

**Testimony from NYCHA's Chief Executive Officer Lisa Bova-Hiatt
RAD/PACT, the Trust, and the Future of NYCHA
Committee on Public Housing
Tuesday, October 24, 2023 – 1 p.m.
New York City Hall Committee Room**

Chair Alexa Avilés, members of the Committee on Public Housing, other distinguished members of the City Council, NYCHA residents, community advocates, and members of the public: good afternoon. I am Lisa Bova-Hiatt, NYCHA's Chief Executive Officer. I am pleased to be joined by Vlada Kenniff, President of the NYC Public Housing Preservation Trust, and Jonathan Gouveia, NYCHA's Executive Vice President for Real Estate Development.

Thank you for this opportunity to discuss our mission to bring billions of dollars of desperately needed investment to residents' homes. These critical efforts will improve the quality of life for NYCHA families today and for the generations to come, and they will ensure that we remain a bastion of affordable housing in our city. I would like to acknowledge the comments we heard from residents who are benefitting from this work – every day my colleagues and I strive to make a difference for the families we serve, and this is exactly the impact we're endeavoring to make.

Every NYCHA stakeholder is painfully aware of the need to take action now with bold and innovative housing preservation programs: There are currently more than \$78 billion worth of capital needs across our portfolio, as manifested daily – to the detriment of residents – by leaking roofs, bursting pipes, failing heating systems, inoperable elevators, and mold and lead that needs abating. Simply put, we need more federal funding to provide residents the quality of life they deserve. Today I'll provide an overview of our plans to address these significant needs and issues through the Trust, PACT, and our capital investment program – strategies that will strengthen communities and ensure the longevity of public housing in New York City.

The NYC Public Housing Preservation Trust

Our housing preservation programs comprehensively renovate residents' homes while ensuring that residents retain all their rights and protections, including permanently affordable rent. These strategies also keep our developments public and make resident engagement a key focus of the process. The New York City Public Housing Preservation Trust is an exciting, first-of-its-kind path for public housing. The Trust, a public agency that was created last year and signed

into law by Governor Kathy Hochul, will completely transform the homes of up to 25,000 NYCHA families, subject to residents' votes.

Under the Trust model, NYCHA remains the permanent owner of the land and buildings; NYCHA enters into a long-term ground lease with the Trust while residents convert to Section 8 project-based vouchers, a subsidy worth double NYCHA's current federal subsidy. Similar to how other government entities raise revenue for capital improvements, the Trust will secure financing to fund comprehensive building renovations, guided by input and partnership from residents at the development. Additionally, the Trust can employ procurement enhancements like design-build or "construction manager at risk" to bring better value to residents. After the renovations, the Trust will work with NYCHA to operate the properties, preserving the municipal workforce, many of whom are NYCHA residents.

Resident participation is a fundamental component of the Trust's establishing framework – residents will have a true role in deciding the future of their homes. From the very beginning, residents were involved in shaping the legislation that established the Trust as well as the procedures for the voting process required by the legislation.

Starting next month, residents of our first voting site, Nostrand Houses, will be able to decide whether they want to have their development renovated through the Trust or PACT, or whether they want to remain in the current Section 9 program; residents will be able to vote online, by mail, or in person. As outlined in the Trust voting procedures, the 30-day voting period follows a 100-day resident engagement period where residents can get any questions answered in a series of meetings and events at their development. As of today, we have had individual conversations with over 67 percent of eligible voters through door-knocking, phone-banking, meetings, and events. We even opened a dedicated office at Nostrand to assist and inform residents. It's an exciting moment, and we look forward to announcing additional voting sites soon.

While we've been engaging Nostrand residents on this historic vote, we've been building the infrastructure of the Trust as a public agency. Earlier this year, Mayor Adams and NYCHA appointed seven members of the Trust Board, including two residents. Last month, the Trust Board appointed Vlada Kenniff as President of the Trust. Ms. Kenniff, who spearheaded critical sustainability advancements while serving as NYCHA's Senior Vice President for Sustainability, is overseeing the Trust's day-to-day operations. Jillian McLaughlin, who previously served as

NYCHA's Deputy Chief of Staff, recently joined the Trust as its Chief Operating Officer. Lisa Lim, a veteran in the sphere of real estate law and affordable housing (and a NYCHA alum), was selected as the Trust's General Counsel.

The Permanent Affordability Commitment Together (PACT) Program

The PACT program also leverages the more dependable and lucrative Section 8 funding stream to comprehensively renovate residents' homes, providing them with brand-new kitchens, bathrooms, windows, and apartment floors; updated common areas and building systems such as elevators, boilers, roofs, windows, and facades; and improved grounds, including landscaping, lighting, security, and playgrounds. In addition to comprehensive repairs and building updates, including abatement of environmental hazards, our PACT partners bring residents professional property management and enhanced on-site social services and community programming.

After conversion, all PACT developments remain under public control: NYCHA remains the permanent owner of the land and buildings, administers the Section 8 subsidy, and continues to monitor conditions at a development following its conversion to Section 8. Under PACT, residents keep all their rights and protections, including permanently affordable rent, succession rights, and the right to organize.

NYCHA ensures that residents are involved at every step of the PACT planning process. To keep residents informed and answer any questions, we host regular meetings (including monthly meetings with resident associations) and conduct tabling, office hours, open houses, info sessions, and workshops. A PACT Resource Team is available to support residents by connecting them with trusted, third-party advisors and consultants, and free legal assistance is available to residents via a PACT hotline operated by the Legal Aid Society.

And we seek resident expertise and input to plan investments based on resident priorities. Starting in 2020, resident leaders now select the developers, general contractors, property managers, and social services providers who will elevate their quality of life. In 2023 alone, resident leaders across 30 developments, representing over 14,000 residents, have selected PACT partner teams to provide their communities with tailored investments through the

program. Together, our partners and residents have started to create detailed community plans to memorialize their planning and decision-making during the pre-development process.

Overall, 138 NYCHA developments comprising more than 37,000 apartments are in pre-development, are under construction, or have completed construction through the PACT program. We are on track to comprehensively modernize a total of 62,000 apartments through PACT, dramatically improving the quality of life for more than 142,000 residents.

As Betances Houses Resident Association President Sabrina Hill once told us: *“When [PACT] came in, it changed a lot of our lives; everything was upgraded, from the bath fittings to the cabinets to the kitchen, the flooring – it’s been amazing. I feel that due to the change, this is a better way of living. It’s a big shift, and we love where we are.”*

This sentiment is shared by residents across our portfolio whose homes have been completely rehabilitated through PACT. NYCHA has worked with an external consultant to survey residents at those developments over the past year, and residents have expressed strong satisfaction with the renovations to their apartments, buildings, and grounds. The majority of residents who responded to the survey have also expressed satisfaction with their new property management company. We are committed to evolving the program and changing our approach to engagement and oversight as we hear directly from residents about what is working and what we can improve.

Investing in Residents’ Homes

At the same time we’re pursuing these vital housing preservation initiatives, we’re putting the capital funding we receive to good use for residents, investing more than \$1 billion annually over the next several years through a range of capital programs. While it’s a fraction of the needs, this work complements our PACT and Trust efforts to repair and preserve residents’ homes in the near term – upgrading hundreds of roofs and heating, elevator, and waste management systems; installing CCTV, lighting, and other security and safety enhancements at many of our properties; abating lead-based paint in thousands of apartments; and completing comprehensive modernization of several of our large properties.

Investing in Posterity

The majority of our properties are more than a half century old and have not received the regular investment that all buildings need. Making piecemeal fixes is neither sufficient nor sustainable, and we must use every tool and resource available to improve residents' quality of life. By comprehensively renovating our buildings, transforming them into brand-new homes, we can wipe out the ever-escalating repair backlogs, provide safe and healthy homes, and implement the latest sustainable technologies, benefitting not just residents but our city as a whole – all while providing jobs and other economic opportunities for the community.

The future of public housing in New York depends upon the actions we're taking now. It is indeed a pivotal moment at the Authority, and we appreciate your support as we continue down this path of stronger communities and longevity for public housing. Of course, we will continue to work closely with all our partners, including residents and the Council, as we make progress.

NYCHA is committed to transparency – it is one of our guiding principles – and we look forward to collaborating with the Council on Intros 646 and 648, regarding NYCHA's PACT program and vacant units.

Thank you. We are happy to answer any questions you may have.