

# PACT-Unfunded Units

## *The Bronx, Manhattan, and Brooklyn*

The **Permanent Affordability Commitment Together (PACT)** initiative, part of the NextGeneration NYCHA strategic plan, preserves the affordability of residents' homes while accessing new resources to make long overdue repairs.

### PACT-Unfunded Units

- In July 2017, NYCHA announced its expansion of PACT to protect the Authority's Unfunded Units, a series of 8 developments that were built by the City or State and have no current funding specifically for their units.
- The developments currently "share" in the federal funds provided for NYCHA's public housing; this costs NYCHA more than \$23 million a year in operational deficits.
- The eight developments require more than \$1 billion in capital repairs, but while they remain unfunded, the buildings continue to deteriorate.
- PACT allows NYCHA to convert these units to a Section 8 project-based voucher platform, generating badly-needed funds for capital repairs, while ensuring permanent affordability and maintaining resident rights.



*Independence Towers, Brooklyn*

### PACT & Residents

- PACT preserves the rights residents experience in public housing, including rent set at no more than 30% of adjusted gross income.
- All residents will sign a new lease agreement that confirms their tenancy with the new property manager.

### PACT & The Community

- In December 2018, NYCHA converted 722 units in the Bronx under PACT-Unfunded Units. NYCHA entered into a 99-year partnership with MBD Community Housing Corporation, Camber Property Group, and L+M Development Partners to rehabilitate and manage **Baychester Houses** (441 units in 11 residential buildings) and **Murphy Houses** (281 units in 2 residential buildings).
- Between 2019 and 2020, NYCHA will convert the remaining six (6) unfunded developments in Brooklyn and Manhattan, as follows:
  - In 2019:
    - **Independence Towers** (744 units in 6 residential buildings)
    - **Williams Plaza** (577 units in 5 residential buildings)
    - **344 East 28<sup>th</sup> Street** (225 units in 1 residential building)
    - **Wise Towers** (399 units in 2 residential buildings)



*Wise Towers, Manhattan*

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- In 2020:
  - **Linden Houses** (1,586 units in 19 residential building)
  - **Boulevard Houses** (1,441 units in 18 residential buildings)



*Linden Houses, Brooklyn*



*Boulevard Houses, Brooklyn*

## Fast Facts

### Resident Impact

- No displacement – PACT calls for in-place rehabilitation
- Will not raise residents' rents above 30% of adjusted gross income
- Residents are consulted throughout the conversion process
- Resident rights are maintained in line with public housing protections

### Benefits

- More stable federal funding
- Permanent affordability for residents
- Preservation of public housing developments
- Ability to raise funds for apartment repairs
- Opportunity to address infrastructure and underlying building issues

### Ownership

- NYCHA maintains ownership of the land and buildings
- The selected development partner will operate the renovated buildings under a long-term lease agreement (typically 99 years)
- NYCHA will serve as the Section 8 administrator and have oversight of the buildings, including rent determination, inspections, and filling vacancies