

Executive Summary

NYCHA's Draft Agency Plan for FY 2020

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 2020 is available for public review at NYCHA's Central Office and each development's management office as well as 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.

NYCHA will hold a public hearing at the Borough of Manhattan Community College in Manhattan on July 18, 2019 and will accept written comments on the Draft Agency Plan through July 19, 2019. Please see the Notice on page 12. NYCHA met with the Resident Advisory Board members for their comments in three meetings in April and May 2019.

NYCHA's Final Agency Plan will be submitted to the U.S. Department of Housing and Urban Development (HUD) by October 18, 2019. 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 24 through 27.

NYCHA 2.0

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. Launched in December 2018, NYCHA 2.0 is the Authority's strategic roadmap; it is a comprehensive, 10-year plan to address \$24 billion in vital repairs that NYCHA's buildings desperately need. NYCHA 2.0 will deliver complete apartment renovations for 175,000 residents, fund essential capital repairs across the rest of NYCHA's portfolio, and launch aggressive new repair strategies to tackle high-priority areas that impact residents' quality of life. NYCHA 2.0 includes the following programs:

PACT to Preserve

Announced in November 2018, 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 – through public-private partnerships as part of its Permanent Affordability Commitment Together (PACT) initiative, which includes the federal Rental Assistance Demonstration (RAD) program.

All 62,000 apartments will be converted to Section 8 funding and remain permanently affordable. Section 8 funding 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. Quality private managers will maintain and operate the buildings. Residents will maintain their

rights as NYCHA residents, pay rent limited to 30 percent of their income, and remain in their buildings during the renovations, which will include new kitchens, bathrooms, windows, elevators, boilers, and roofs and improved common areas. RAD partnerships also deliver valuable social services from nonprofit partners to residents. All 62,000 PACT renovations will be completed on a rolling basis – about 7,500 per year – by the year 2028. NYCHA will select sites for the PACT program that have the highest capital needs and operating challenges.

About \$236 million in renovations have already been completed at the 1,395 apartments at Ocean Bay (Bayside) in the Rockaways, and 8,100 additional units are in the process of resident engagement or pre-development or are under construction for comprehensive capital repairs. That includes:

- Over \$270 million in major upgrades – from new kitchens and bathrooms, to new piping, facades, elevators, lobbies, and landscaping – is in progress at 2,500 apartments in the Bronx, home to more than 6,000 New Yorkers.
- Over \$210 million in major upgrades to begin the summer of 2019 at 1,315 apartments in Brooklyn, home to more than 2,700 New Yorkers.
- PACT conversion of 25 developments containing more than 4,300 apartments in Brooklyn and Manhattan, home to more than 9,300 residents, is expected to be completed by the end of 2019.

Build to Preserve

With the "Build to Preserve" program, NYCHA will use a new model to build on its underused land, dedicating 100 percent of the proceeds to make repairs first at the surrounding development (any remaining funds will be invested in repairs at other NYCHA developments in the neighborhood). Build to Preserve is expected to fund approximately \$2 billion in capital repairs across approximately 10,000 NYCHA apartments. New buildings will be subject to Mandatory Inclusionary Housing levels of affordability and will increase the city's permanently affordable housing supply. NYCHA has selected developers for two Build to Preserve sites: Holmes Towers and Wyckoff Gardens, expected to raise \$62 million in total.

Transfer to Preserve

For the first time, NYCHA will tap into its extensive unused development rights, known as "air rights." By transferring only a portion of the Authority's approximately 80 million square feet of air rights, NYCHA expects to generate \$1 billion in capital repairs for adjacent apartments. The first deal is expected to be completed by the fall of 2019 at Ingersoll Houses.

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 Mayor de Blasio's plan to build and 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 begun construction on seven 100 percent affordable housing buildings. Most recently, construction has begun on a new 180-unit building at Van Dyke Houses for low-income residents, including many who were formerly homeless. Additionally, 13 sites are in pre-development and three more have been announced and are in the resident and stakeholder engagement phase. This amounts to over 3,000 units of new affordable housing. In recognition of the city's growing senior population, an additional 1,000 units are planned for senior housing above the original 10,000-unit commitment, for a total commitment of 11,000 units.

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 will feature a new ground-floor senior center operated by Services and Advocacy for LGBT Elders (SAGE) that will provide supportive services for seniors. The development at Mill Brook Houses will bring a new senior center that includes 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.

Fix to Preserve

“Fix to Preserve” builds on ongoing improvements to operations and maintenance at NYCHA to improve residents’ quality of life. Through the “Fix to Preserve” initiatives, NYCHA will reduce the frequency and duration of heat and elevator outages; reduce the pest population and respond to pest complaints more quickly; identify, remediate, and abate lead hazards; and accelerate the remediation of mold and prevent its recurrence. To achieve these objectives, NYCHA is making a variety of operational improvements and capital investments, some of which are outlined below.

For the 2018-2019 heat season through May 28, 2019, NYCHA brought down the time it took to resolve heat and hot water outages to 9 hours on average, down from an average of 24 hours during the previous season. This was accomplished in part by establishing a heating team dedicated to resolving service interruptions 24/7 and activating a “Situation Room” during periods of extreme cold to coordinate the response to interruptions and mobilization of resources in real time. By 2026, NYCHA will replace 297 boilers and address an additional 200 boilers through PACT, making heat more reliable for hundreds of thousands of residents.

By 2024, NYCHA will replace or address 425 elevators.

Following an integrated pest management approach, NYCHA is investing in reducing the rat population by concreting 50 dirt basements, installing 8,000 door sweeps, installing new compactors and bulk crushers at 10 developments, and hiring 20 new exterminators and an expert in pest control. At 57 developments, Health Department inspections have seen a 42 percent decline in rat burrows.

In April 2019, NYCHA kicked off an unprecedented, \$88 million effort to test over 134,000 apartments for the presence of lead-based paint using high-tech XRF analyzers by the end of 2020. Testing began at Harlem River Houses on April 15, 2019, and at seven additional developments

on May 1, 2019: Bronx River, Castle Hill, Johnson, Marble Hill, Red Hook West, Saint Nicholas, and Williamsburg Houses. In addition, NYCHA has trained 79 percent of its Maintenance Workers to identify lead-based paint hazards and will train the remaining maintenance staff by the summer of 2019.

NYCHA is expanding its “Mold Busters” program to combat mold at developments citywide. Mold Busters involves an updated mold inspection protocol; a new and comprehensive standard remediation procedure; new hands-on training for staff; and new tools for staff to effectively and efficiently identify and remediate mold. All 2,700 applicable staff are expected to be trained on the new tools and procedures by the end of 2019. Critical to success in eliminating mold will be NYCHA’s roof replacements – the Authority aims to have all its roofs in a state of good repair by 2026, thanks in part to Mayor Bill de Blasio’s \$1.3 billion investment to replace over 900 roofs.

HireNYCHA

As part of its ongoing work to connect residents to employment, NYCHA will train an additional 250 residents per year at the NYCHA Resident Training Academy. NYCHA will also deliver new prep programs for job-readiness tests and long-term adult education for 100 residents per year. Since 2014, NYCHA has facilitated approximately 15,000 job placements for residents.

Other Operational Improvements

NYCHA is bringing repairs to residents faster through its Saturday work blitzes and the “NYCHA Cares” initiative, which is reducing the backlog of skilled trades repairs (such as those required by plumbers, electricians, plasterers, carpenters, and painters). By 2021, NYCHA will close out 75,000 backlogged skilled trades work orders. In addition, NYCHA is rolling out seven-days-a-week janitorial services for the first time ever through its Alternative Work Schedule (AWS) initiative. AWS launched at 13 consolidated developments on April 1, 2019 and will be implemented at all of NYCHA’s developments by early 2020.

NYCHA’s Monitoring Agreement

On January 31, 2019, NYCHA 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 solid foundation for NYCHA to continue its progress with strengthening the organization and improving residents’ quality of life. The Agreement sets objectives to significantly improve on five high-priority areas: lead-based paint, mold, heat, elevators, and pests. That includes, for instance, addressing lead-based paint in apartments, improving the response time for heat and elevator outages, completing capital improvements, addressing mold, and reducing the rat population. The work under the Agreement will be overseen by a third-party Monitor.

As part of the Agreement, the City will provide \$1 billion for capital expenses over the next four years and \$200 million per year in capital funding for at least the six years following – for a total of at least \$2.2 billion in capital funding. This is in addition to Mayor de Blasio’s unprecedented financial support to NYCHA, which includes approximately \$4.3 billion in capital and operating

funds to replace roofs and boilers, fix facades and upgrade heating systems, and more over the next decade.

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. NYCHA is setting up systems and has established a dedicated unit to track its progress on all the deadlines outlined in the Agreement. NYCHA, as required under the Agreement, also established new departments and units – a Compliance Department, an Environmental Health and Safety Department, and a Quality Assurance Unit – in support of this work.

The Agreement goals, as well as other priority areas, make up portions of NYCHA's five-year plan and are outlined in the Goals Section of the Draft Agency Plan (pages 203 to 215).