6) units at the new and lowered threshold of 0.5 mg/cm² (0.5 Standard) and as of March 31, 2024, testing has expanded to include all NYCHA apartments, both CU6 and NonCU6 units, at the 0.5 Standard.

As of March 31, 2024, NYCHA has attempted to address 87,376 units and successfully completed work on 70,451 units. Additionally, NYCHA annually notifies residents to identify units with children

under 6 years old (CU6) to assess the presence of lead-based paint. In cases where residents fail to respond to the notice, NYCHA conducts door-to-door visits to identify units with CU6. This initiative will persist as NYCHA continues its efforts to identify units where CU6 either reside or spend more than 10 hours per week.

As of March 31, 2024, NYCHA has completed the lead-based paint biennial risk assessment and the follow-up project for risk assessment. The organization remains on track to begin the Biennial Risk Assessment for 2024 in July. NYCHA has intensified its efforts to address deteriorated paint conditions in units with confirmed or presumed positive lead-based paint where a child under six (CU6) resides or spends ten or more hours per week. NYCHA has established the Team for Enhanced Management, Planning, and Outreach (TEMPO) Abatement Program. Under the TEMPO Abatement program NYCHA is prioritizing all LBP positive CU6 units for abatement.

Moreover, as of December 2021 NYCHA expanded its abatement efforts to comply with the City's revised standards. To ensure the absence of lead-based paint hazards, NYCHA is retesting all pre-1978 units (over 140,000) at the 0.5 Standard. Subsequent to retesting, NYCHA issues abatement work orders for positive units and offers expedited abatement services if residents agree to temporary relocation in both CU6 and NonCU6 apartments.

NYCHA is currently working with a project management firm, inclusive of case managers, who oversee the lead-based paint abatements at NYCHA developments, as well as temporary resident relocation during the abatement process. As of March 31, 2024, NYCHA completed lead abatements in 6,540 units. NYCHA is continuing its efforts with lead abatements in all units citywide.

Under the PACT Program, NYCHA requires the PACT Partner for each converted development test the units and common areas in buildings built prior to 1978 for lead-based paint. Based on this testing, the PACT Partner must develop a plan to abate all lead-based paint. The PACT Partner then completes the required abatement as a part of their scope of work and reports on progress to NYCHA. From January 2019 to March 31, 2024, the PACT Program has converted 15,523 units with 4,579 units expected to need abatement. As of March 31, 2024, PACT Partners have reported 2,381 units have been abated of lead-based paint, approximately 52% of the units. This included 2,332 units abated at the City's new standard.

Mold:

NYCHA has launched many initiatives in recent years to address mold, leak, and ventilation issues authority wide. These include the implementation and updates of standard procedures, comprehensive plumbing and renovation projects, and various operations and strategies to reduce mold and leak work orders, prevent mold recurrence, and improve resident satisfaction. For more details about NYCHA's significant progress in addressing the challenges related to mold and leaks, please see the 2023 Report on NYCHA's Mold and Leak Response Efforts: Progress, Challenges and Next Steps.¹

¹ Link: <https://www.nyc.gov/assets/nycha/downloads/pdf/NYCHA-Report-on-Mold-and-Leak-Response-Efforts-2023.pdf>

In the summer of 2018, NYCHA established the Office of Mold Assessment and Remediation (OMAR) to manage the Authority's response to mold and leaks. From January through September 2019, NYCHA rolled out the Mold/Mildew Control in NYCHA Residential Buildings Standard Procedure. By April 2020, NYCHA began working on its new Leak Standard Procedure (Leak SP), completed one pilot of the new procedure in January 2021, and completed its second pilot in December 2023. NYCHA also began its roof fan replacement and in-unit vent cleaning projects in 2020. In July 2021, NYCHA published the Roof Fan Inspections at NYCHA Residential Buildings Standard Procedure (Roof Fan SP), 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 Mold and Leak Performance Scorecard and Dashboard and the Enhanced Oversight Program (EOP) to identify and assist NYCHA consolidations requiring additional support to improve compliance with court-ordered mold and leak performance parameters. The Scorecard measures the performance of consolidations regarding mold and leaks based on 11 key metrics. The EOP assists the bottom-performing consolidations on the Scorecard by having weekly check-ins and creating action plans with Operations and Property Management as well as deploying specialized teams to the consolidations. The EOP, along with Operation Mold Clean Up, Mold Inspection Initiative, Mold Cleaning Initiative, and Maintenance Workers Performing Mold Inspections, is executed by the Office of Mold Assessment and Remediation (OMAR). NYCHA also expanded its mold contract capacity, adding two mold remediation contracts (to its existing two mold assessment and two remediation contracts) in August 2022.

In May 2022, NYCHA reached its noteworthy milestone to replace or retain 8,436 roof fans and began labeling the fans with their Maximo assets to tie the monthly inspections on the handheld devices to Maximo assets in the system. Additionally, NYCHA completed the Clean Vent Initiative (CVI) by finishing the third round of attempts to perform vent cleanings by July 31, 2023. NYCHA cleaned lateral ducts in approximately 74,000 residential units. NYCHA launched its replacement of approximately 95,000 vents including in-unit dampers and hallway dampers in June 2023. As of April 22, 2024, approximately 12% (10,966 dampers) were installed.

In May 2022, NYCHA launched OMC to reduce the backlog of open mold removal and mold-resistant paint work orders. As of April 15, 2024, NYCHA completed 89% (or 27,571 out of 31,113) work orders identified for closure as part of this initiative.

Finally, NYCHA launched Operation Dry Out in April 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. As of April 15, 2024, 63.0% of identified tub enclosure work orders and 70.6% of identified plumbing work orders have been completed.

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 (SP) and begin to train staff on the enhanced leak inspection process.

Despite these efforts, NYCHA understands that substantial, comprehensive capital investments will be necessary to effectively address the root causes of mold. Sustained investments and complete capital upgrades are crucial in addition to the more immediate operational and maintenance work that is already being undertaken. The ongoing mold and moisture problems in NYCHA buildings are indicative of the capital problems that have been postponed for so long, as well as the lack of reinvestment that all buildings need. Many of NYCHA's buildings are more than a half century old and have not received the required capital improvements vital to their infrastructure. To address each of the factors that have led to mold growth, leaks, and moisture complaints, NYCHA must invest in the comprehensive modernization of all its properties with chronic mold and leak problems across its entire portfolio.

Heat:

In the 2023-2024 heat season as of May 14, 2023, NYCHA resolved its heat outages on average in 6.6 hours. 99.6% of outages (515 out of 517) 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.

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 turned over 103 new boilers at 29 developments. At another 36 developments, NYCHA has ongoing, active projects to replace another 199 boilers by the end of 2026, totaling 302 boilers. These projects are funded through a range of sources including City capital dollars (including funds allocated pursuant to the City Capital Action Plan), State capital dollars, Sandy Recovery and Resilience funding, and federal capital funds, among others.

In addition, NYCHA has addressed 263 boilers through the Permanent Affordability Commitment Together (PACT) housing preservation initiative, and 56 additional boilers are the close out phase. 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 2024, construction has been completed at 102 elevators across sixteen developments. An additional 184 elevators are in construction. Overall, 231 elevators are forecasted to complete

construction by end of 2024 and the remaining 44 to meet the 275-elevator target are forecasted to be replaced in the first half of 2025. More than 150 elevators have already been transferred to third-party management through the PACT Section 8 conversion program.

Additional updates include:

- Installing air conditioners in the motor room to reduce over heating equipment.
- Upgrading to Master Operator Variable Frequency (MOVFR) waterproof door operators to help prevent weather related outages. As of April 2024, 224 Water Resistant Operators have been installed to date.
- ESRD is in the process of installing Electric Voltage Regulators (EVR) to increase voltage at select developments during summer months. This equipment will help prevent no service conditions in senior buildings as when the local utility company lowers voltage.
- As of April 2024, 12 EVR units have been installed, 7 are complete and 5 are pending Department of Buildings (DOB) inspection. In addition, the Elevator Department has asked NYCHA's Capital Projects to include EVRs on all future modernizations.
- As of April 2024, ESRD has installed an additional 97 REMS devices.

Pests and Waste Management:

In 2023 NYCHA reduced its backlog of extermination work orders that had built up due to COVID restrictions, exterminator vacancies and repeat infestations. In January 2023, there were 16,762 open work orders. As of April 4, 2024, there are 5,136 open extermination work orders. NYCHA had 50 vacancies in January 2023 and currently have 14 which are being filled in collaboration with the REES program that has offered three exterminator training courses for residents. The last factor leading to reduced tickets, is an increase in the quality of work. Exterminators now use vacuums, seal holes, use more targeted pesticides, have better training, and make follow ups. These efforts have led toward progress in 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 mice, bedbug and roach complaints within 7 days and to all within 10 days. Currently for resident complaints the average response time for rats is 2.21 days and 6.87 days for the other pests (mice, roaches, and bedbugs).

NYCHA is using City Capital Action Plan (CCAP) funds to replace most interior and exterior compactors that are past their useful life. These funds provide for the replacement and room restoration of 1,600 interior compactors and the redesign of approximately 130 to 150 waste yards. These changes will provide significant improvements in equipment and working conditions for NYCHA staff to handle waste and recyclables.

- As of April 2024, 292 interior compactor rooms have been fully renovated, with new interior compactor units and other improvements. 112 additional compactor rooms are in construction and an additional 178 compactor rooms are in procurement, design or planning.
- As of April 2024, 7 waste yards with exterior auger compactors and other equipment are in construction, an additional 15 are in procurement, and an additional 54 are moving to design.

Public Housing Assessment System (PHAS) and Annual Inspections:

As of April 2024, NYCHA completed the following key activities:

- Updated the PHAS Standard Procedure (SP) to include new NSPIRE requirements and other updates. The SP was issued on February 15, 2024.
- Started the process of new training to include the new National Standards for the Physical Inspection of Real Estate (NSPIRE) that are replacing UPCS. The training is required for all NYCHA staff who had been previously trained under the UPCS and consists of 2 days of classroom sessions as well as a half-day session in the field. The training launched in October 2023. As of April 3, 2024, 876 staff completed classroom training and 388 staff completed site-based training.
- As of January 1, 2024, NYCHA started inspecting 100% of apartments per year.
- Updated the list of questions for annual apartment inspections to reflect new NSPIRE requirements.

Capital Projects

Over the course of 2023, \$1.1 billion of capital funds were expended across NYCHA's capital programs, with 106 projects completing construction, and 120 new projects initiated. These programs include:

- Heating system replacements or upgrades, including space and domestic hot water decoupling, in-kind boiler replacements, decentralized gas and geothermal systems, and heat pumps;
- Elevator systems replacements;
- Roof replacements;
- Waste management infrastructure upgrades, including interior and exterior compactors and new waste yard;
- Comprehensive modernization;
- Building exterior improvements including façade restoration and window upgrades;
- Safety and security, including CCTV, layered access controls doors, and lighting;
- Flood damage remediation and mitigation, including Sandy recovery & resilience work;
- Energy efficiency and weatherization upgrades;
- Grounds upgrades, including playgrounds and sports courts, and green infrastructure; and,
- Common area renovations, including lobbies, and community, senior, and daycare center.

Progress on several of these programs as well as NYCHA's work on innovation pilots as well as community partnerships and connected communities initiatives are further explored below.

During 2023, NYCHA also secured \$490M in State grants focused primarily on façade repairs and heating systems, \$85 million in sustainability and resiliency-related grants, \$5.5 million from a HUD emergency grant, and \$5.9 million in grants for third-party implemented capital projects on NYCHA sites mainly focused on grounds renovations.

At the beginning of 2024, NYCHA had 645 active projects with a total budget of \$6.2 billion funded over the next few years. This includes \$276 million allocated for capital projects from the 2024 Federal capital grant, to be received in Q2 in 2024. In 2024, NYCHA is also targeting to secure more

than \$500 million in new State grants, sustainability and resiliency related grants including Federal disaster recovery funding related to Ida storm damage remediation and mitigation, and grants for third-party implemented capital projects on NYCHA sites. Over the course of 2024, NYCHA is targeting to expend \$1.5 billion and complete construction on 150 projects.

Looking ahead to the years beyond 2024, the 5-year Capital Plan allocates an additional \$1.1 billion of Federal funds and \$1.6 billion of City funds in 2025 through 2028 for capital projects managed by NYCHA, or approximately \$700 million per year on average. Most of this funding will continue to be invested in HUD Agreement Pillar areas including heating systems, elevators, waste management infrastructure, and comprehensive modernization, as well as roofs, façade restoration, and green infrastructure. These investments underscores NYCHA's commitment to bringing our properties up to a state of good repair, contributing to residents' quality of life, and strengthening sustainability and resiliency to climate change.

Recovery & Resilience Programs

As of April 2024, NYCHA has invested over \$3.1 billion in funding from FEMA, CDBG-DR, and insurance proceeds at the 35 developments most severely impacted by Superstorm Sandy. Completed work includes 52 new boilers providing heat and hot water to almost 3,483 units in 43 buildings, 187 roofs replaced, 111 full-power backup generators operational with 68 turned over to serve over 11,000 apartments in 124 buildings, and storm surge protection installation at 22 developments protecting over 128 buildings, ready for the 2024 hurricane season.

NYCHA has secured approximately \$170 million in CDBG-DR funding related to Hurricane Ida, which took place in September 2021, and continues to work with FEMA to finalize a public assistance award to comprehensively restore properties damaged by the storm and mitigate damages in future floods. NYCHA has identified major damage at 13 developments under management and one PACT property; these are the focus of this recovery program. NYCHA has provided FEMA with detailed scope and cost outlines for repair, replacement and mitigation work to restore and protect NYCHA developments against future storms. To supplement the anticipated, substantial FEMA funds, NYCHA has secured \$30 million of CDBG-DR funds to cover the estimated local match, an additional \$30 million for unfunded mitigation measures, and \$26 million for plumbing line replacements at 1471 Watson and Leavitt St-34th Avenue, two single-building developments with significant Ida impacts. NYCHA has also worked with the PACT program to provide \$51 million of CDBG-DR funding to Hope and Bushwick Gardens developments, two former NYCHA developments now in the PACT program, which suffered major and unprecedented rain-driven flooding during Hurricane Ida and in subsequent rain events.

More broadly, NYCHA is implementing its 2021 Climate Adaptation Plan, through projects that increase 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, actively seeking grant funding to support them, and implementing resiliency-centered capital projects to protect the portfolio and NYCHA residents from damages and losses due to climate events. Additionally, NYCHA is working to integrate 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. Further efforts to coordinate the resiliency program with other NYCHA priorities includes ongoing

cooperation with PACT partners planning conversions at properties with existing resiliency work scopes, as well as seeking opportunities to join resiliency and electrification goals into holistically planned property improvements.

For example, CDBG-DR funding is also utilized to scale the DEP-NYCHA green infrastructure program, with an additional \$30 million funding green infrastructure work at 17 developments. The projects in this program are mobilizing to start construction in late summer 2024. CDBG-DR is also funding \$2 million of elevator resiliency work which is coordinated with a broader NYCHA AVR installation program as well as a geothermal feasibility study. \$57 million of City funds provided by the 2021 Extreme Weather Task Force commitments are also being mobilized for cloudburst resiliency work at four properties: Woodside, Butler, Sheepshead, and Breukelen. These projects are starting the design phase in Q2 2024 and will be developed anticipating that additional funds will be made available from complimentary federal funding programs (FEMA Building Resilient Infrastructure and Communities (BRIC) and the Flood Mitigation Assistance (FMA)) which will leverage the local funding opportunity into expanded stormwater management projects with significant, new outdoor amenities for NYCHA residents.

Two planning FY 2021 BRIC awards are already underway or completed — one scoped flood damage mitigation measures at four developments and resulted in a subsequent 2023 BRIC application for a \$15 million phased capital project for coastal flood protections; the other is underway studying program requirements for resilience hubs at several developments which will result in a future BRIC application for capital funds. Another application to fund a heat mitigating retrofits at St. Nicholas Houses (\$43 million) was not initially selected however, it was resubmitted and is under review with FEMA.

Energy Efficiency Programs

In 2021, NYCHA released a new Sustainability Agenda which outlines its commitment to healthy and comfortable homes that showcase environmental stewardship and sustainable design. There are currently \$341M in active and complete energy Performance Contracts, and \$25.7M 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 has 24 apartments outfitted with these new window heat pumps. NYCHA also has its first building operating on heat pumps for both space heating and domestic hot water at 1700 Hoe Avenue.

NYCHA also committed to host 30 megawatts (MW) of renewable energy on public housing and PACT roofs by 2026. As of April 2024, 5 MW has been completed in five NYCHA developments (3 MW) and seven PACT developments (2 MW). In addition, 3 MW have leases signed, with construction currently in progress at two NYCHA developments. Lastly, 13 MW have been awarded and their leases are being negotiated. With these efforts combined, NYCHA has completed or is in progress for 21 MW of the 30 MW goal. The remaining 9 MW is to be planned.

Comprehensive Modernization Program

The Comprehensive Modernization program integrates comprehensive renovations spanning multiple building systems, interiors and exteriors, and grounds improvements at several developments. This will allow these developments to be comprehensively renovated more quickly, at a higher quality, and with better value for money. This approach also holistically addresses the HUD Agreement pillar areas and the broader needs of residents and reduces NYCHA's comparatively high operations and maintenance costs.

Four projects, with a total budget of approximately one billion dollars, are underway in procurement and design: Saint Nicholas Houses, Todt Hill Houses, Gowanus Houses, and Wyckoff Gardens. These projects will be delivered using a design-build project delivery method and involve extensive resident engagement from early on in each project including hundreds of meetings, visional sessions at each property, thousands of flyers, on-site engagement offices, and individual apartment canvassing. This ensures residents' voices are central to the renovation process and the design-builder evaluation and selection process.

The Notice to Proceed (NTP) has been issued to design-builders for the Saint Nicholas and Todt Hill projects. Vendor responses to the design-build RFP for Gowanus Houses and Wyckoff Gardens were received and the Notice to Proceed (NTP) is expected by January 2025. Procurements for Construction Management services and Special Inspections services for these projects have been completed, so the required managerial and technical support resources are in place for NYCHA to effectively oversee these projects.

Innovation Pilots

In 2023, NYCHA designed, developed and/or managed the following innovation pilots which are continuing in 2024:

- **Entryways:** Analyzed and evaluated NYCHA's 30-year-old storefront standard and proposed a new standard, and is now implementing thermally broken aluminum, steel reinforced entrances across 5 pilot sites.
- **Window Heat Pumps:** In partnership with the New York State Energy Research & Development (NYSERDA) and the New York Power Authority (NYPA), engaged HVAC manufacturers to develop and test a unitary, packaged cold climate air-source heat pump (ASHP) intended to be easily installed through an existing window and not require electric upgrades, at Woodside Houses, with the long-term goal of purchasing 30,000 heat pumps to install in 10,000 apartments.
- **Clean Energy Academy:** Connects resident trainees to NYCHA's energy efficiency and renewable energy projects at NYCHA developments, customizing training curriculum to contractor needs. NYCHA has graduated 39 public housing residents through the Clean Energy Academy and has a goal to train 100 residents over 2 years.
- **Cloudburst:** Together with the Department of Environmental Protection (DEP), piloting deeper green infrastructure retrofits to mitigate the impact of intense rain events, also called cloudburst events, at 4 pilot sites to make these properties more resilient in the face of climate change and improving the open space for residents.

- **Recycling Stations:** Piloting larger capacity and more conveniently located recycling and trash stations at one site with the goal of improving the resident recycling experience and increasing the capture of recyclable material.
- **Pneumatic Waste Management System:** Will fully modernize trash collection and disposal methods at Polo Grounds by retrofitting the existing garbage chute in each building to enable vacuum-based depositing of refuse and recyclables through an underground pipe system, improving working conditions for building staff and reducing operating costs.

The following innovation pilots are also starting in 2024:

- **Micromobility – ConEd Demo:** Collaborating with ConEd to design, install, and test e-micromobility charging and storage stations, accommodating e-bikes and e-scooters, across 4 NYCHA developments.
- **Geothermal Feasibility:** Working with the Electric Power Research Institute (EPRI) to evaluate the feasibility of geothermal implementation at 8 sites for space heating and/or domestic hot water.
- **Solar + Storage:** In partnership with NYPA, the pilot will provide solar plus storage at two NYCHA residential buildings and the adjacent community center to power critical systems in the event of an outage, and the community center would be positioned to be a Resilience Hub providing residents and the community with a cooling center during an extreme heat event.

Capital Improvements – FY 2025 Capital Fund Annual Statement/Performance and Evaluation Report and 5-Year 2025-2029 Action Plan

On May 21 and May 23, 2024, NYCHA presented an overview of the Authority’s Capital Planning Program and the FY 2025 Capital Plan and 5-Year 2025-2029 Action Plan to the Resident Advisory Board (RAB).

NYCHA’s FY 2025 Capital Fund Annual Statement/Performance and Evaluation Report and 5-Year Capital Action Plan are included in the Amendment in Attachment D, on pages 173 through 186.

NYCHA’s FY 2025 Capital Plan and 5-Year Action Plan continues to focus investment to address the key issues outlined in the HUD Agreement: (1) investment in roofs, facades, and plumbing components to help address mold, (2) investment in heating and elevator systems to address boiler and elevators deficiencies, (3) investments in waste management plan to control pest issues, and (4) safety and security investments in fire alarms, new entrances and CCTV systems. In addition, to address sites with a (i) high incidence of mold complaints and/or (ii) potential lead paint risks, NYCHA will be undertaking comprehensive modernization efforts with a variety of funding sources including federal funds. The Five-Year Capital Action Plan reflects the estimated capital budget for the RAD pre-closing costs by development.

The Capital Fund Program Action Plan is complemented by similar investments, including roofs, heating plants, elevators, waste management and comprehensive modernization projects, that will be funded with City and State resources.

Community Partnerships & Connected Communities

NYC Parks is 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, 1471 Watson Ave and Woodside Houses is complete, with construction on-going at the remaining 2 sites - Kingsborough and Sotomayor; anticipated to be complete by mid-2025.

In addition, through the Connected Communities program, 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, the Helmsley Charitable Trust awarded an additional 3-year \$3.2 million grant in 2022 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 construction kickoff for all 4 sites’ open space renovations is anticipated to begin in Fall 2024.

In August 2023, the Mellon Foundation approved a \$2 million grant for the restoration of a historic artwork at Kingsborough Houses - a WPA 80-foot long frieze on a freestanding wall, *Exodus and Dance*. The groundbreaking of the frieze restoration was celebrated with the community stakeholders and elected representatives in January 2024. In November 2023, Mellon Foundation approved and granted \$3 million to pilot a 3-year artist-in-residency program across five NYCHA community centers with the Department for Youth Development (DYCD). NYCHA and the Public Housing Community Fund are collaborating with NYC’s Public Design Commission (PDC) for this effort to lean on their expertise of citywide arts-based initiatives.

NYCHA continues to support other non-profit investment of over \$1.5 million into smaller open space interventions. *Opening the Edge* at Wald Houses is an upcoming plaza that will be constructed by the Economic Development Corporation (EDC) under the partnership with Design Trust for Public Space. That project is anticipated to break ground in Fall 2024.

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:

NYCHA’s 2023 Physical Needs Assessment (PNA) estimates 20-year physical needs of \$78.3 billion, which is a 73 percent increase from the 2017 PNA’s total estimated needs of \$45.3 billion. As part of its Permanent Affordability Commitment Together (PACT) initiative, NYCHA will address 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.

NYCHA will enter into public-private partnerships to undertake the major improvements to public housing developments while preserving long-term affordability and maintaining strong resident rights in line with public housing protections. To date, NYCHA has closed on financing \$5.2 billion for

capital repairs across the City. Over 20,000 apartments have converted to Project-Based Section 8 and over 17,000 units are in the planning and engagement phase of the program. NYCHA has made significant progress towards our goal of 62,000 units in the past several years.

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.

The PACT program allows NYCHA to reinvest in, restore and rebuild publicly controlled affordable housing in a way that reflects the priorities of the communities we serve. The program has provided 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 catered to meet the needs of each development. PACT renovations will be completed on a rolling basis, with the entire portfolio identified by the year 2028.

Approximately \$1.3 billion in renovations have been completed at more than 7,151 apartments. An additional 13,546 apartments are under construction, totaling \$3.91 billion in major upgrades. An additional 17,154 units are part of active development projects in the process of resident engagement or pre-development. In sum, NYCHA has over 37,800 units completed, in-construction, or in a stage of resident engagement or pre-development.

Infill, redevelopment, and other real estate activities:

By leveraging our real estate assets, NYCHA can redevelop underused land to raise funding for building rehabilitation or complete redevelopment of a NYCHA campus. Building on underutilized land can be done as a standalone transaction or in connection with other tools like PACT and the transfer of air rights. Proceeds generated by these transactions will be used to reinvest in, restore, or rebuild existing NYCHA campuses.

New residential buildings will be subject to Mandatory Inclusionary Housing (MIH) levels of affordability and increase the permanently affordable housing stock. NYCHA will ground lease—not sell—the land and will create plans with community input for comprehensive campus improvements that will help NYCHA achieve our mission.

NYCHA continues to tap into its extensive unused development rights, known as “air rights,” in order to raise revenue for the Authority. By transferring a portion of the Authority's approximately 80 million square feet of air rights, NYCHA expects to generate funding for capital repairs for adjacent apartments. The sale of unused transferable development rights to owners of privately owned sites, has already generated \$55M in revenue to pay for capital repairs at NYCHA developments. In 2020, NYCHA completed two air rights transfers, one at Ingersoll Houses in Brooklyn for nearly \$25 million and another at Hobbs Court in Manhattan for \$2.6 million. In 2022, NYCHA completed another sale

at Manhattanville for \$28 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. NYCHA has pledged to provide underused land (such as parking lots and storage spaces) for the creation of 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 and will welcome home first-time home buyers in 2024.

Many of these buildings will include community facilities and neighborhood retail that will serve new and current residents. For instance, 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. The building is scheduled to welcome residents in 2024, with a subset of units set aside for existing NYCHA seniors.

Housing Opportunity Through Modernization Act (HOTMA) Sections 102 and 104

The U.S. Department of Housing and Urban Development (HUD) published new regulations in February 2023 implementing changes under the Housing Opportunity Through Modernization Act (HOTMA). Sections 102 and 104 of HOTMA make changes to the United States Housing Act of 1937, particularly those affecting income calculations and reviews. Section 102 changes requirements related to income reviews for Public Housing and Section 8 programs. Section 104 sets maximum asset limits for Public Housing and Section 8 applicants and participants. Please see Attachment M on pages 257 to 264 for more information on the changes that will apply to the NYCHA's Housing Choice Voucher ("HCV") and Public Housing programs.