

## **Executive Summary**

### **NYCHA’s Final Agency Plan for FY 2024**

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 Final Agency Plan for Fiscal Year 2024 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 Final Plan will also be made available at the management office of every NYCHA public housing development during regular business hours.

NYCHA held a hybrid in person and virtual public hearing on July 12, 2023 and accepted written comments on the Draft Agency Plan through July 15, 2023. Please see the Notice on page 8. NYCHA met with the Resident Advisory Board members for their comments in twelve (12) meetings from March to September 2023.

NYCHA’s Final Agency Plan will be submitted to the U.S. Department of Housing and Urban Development (HUD) by October 18, 2023. 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 19 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 Plan** 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. The NYC Public Housing Preservation Trust, recently authorized by the State, can completely rehabilitate an initial 25,000 apartments while keeping them fully and permanently public and affordable – investments that will also generate job and job training opportunities for 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 objectives to significantly improve 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 efforts 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. To achieve these objectives, NYCHA is making a variety of operational improvements and capital investments, as described below.

The Transformation Plan was conceived as part of the 2019 HUD Agreement and includes a set of strategies that will improve the resident experience and set the agency on a path to a stronger future.

On March 8, 2021, HUD and the United States Attorney's Office for the Southern District of New York (SDNY) concurred to NYCHA's Transformation Plan, a vision for significant yet sustainable change 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 third year.

To aid in these efforts, NYCHA has produced two plans that detail the implementation steps required by the Transformation. The first phase of the Implementation Plan was released in February 2022 and the second phase was released in February 2023. These plans detail a new approach to the agency's work with a particular focus on local management and control.

Together, the Transformation Plan and the two Implementation Plans comprise the Organizational Plan required under the HUD Agreement.

As of spring 2023, 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.

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.

## ***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 will 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 revenue for capital improvements, the Trust will issue 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.

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.

As part of the Agreement, the City is providing \$1 billion for capital improvements over the first four years starting in 2018 and \$200 million per year starting in 2022 through 2031 – for a total of at least \$2.8 billion in capital funding. These funds, described in detail in the City Capital Action Plan approved by the Federal Monitor, will be invested in lead abatement, comprehensive lead- and mold-related capital projects, elevator and heat system replacements, and improvements to NYCHA's waste management equipment across the portfolio.

The Agreement goals, as well as other priority areas, are outlined in the Goals Section of the Final Agency Plan (pages 179 to 204). 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/cm<sup>2</sup>. 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/cm<sup>2</sup> to paint with lead content measured at 0.5 mg/cm<sup>2</sup> 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/cm<sup>2</sup> 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/cm<sup>2</sup> and pivoted to retest the child under 6 units at the new, lowered threshold of 0.5 mg/cm<sup>2</sup>.

As of September 11, 2023, NYCHA has attempted 56,949 units and completed tests in 53,383 units overall. Of these, 15,445 are currently identified as child under 6 units. Additionally, NYCHA provides residents with an important notice each year to identify units with children under 6 in order to determine next steps if there is lead-based paint in the unit. If residents do not return the notice, NYCHA will door-knock in a further attempt to identify child under 6 units. NYCHA will continue its door-knocking campaign to identify units where a child under 6 years old either resides or regularly visits the unit for more than 10 hours a week.

As of March 2023, NYCHA completed its field activities for the lead-based paint biennial risk assessment which began in 2022 and is completing the review of vendor reports. NYCHA has also been scaling up efforts to abate or rapidly remediate deteriorated paint conditions in units with a positive or presumed positive lead-based paint component where a child under 6 either resides or regularly visits the unit for 10 or more hours per week. Per its Lead-Based Paint Action Plan, NYCHA developed a Team for Enhanced Management, Planning, and Outreach (TEMPO) for units identified as having a child under 6 years old with known or presumed lead-based paint. As part of the TEMPO program, NYCHA is conducting two rounds of visual assessments in TEMPO units. NYCHA commenced abatement in TEMPO units and has been deploying the team to conduct repair work orders while utilizing enhanced assessment, clearance, interim controls and oversight

protocols in TEMPO units with three or more positive components. NYCHA is also now scaling up its abatement efforts to comply with the City's change in standard. To ensure there are no lead-based paint hazards, NYCHA is retesting the child under 6 units at the new, lowered threshold. Following re-testing, NYCHA creates abatement work orders for positive units and offers to abate these units in an expedited fashion, if a resident agrees to relocate temporarily.

NYCHA's current prioritization of lead-based paint abatements under the TEMPO lead-based paint abatement program is in those units where a child under 6 resides or regularly visits 10 or more hours per week and has a positive lead-based paint component. 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 September 12, 2023, NYCHA has relocated residents in 2,134 units and completed lead abatements in 2,044 units. NYCHA is continuing its efforts with lead abatements in primarily child under 6 units citywide.

**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](#).<sup>1</sup>

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 is currently working through its second pilot which began in December 2021. 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*, 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

---

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

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. NYCHA is currently engaged with engineers to launch its replacement of approximately 64,500 in-unit and 11,400 public space volume and fire dampers portfolio-wide. This vital work improves the distribution of airflow throughout building lines. As part of Phase 1 of the volume/fire damper replacement project, NYCHA began installing volume/fire dampers at four locations in June 2023. 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 73,000 residential units.

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 September 11, 2023, 46.2% of identified tub enclosure work orders and 58.7% 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. NYCHA's decades-old buildings require more than \$78 billion in repairs – a figure that increases approximately \$1 billion with each passing year. 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 2022-2023 heat season as of May 31, 2023, NYCHA resolved its heat outages on average in 7.5 hours. 99% of outages (577 out of 583) 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.

Each year, the Authority also develops a list of critical heat and hot water equipment and systems needing replacement or extensive repair. For the 2022-2023 heating season, the Authority identified \$35 million of investments in to three different areas including: Distribution, Equipment Replacements and Boiler Plant Upgrades. This is a significant increase in investment over the prior years.

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 replaced 84 boilers at 22 developments. NYCHA projects 37 additional boiler replacements for completion in 2023, with a total of at least 313 boilers replaced through capital projects by the end of 2026. In addition, NYCHA has addressed 263 boilers through the Permanent Affordability Commitment Together (PACT) housing preservation initiative, and an additional 97 other boilers at 28 developments are now being addressed through the initiative. 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 September 2023, construction work for 34 elevators have been completed and a total of 82 elevators are forecasted to be in service by the end of 2023. Construction phase activities have started for 242 elevators at nineteen developments, with 16 to be completed by the end of May 2023. Fifty-seven (57) elevators are currently in design or procurement. Through NYCHA's capital plan, all 301 elevators are expected to be replaced by the end of 2025.

Additional updates include:

- The implementation of NYCHA's Elevator Motor Room Air Conditioner Installation Initiative. As of September 2023, 99% of the installations are complete with 18 pending.
- As of September 2023, NYCHA's elevator in-house staff and vendors completed the Door Lock Monitoring installation work.
- ESRD successfully submitted and awarded a contract to install Remote Elevator Management Systems (REMS) at 202 elevators. Work began in fall 2021, and, as of September 2023, all 202 elevators were completed.

***Pests and Waste Management:***

In January 2021, NYCHA launched a new Integrated Pest Management (IPM) standard procedure across its portfolio that sets new standards for pest management. NYCHA will continue training its workforce on proper pest control methods for exterminators. Training will also be provided to non-pest control staff since IPM requires that grounds staff and skilled trades fix issues causing pests such as a lack of exclusion and good waste management practices.

In connection with its goal to reduce the rat population, in February 2022, NYCHA met its goal of installing 8,000 door sweeps on basement doors with gaps. NYCHA also hired 26 exterminators to focus on rats on grounds and basements in the Rat Mitigation Zone, which is a group of developments identified through a partnership with DOHMH as having the highest rat population within NYCHA's portfolio. Additionally, NYCHA continues to work towards 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 3.69 days and 7.21 for the other three pests.

To advance NYCHA's Waste Management Plan, Design Build contracts began in 2022 for seven waste yard redesigns and a new pneumatic waste collection system for Polo Grounds Towers. The designs are in progress and the construction at Polo Grounds began in January 2023. The system is expected to be online by Q3 2024. Construction on the design build waste yards is expected to start in October 2023. By 2028, waste yards will be completely overhauled across the portfolio.

***Public Housing Assessment System (PHAS) and Annual Inspections:***

As of September 2023, NYCHA completed the following key activities:

- Concluded training relating to PHAS/Uniform Physical Conditions Standards (UPCS). Approximately 87% of all Caretakers have been trained using the two-day version of the training for Caretakers. 628 NYCHA staff members took the PHAS/UPCS refresher training. 2,437 staff have completed the PHAS/UPCS three-day class for new staff or recently promoted staff.
- Started process of creating new training to include the new National Standards for the Physical Inspection of Real Estate (NSPIRE) that are replacing UPCS. The training will be required for all NYCHA staff who had been previously trained under the UPCS and will consist of 2 days of classroom sessions as well as a half-day session in the field. The training will launch in October 2023.
- Actively worked on implementing enhancements to the Supervisory Inspections of Buildings and Adjacent Grounds and Skilled Trades Supervisory Inspections.

In FY 2022-2023, NYCHA focused on the following initiatives:

- Finalizing the implementation of the second phase of the PHAS dashboard.

- Continuing to utilize the reporting tools to track progress and promote completion of the Supervisory Inspections of Buildings and Adjacent Grounds and Skilled Trades Supervisory Inspections.

### Other Capital Projects

In addition to the capital funding outlined in the City Capital Action Plan, NYCHA also continues to invest additional federal and City capital funds in other high-priority initiatives. A number of these are highlighted below.

#### **Community Partnerships & Connected Communities**

NYC Mayor's Office of Neighborhood Safety expanded their NYCHA sites (from 15 to 30 developments) as a part of the "Mayor's Action Plan". This project addresses crime through several strategies such as open-space transformation and activation, lighting improvements, and government/non-profit/resident coordination. In 2023, this will lead to an additional \$1.2 million investment into local community organizations and residents to develop project scopes and programming that address resident safety needs.

NYC Parks is also 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 and Woodside Houses is complete, with construction at the remaining 3 sites - Watson, Kingsborough, and Sotomayor; anticipated to kick off later this year. This strategic partnership with the City invested \$23 million in City Capital funding to create new amenities for the NYCHA community and other New Yorkers who currently do not live within walking distance of a park. NYC Parks and NYCHA are currently working on adding South Beach Houses into this program, expanding the effort into the borough of Staten Island.

Through the Connected Communities initiative, 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 grant allocates funding for stewardship and programming following the capital construction as well as the strategic planning for scalability of the program at NYCHA sites city-wide. Currently, on the Advisory Committee for this grant are NYCHA's COO and the Commissioner of the Mayor's Office of Equity—among other key partners to developing a scalable open space investment strategy for NYCHA's grounds.

In August 2023, the Mellon Foundation granted approval for a \$2 million grant for the restoration of a historic artwork at Kingsborough Houses. The conservation of a WPA 80-foot long frieze on a freestanding wall, *Exodus and Dance*, was a capital project that experienced a significant shortfall. Mellon's grant will cover the gap for the restoration and create a place-based storywalk, community mural, and performance art programming throughout the capital process. Mellon has also provided approval of a concept for an additional \$3 million 3-year grant to pilot an artist-in-residency program

across five NYCHA community centers with the Department for Youth Development (DYCD). NYCHA and the Fund are collaborating with NYC's Public Design Commission (PDC) for this effort to lean on their expertise of citywide arts-based initiatives.

Additionally, NYCHA continues to support other non-profit investment of over \$1.5 million into smaller open space interventions. With East New York Restoration and the Trust for Public Land, two adult fitness zones were created. The Over Under Initiative, a youth-sports organization, has installed retractable soccer goals at two NYCHA developments to expand the programming of NYCHA's many basketball courts. The pilot project inspired NYC Parks to institute their own at a city park. *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.

### ***Recovery***

As of the end of Q2 2023, NYCHA invested over \$2.94 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 21 developments protecting over 120 buildings, ready for the 2023 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 related to damage caused by the storm. NYCHA has identified major damage at 12 developments and minor damage at other developments. NYCHA is working with FEMA to align on the cost of repairs and potential mitigation opportunities to protect NYCHA developments against future storms. To supplement the anticipated FEMA funds, NYCHA has secured \$30M of CDBG-DR funds to cover the estimated local match, an additional \$30M for unfunded mitigation measures, and \$26 million for plumbing line replacements at 1471 Watson and Leavitt St-34<sup>th</sup> Avenue, two single-building developments with significant Ida impacts. NYCHA has also worked with the Hope and Bushwick Gardens team that manages these two former NYCHA developments that are now in the PACT program. Hope and Bushwick Gardens developments suffered major and unprecedented rain-driven flooding as a result of Hurricane Ida, and continued to suffer damage in subsequent extreme rain events. NYCHA and the development team secured \$51 million in CDBG-DR funding to provide a permanent solution to extreme rain at the development by elevating critical infrastructure and protecting first floors of the development. CDBG-DR funding is also enabling a scaling of the DEP-NYCHA green infrastructure program, with an additional \$30 million funding green infrastructure work at 17 developments and is funding \$2 million of elevator resiliency work as well as a geothermal feasibility study.

### ***Resilience***

NYCHA is working to implement its Climate Adaptation Plan, released in 2021 and focusing on increasing 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 and actively seeking grant funding to support capital work to address them. Additionally, NYCHA is working to

integrate consideration of 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.

NYCHA is pursuing all available funding sources for resiliency, including the newly expanded FEMA Building Resilient Infrastructure and Communities funding program and the Hazard Mitigation Grant Program, by developing compelling resiliency plans that maximize co-benefits to residents. Three applications submitted by NYCHA were selected for award as part of the FY 2021 BRIC application cycle. Two were scoping awards: the first for a network of resilience hubs at developments and another for conceptual design studies for flood damage mitigation measures at four developments. A project application was submitted for Breukelen Houses to fund design and construction of a stormwater management system to mitigate against extreme rain and flooding. In addition, NYCHA's application, submitted in collaboration with DEP to install cloudburst infrastructure at Clinton Houses, was awarded and NYCHA is now working to begin design on this project. This provided NYCHA with a total of \$500,000 in scoping funds and \$30 million in project funds the FY21 application cycle. In the FY 2022 application cycle, NYCHA submitted an application to FEMA's BRIC program for stormwater protection measures at Nostrand Houses and Sheepshead Bay Houses as well as a battery and solar storage system to provide backup power to a community center at Sheepshead Bay for increased resiliency to power outages. That application, with a federal share of \$23 million, was selected for award in August of 2023. NYCHA is currently preparing its application for the FY23 cycle.

Another application was submitted for St. Nicholas Houses to fund a heat mitigating retrofit; that application was not selected; however, it has been entered into another hazard mitigation funding application cycle and there is still a chance it will be selected, with results of that application expected in Q4 of 2023. Lastly, with MOCEJ, NYCHA pursued FEMA funding of \$150k for signage and communication with residents about resiliency measures, which was awarded as well. In 2023, NYCHA applied jointly with the New York City Parks Department for \$39 million of funding through the USDA Urban and Community Forestry program to leverage Parks' expertise to care for NYCHA trees and to implement a portfolio-wide tree planting program to ensure that the benefits of NYCHA trees continue to provide resilience to extreme heat as well as quality of life benefits for the next generation of public housing residents.

### ***Energy***

In 2021, NYCHA released new Sustainability Agenda which outlines its commitment to healthy and comfortable homes that showcase environmental stewardship and sustainable design.

NYCHA is committing to host 30 megawatts of renewable energy on public housing and PACT roofs by 2026. Between NYCHA's installations at five developments and PACT developers' installations at seven developments, a total of 5.2MW has been completed with an additional 1.4MW in construction at PACT sites. Leases have been signed for an additional 3 MW of solar installations with construction currently in progress at one additional development, and an additional 4 MW of leases may be signed pending approvals. NYCHA has additionally just released its latest solar solicitation, which is expected to result in 8-10 MW worth of additional solar leases on Section 9 housing.

There are currently \$341M in active and complete energy Performance Contracts, and \$22M 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 12 apartments outfitted with the new Midea America units and another 12 apartments will be outfitted in December 2023 to review the units' performance. NYCHA also has its first building operating of heat pumps at 1700 Hoe Avenue. The Heating boiler was turned off in April 2023 and services are being provided by heat pumps in all units for heating and cooling.

### ***Waste Management***

NYCHA has awarded 2 Design-Build contracts for the design and construction of a pneumatic waste collection system at Polo Grounds Towers and the redesign of 7 waste yards. These 7 sites kick off \$463M in City Capital Action Plan upgrades of waste yards across the portfolio. The construction of these 7 sites is expected to start Fall 2023. In September 2022, NYCHA initiated the design of the next 15 developments' waste yards to progress additional work through the CCAP funds. Design was completed in August 2023 and construction will go out to bid in September 2023. Design for the next 41 developments will be procured in Q4 of 2023.

In June 2022, NYCHA issued a Notice to Proceed to a Design Build team to build a pneumatic waste collection system at Polo Grounds Towers. The design, construction, and resident engagement are underway. The system is expected to be completed and turned over to NYCHA by Q3 2024.

The City Capital Action Plan also outlines \$116M for replacement of interior compactors. In January 2023, NYCHA started the replacement of interior compactors at 38 developments through CCAP funds. By the end of 2023, NYCHA is estimating approximately 200 units will be replaced and the rooms improved for staff. Planning for construction procurement for another 12 developments began in March 2023.

NYCHA launched a demonstration project on containerizing curbside refuse and recyclables. This initial pilot will employ sealed containers for waste and recyclables at sites where material is currently collected in loose bags on the curb and could provide more convenient disposal access for residents. The request for proposal (RFP) for trucks and containers was released in September 2022 and NYCHA awarded a contract in July of 2023. Truck manufacturing is underway and site plans are being developed for formal approval from DOT.

In July 2022, NYCHA was awarded a \$200,000 grant to expand access to on-site composting by the NYS Department of Environmental Conservation. NYCHA is using these funds to staff two new composting systems at Patterson Houses and Polo Grounds Towers with partners Green City Force and Compost Power. The grant work includes resident education and outreach, collection and processing of compost in three-bin systems, and measuring pest reduction metrics in collaboration with the Pest Control Department

### ***Comprehensive Modernization***

As highlighted in the earlier sections, NYCHA initiated significant capital repairs in many developments that will be completed over the next few years. These and previous capital projects have been predominantly component-level replacements and upgrades. NYCHA is transitioning to more integrated and comprehensive renovations spanning multiple building systems, interiors and exteriors, and grounds improvements, wherever feasible. This will allow developments to be comprehensively renovated more quickly, at a higher quality, and with better value for money. This comprehensive modernization (“Comp Mod”) approach holistically addresses the HUD Agreement pillar areas and the broader needs of residents and reduces NYCHA’s comparatively high operations and maintenance costs. NYCHA intends to pursue this approach for any new influxes of funding, whether through the Trust, additional federal capital funding, or sources of capital funds from other levels of government.

Four Comp Mod projects, with a total budget of approximately eight hundred million dollars, are underway: Saint Nicholas Houses, Todt Hill Houses, Gowanus Houses, and Wyckoff Gardens. Extensive and frequent engagement with residents is the hallmark of these projects, which will be implemented using Design-Build project delivery. Board authorization for the Todt Hill and Saint Nicholas projects will occur in late 2023 and Notice to Proceed with design and construction is expected in the summer 2024. Vendor responses to the RFP for Gowanus Houses and Wyckoff Gardens are due in October 2023, and the Notice to Proceed (NTP) is expected by December 2024. Procurements for Construction Management services and Special Inspections are also in progress, so the required managerial and technical support resources are in place when the Design-Build projects commence.

### ***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:

#### ***PACT to Preserve***

As part of its Permanent Affordability Commitment Together (PACT) initiative, NYCHA is addressing \$13 billion in 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.

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.

Renovations will provide 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 that will be provided by a growing list of Pre-Qualified non-profit social service providers. PACT renovations will be completed on a rolling basis – between 7,500 and 10,000 apartments per year – with the entire portfolio identified by the year 2028.

Approximately \$1 billion in renovations have been completed at more than 5,830 apartments. An additional 13,171 apartments are under construction, totaling \$3.56 billion in major upgrades. An additional 18,708 units are part of active development projects in the process of resident engagement or pre-development. In sum, NYCHA has over 37,000 units completed, in-construction, or in a stage of resident engagement or pre-development.

### ***Build to Preserve***

NYCHA released an RFP in April 2021 to implement a community-driven preservation and investment strategy at Fulton, Chelsea, Chelsea Addition, and Elliott Houses in the Chelsea neighborhood of Manhattan. The four developments, which include 2,073 apartments across 24 buildings, have an estimated total of \$366 million in extensive capital need and repair costs ranging from heating infrastructure to building security improvements. In late 2021, NYCHA, together with resident leaders, selected a development team comprised of Essence Development (co-developer), The Related Companies (co-developer and property manager), and Related Construction (general contractor). In 2023, residents were presented several options for the future of their campus, two of which contemplated plans to build new replacement housing for all residents as part of the larger redevelopment of the campus. After an engagement and survey process, residents have expressed a preference to build brand new NYCHA apartment buildings and to replace existing buildings at their development. Planning is ongoing and final timelines for the project are not yet determined. Residents will continue to lead the direction and plan for the future of their community.

### ***Transfer to Preserve***

NYCHA continues to tap into its extensive unused development rights, known as “air rights,” to raise revenue for the Authority. By transferring only a portion of the Authority’s approximately 80 million square feet of air rights, in 2020, NYCHA completed two air rights transfers, one at Ingersoll Houses in Brooklyn for \$25 million and another at Hobbs Court in Manhattan, generating approximately \$2.6 million in proceeds for capital repairs for the adjacent developments. In 2022, NYCHA completed another sale at Manhattanville for \$27 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. In support of the City’s plan to build or 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 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. NYCHA also has numerous other affordable housing developments in the planning and pre-development phases.

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