



NEW YORK CITY HOUSING AUTHORITY
OFFICE OF THE EVP FOR REAL ESTATE DEVELOPMENT
90 CHURCH STREET • NEW YORK, NY 10007
TEL: (212) 306-3000 • nyc.gov/nycha

May 14, 2024

Dear Residents of Fulton Houses, Elliott Houses, Chelsea Houses, and Chelsea Addition,

As you know, the redevelopment of Fulton and Elliott-Chelsea Houses will be completed through New York City's application of the federal Rental Assistance Demonstration (RAD), known as Permanent Affordability Commitment Together (PACT). Federal rules and regulations governing the RAD and PACT programs require that we preserve all tenant rights and protections that residents current enjoy as public housing residents.

We want to reassure you that NYCHA and our PACT partners, Essence Development and Related Companies, are working diligently to deliver new, quality housing for your household while preserving your rights and protections. We are proud that the PACT program has already delivered results for thousands of NYCHA households across the city, and we are excited to bring this important opportunity to the residents of Fulton and Elliott-Chelsea Houses.

However, we are aware that external groups have been circulating a significant amount of inaccurate information regarding NYCHA's proposal for Fulton and Elliott-Chelsea and its impact on you as a resident. This resident update package reviews some of the myths you might have been hearing about and answers them with our fact-checked explanations.

While we are still in the early stages of planning and public review and approval, we will continue to work with residents, the local community, and elected officials throughout the decision-making process and provide updates for residents as plans are further refined. We are committed to frequent communication, transparency, and ensuring that the residents of Fulton and Elliott-Chelsea remain centered. If you have any immediate questions or concerns, please contact us directly by phone or e-mail, or by visiting us during office hours, as described on page 3 of the enclosed packet.

A translation of this document is available in your management office (居公房管理处備有文件譯本可供索取。所居公房管理处備有文件译本可供索取。Перевод этого документа находится в офисе управления Вашего жилищного комплекса).

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Gouveia".

Jonathan Gouveia
Executive Vice President, Real Estate Development

FULTON AND ELLIOTT-CHELSEA REDEVELOPMENT PROJECT UPDATES - SPRING 2024

FEDERALLY FUNDED HUD PROGRAMS BREAK DOWN

SECTION 9 PUBLIC HOUSING	PROJECT-BASED SECTION 8
NYCHA owns the land and buildings. NYCHA manages the property.	NYCHA continues to own the land and buildings and will enter into an agreement with the PACT partner so that they can carry out the required improvements and manage the property.
Rent is calculated based on 30% of adjusted gross household income. Some tenants with higher incomes qualify for the Flat Rent; these households pay less than 30% of their income towards rent.	Rent is calculated based on 30% of adjusted gross household income. There is no Flat Rent in the Section 8 program; all households pay 30% of their income towards rent.
Funding by the federal government is insufficient to cover the costs of long-term maintenance and capital needs, with funding fluctuating year to year.	Project-Based Section 8 is a better, more stable source of funding. Every apartment receives more money per unit for maintenance, repairs, and long-term upkeep. Project-Based Section 8 also comes with a 20-year contract guaranteeing a set amount of funding each year, and, by law, that contract must be renewed in perpetuity.

MYTHS AND FACTS ABOUT PACT

MYTH: Demolition and rebuilding won't preserve residents' rights and means that many residents won't have the right to return.

FACT: In 2012, the Obama Administration introduced the Rental Assistance Demonstration (RAD), marking a new era of restoring and rebuilding public housing while preserving residents' rights. RAD requires the right to return along with non-displacement protections.

In New York City, NYCHA's implementation of the RAD program is called PACT, and it offers additional rights and protections above and beyond what the federal government requires. All households at Fulton and Elliott-Chelsea will sign a new PACT tenant lease that codifies these rights and protections, as well as the rent calculation, in writing.

Households that are temporarily moved will also sign a temporary relocation agreement that guarantees their right to return to their campus once their new home is complete.

At Fulton and Elliott-Chelsea, we anticipate that approximately 94% of households will move once—directly into their brand-new apartments. Only an estimated 6% of households will have to temporarily relocate during construction.

MYTH: Residents will lose rights in the conversion from Section 9 to Section 8.

FACT: All resident protections under the PACT program, which are required per federal regulations, will continue to apply to this project. These protections are codified in NYCHA's agreements with the PACT partner and between the PACT partner and tenants.



MYTHS AND FACTS ABOUT PACT (CONTINUED)

MYTH: Residents' rent will go up and be more than 30% of their household income.

FACT: All residents continue to pay 30% of their adjusted gross household income towards rent. In fact, residents do not have to pay any additional fees, charges, or utility expenses that are greater than what they currently pay. The one exception is for households who currently pay the Flat Rent; these households are currently paying less than 30% of their income towards rent. After the transition to Project-Based Section 8, all households will pay 30% regardless of their income level.

MYTH: Project-Based Section 8 leases will be terminated, and residents won't be able to add people to their households.

FACT: Lease agreements automatically renew every year and cannot be terminated except for good cause, which includes criminal activity and nonpayment. Following conversion to Project-Based Section 8, residents can continue to add people to their household, and permanent members will have succession rights.

MYTH: Residents won't have a way to file grievances after the conversion to Project-based Section 8.

FACT: Residents will continue to have the right to initiate grievance hearings with a third-party mediator.

MYTH: Residents won't have access to jobs created by the PACT program.

FACT: PACT is subject to federal Section 3 requirements, which ensures that residents will have opportunities to apply for jobs created by the redevelopment project.

MYTH: The new property managers won't allow tenants to organize, they'll re-screen tenants, and they'll change the standards so existing residents don't qualify for Section 8, so they can increase the money they receive from units.

FACT: Per federal regulations, residents will continue to have the right to organize, and a duly elected tenant association will continue to receive funding from the new property manager. NYCHA will continue to meet with the tenant association to support their relationship with the property management team, confirm that Tenant Participation Activity (TPA) funds are being distributed, and support their election process. If the property manager is not serving our residents appropriately or is in violation of any terms of our agreements, we can replace them.

Following conversion to Project-Based Section 8, NYCHA will continue to perform residents' annual income certifications and determine each household's rent based on 30% of adjusted gross household income. The new property manager is not permitted to set rents or disqualify households from the Project-Based Section 8 program.

In addition, NYCHA will create and maintain a site-based waiting list for any vacant apartments that become available. Only households who meet the income eligibility criteria for Project-Based Section 8 will be permitted to move into vacant apartments as determined by NYCHA. Thus, there is no incentive or possibility for new property management to bring in new residents from outside of the stated process.

MYTH: Current NYCHA residents won't qualify for Project-Based Section 8.

FACT: All existing Section 9 households in lawful occupancy will automatically qualify for the Project-Based Section 8 program and will be offered a new PACT tenant lease.

MYTHS AND FACTS ABOUT PACT (CONTINUED)

MYTH: The Section 8 voucher is not transferable

FACT: Per RAD regulations, households can request a Housing Choice Voucher 10 months after converting to the Project-Based Section 8 program. The Housing Choice Voucher program allows tenants to move anywhere in the United States where Section 8 vouchers are accepted. This offer is completely voluntary and subject to funding availability.

MYTH: Tenants may not be able to change apartments.

FACT: Tenants will continue to be able to request transfers within their development after conversion. Tenants will continue to have the right to request a Reasonable Accommodation. In addition, all households will receive appropriately sized apartments in the new buildings.

MYTH: The Section 8 subsidy may only last a few years.

FACT: Project-Based Section 8 comes with a 20-year contract guaranteeing a set amount of funding each year, and per federal law, that contract must be renewed in perpetuity.

MYTH: Evictions at PACT sites are higher than at NYCHA Section 9 sites.

FACT: There is no data that backs up this claim. In fact, Enterprise Community Partners recently conducted an analysis of eviction rates at NYCHA Section 9 properties and PACT Project-Based Section 8 properties and found no discernable difference. See the report here: enterprisecommunity.org/resources/stability-nyc-public-housing-conversions-closer-look-nychas-permanent-affordability

The PACT program, in accordance with Federal rules and regulations, provides strong anti-displacement protections for residents. At the time of conversion to Project-Based Section 8, all authorized residents will be offered a new lease—regardless of whether they owe back rent. NYCHA requires our PACT partners to work with on-site social service coordinators to conduct proactive outreach to help connect families with resources, such as accessing public benefits or setting up payment installment plans. PACT partners must make every effort to avoid bringing a lease issue to Housing Court, and NYCHA closely monitors these outreach efforts.

For more information, visit our PACT progress page here: my.nycha.info/publicsite/pactprogress

How to get in touch with us:

PACT Partner Team:

To get in touch with Essence/Related and Housing Opportunities Unlimited, or to make an appointment for an in-home assessment, call **718-775-3712**

NYCHA:

For more information about the PACT program:

- PACT Hotline: 212-306-4036
- Email: PACT@NYCHA.NYC.GOV
- Website: on.nyc.gov/nycha-pact

For immediate repair needs or concerns, please call the NYCHA Customer Contact Center at 718-707-7771