



# ***RESIDENTS DECIDE:* Randall Avenue-Balcom Avenue**

*November 2024*



# What will we discuss today?

- 1 Background
- 2 Overview of Renovation Strategies
  - i. The Trust
  - ii. PACT
  - iii. Section 9
- 3 Voting timeline and eligibility
- 4 Upcoming dates
- 5 Q&A



**WHY ARE WE HERE?**



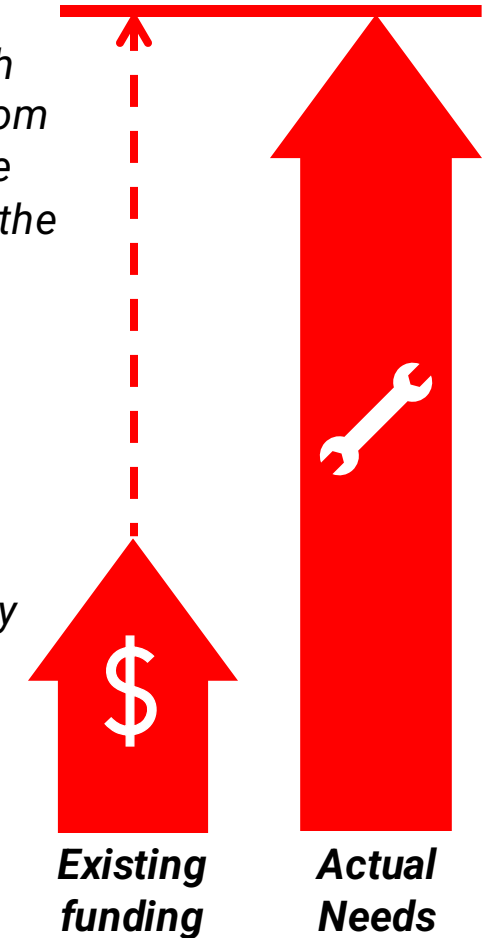


# Existing funding does not cover NYCHA's needs

- For decades, public housing in New York City and across the country has received less and less funding in the federal budget.
- Currently, **NYCHA's buildings** are funded with **Section 9 subsidies** from HUD.
- Each year, **the entirety of NYCHA receives** roughly **\$700 million** in funding for renovations from Congress through **Section 9**, a **fraction of what we need**.
- **That is why only a fraction of Randall-Balcom's physical needs are currently funded.**

*The physical needs of both Randall-Balcom combined are estimated in the **hundreds of millions of dollars***

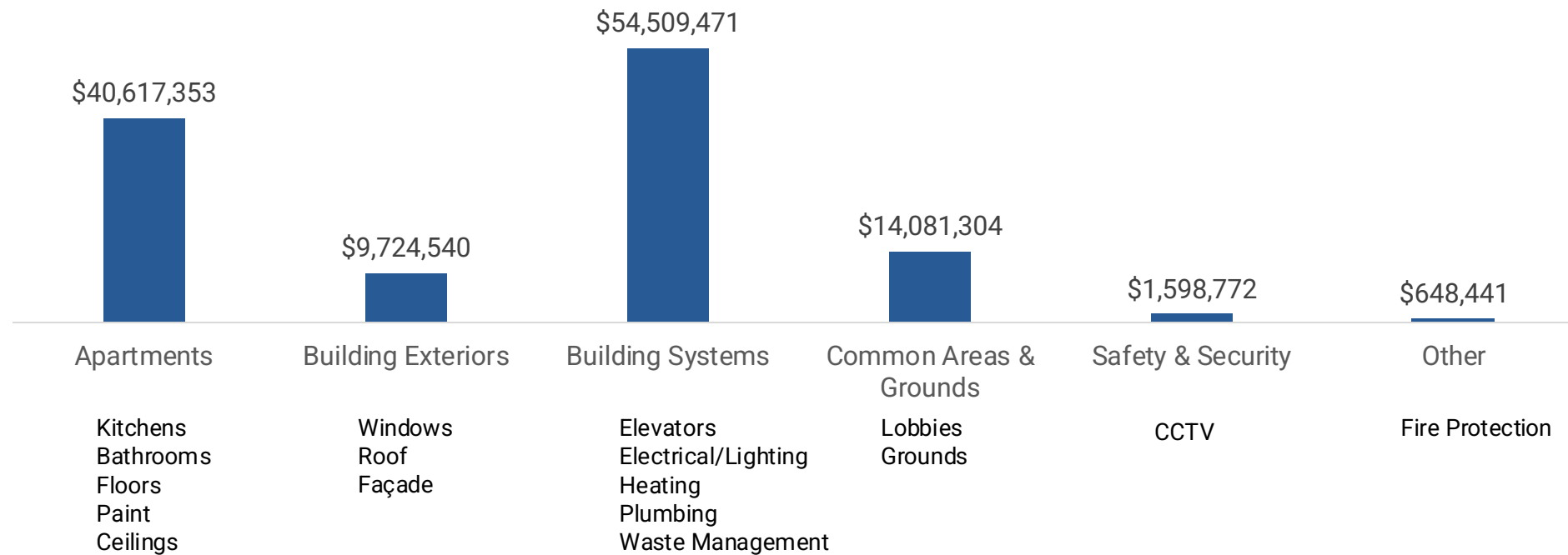
*However, only a **fraction** of the physical needs are funded.*





# Physical Needs Assessment, Randall-Balcom 20 Year

Physical Needs Assessment, 2023



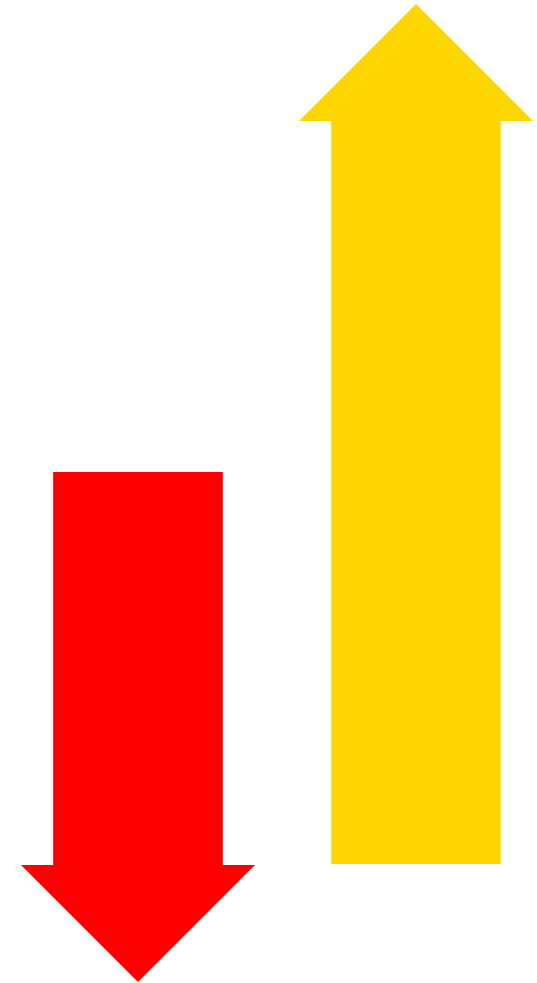
## What is the Physical Needs Assessment (PNA)?

Conducted approximately every five years as recommended by the U.S. Department of Housing and Urban Development (HUD), the PNA involves assessing when in the next 20 years the physical assets that make up NYCHA's buildings and campuses will require replacement or upgrade, and then estimating the costs for these renovations based on current market prices. The chart above shows the physical assets that will require replacement within the next 5 years.



# Project-Based Section 8 can provide additional funding

- HUD also provides another source of funding for housing developments – **Project-Based Section 8**.
- Project-Based Section 8 developments have the potential to receive nearly **double** the funding per unit compared to Section 9.
- That is because Congress has diminished Section 9 funding while maintaining stable, increased Project-Based Section 8 subsidy year-to-year.



# How does NYCHA get Project-Based Section 8?



In recent years, HUD has encouraged housing authorities to convert from Section 9 to Project Based Section 8 to access more consistent subsidy.

NYCHA is unable to receive Project-Based Section 8 directly, so it needs to **partner with another entity**, per HUD guidelines, in order to receive the increased Project-Based Section 8 funding.

NYCHA has developed several innovative programs to take advantage of Project Based Section 8.

These programs have the following features in common:



NYCHA **always owns** the land and buildings.



NYCHA and the partner entity receive the Project Based Section 8. This additional subsidy allows the ability to obtain **conventional loans or issue bonds**. *Municipal bonds are a common tool local governments use when they receive a steady stream of money over time but need large sums of money in the present (e.g. tunnels, bridges, or subway stations.)*



The additional funding is then used to bring **repairs and renovations to the development**.



**Resident rights and protections** are maintained.



# What programs are available for Randall-Balcom through Project Based Section 8?

## The Trust



GOVERNMENT AGENCY

The **Trust** is a new government agency that, unlike NYCHA, can access the higher Section 8 subsidies to fund renovations at developments.

## PACT



PRIVATE PARTNER

**PACT** depends on partnerships with private and non-profit development partners, who are selected by resident leadership.





# What do residents' rights look like under the Trust or PACT?

- Rent will be **30% of your household's income**.
- Your family will have **succession rights**.
- You will have the right to **renew your lease** so long as you want to continue living here.
- You will **not be re-screened** upon conversion.
- You will be able to **add family members** to your lease.
- You will be able to have **grievance hearings**.
- You will be able to **access in-person assistance** at the development as well as **phone and online assistance** with your paperwork.
- Resident services continues to assist residents in accessing social services.
- You will have the right to organize.
- Resident associations will continue to receive funding.

# **PUBLIC HOUSING PRESERVATION TRUST**



# What is the Public Housing Preservation Trust?



The Trust is a government agency that repairs, renovates, and modernizes public housing for residents in partnership with the New York City Housing Authority. The Trust will comprehensively renovate and improve operations of public housing through the resident-centric Preservation Program.

Resident voices are a critical part of the Trust – from resident representation on the publicly appointed nine-member board to resident partnership during renovation projects.

*“This is not just about buildings - the Trust is about our homes, our resilience. We’re taking charge of our future, and that’s something special.”*

— Barbara McFadden, Resident and Tenant Association President of Nostrand Houses, and Trust Board Member



# Examples of renovated properties



Truman Apartments, Cambridge



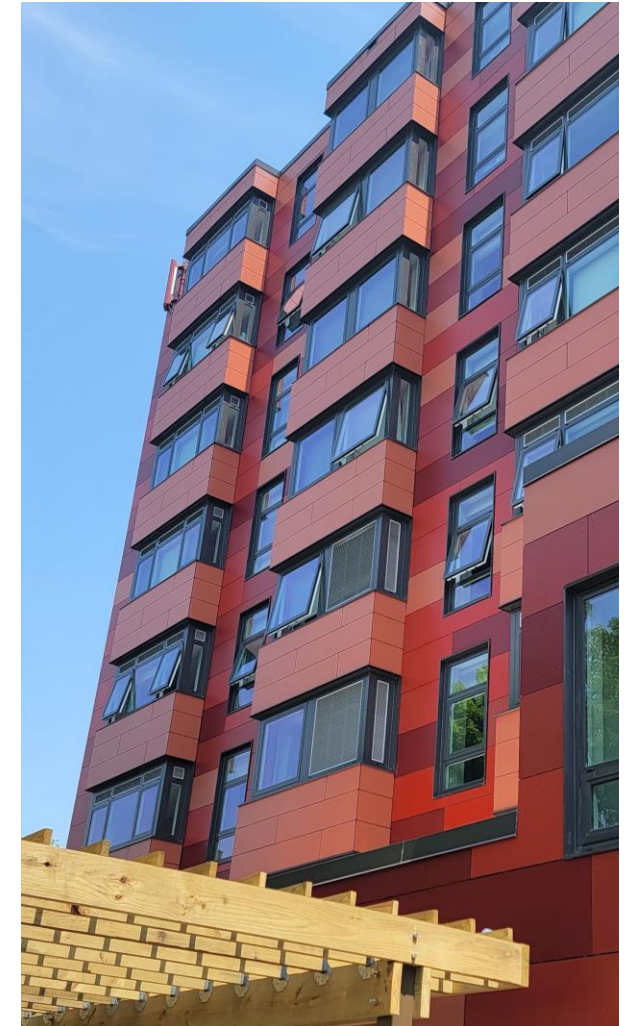
Roosevelt Towers, Cambridge (Public-Public Partnership)



Conceptual Rendering for Todt Hill



Roosevelt Towers, Cambridge (Public-Public Partnership)



Truman Apartments, Cambridge



# Trust Basics

## COMPREHENSIVE RENOVATIONS

- ✓ Randall-Balcom will see comprehensive renovations.
- ✓ The Trust will serve as the developer. The Trust will enter into contracts with vendors to perform the work.

## PUBLIC MANAGEMENT

- ✓ NYCHA Property Management will continue to manage the development. There is no private manager.

## PUBLIC WORKFORCE

- ✓ The workforce will remain a public workforce.

## IMPROVED SOCIAL SERVICES

- ✓ Via the Trust, NYCHA Resident Services continues to assist residents in accessing social services. The Trust will partner with residents to survey needs, identify gaps, and provide enhanced resources for the development.

***NYCHA continues to own the land and buildings. Properties remain 100% public. The land and buildings will be leased to the Trust.***



# What kind of renovations will happen?

The Trust will bring comprehensive renovations to Randall-Balcom.



## How will final scope of renovations be determined?

- The final scope of renovations will depend on the needs identified by in-depth site investigations and will improve conditions inside the apartments.
- Renovation work will build upon any previous investment(s) to complete comprehensive capital work.
- ***Extensive resident engagement will inform the final scope of work.***

**Permanent  
Affordability  
Commitment  
Together (PACT)**



# What is PACT?



Through PACT, developments will convert to a more stable, federally-funded program called Project-Based Section 8. This allows NYCHA to unlock funding to complete comprehensive repairs, while also ensuring homes remain permanently affordable and residents have the same basic rights as they possess in the public housing program.

PACT depends on partnerships with private and non-profit development partners, who will be selected based on resident input.

***“The maintenance is excellent; if there's a problem with your apartment, you can put a ticket in and they take care of it immediately. The team is on point and the grounds are much cleaner. Since the renovations, it's like you've heard the tenants' concerns and what the tenants wanted. There's been such an improvement since the PACT program came in.”***

- Ms. Sharon Nesmith, Resident at Twin Parks West





# Renovated properties through the PACT program



Upgraded kitchen, Independence



New playground with water fountain, Baychester



New windows, Williamsburg Houses



Renovated living room, Williamsburg Houses



Upgraded elevators, Independence



# PACT Basics

## COMPREHENSIVE REPAIRS

- ✓ Randall-Balcom will see comprehensive renovations.
- ✓ Resident leaders will select private and non-profit partners to serve as the developers, contractors, property managers, and social service providers.

## MANAGEMENT PARTNER

- ✓ A new property management company will be responsible for daily operations and upkeep. Live-in supers will provide 24/7 coverage.

## NYCHA'S ROLE

- ✓ NYCHA will set the rent, manage the waitlist, approve transfers, monitor conditions, and oversee the performance of all partners.

## ENHANCED SOCIAL SERVICES

- ✓ PACT will fund social workers to provide health, economic, and other assistance directly to residents on-site. Community programs will be expanded.

***NYCHA continues to own the land and buildings. Properties remain 100% public. The land and buildings will be leased to the PACT Partners.***



# What kind of renovations will happen?

PACT will bring comprehensive renovations to Randall-Balcom.



## How will final scope of renovations be determined?

- The final scope of renovations will depend on the needs identified by in-depth site investigations and will improve conditions inside the apartments.
- Renovation work will build upon any previous investment(s) to complete comprehensive capital work.
- ***Extensive resident engagement will inform the final scope of work.***

# REMAINING IN SECTION 9



# What does it mean to remain in Section 9?

## Governance:

- The development will continue to be managed by NYCHA Property Management.
- NYCHA owns the land and buildings. The properties remain 100% public.
- The workforce remains a public workforce.

## Rights:

- Your rights as a tenant will remain the same as today.

## Anticipated renovations will not address Randall-Balcom's physical needs:

- NYCHA will continue making limited repairs when possible.
- Opportunity for development-wide repairs will be heavily constrained by funding.



# Recap: What are the options for Randall-Balcom?

## The Trust

(NYC Public Housing Preservation Trust)

## PACT

(Permanent Affordability Commitment Together)

## Section 9

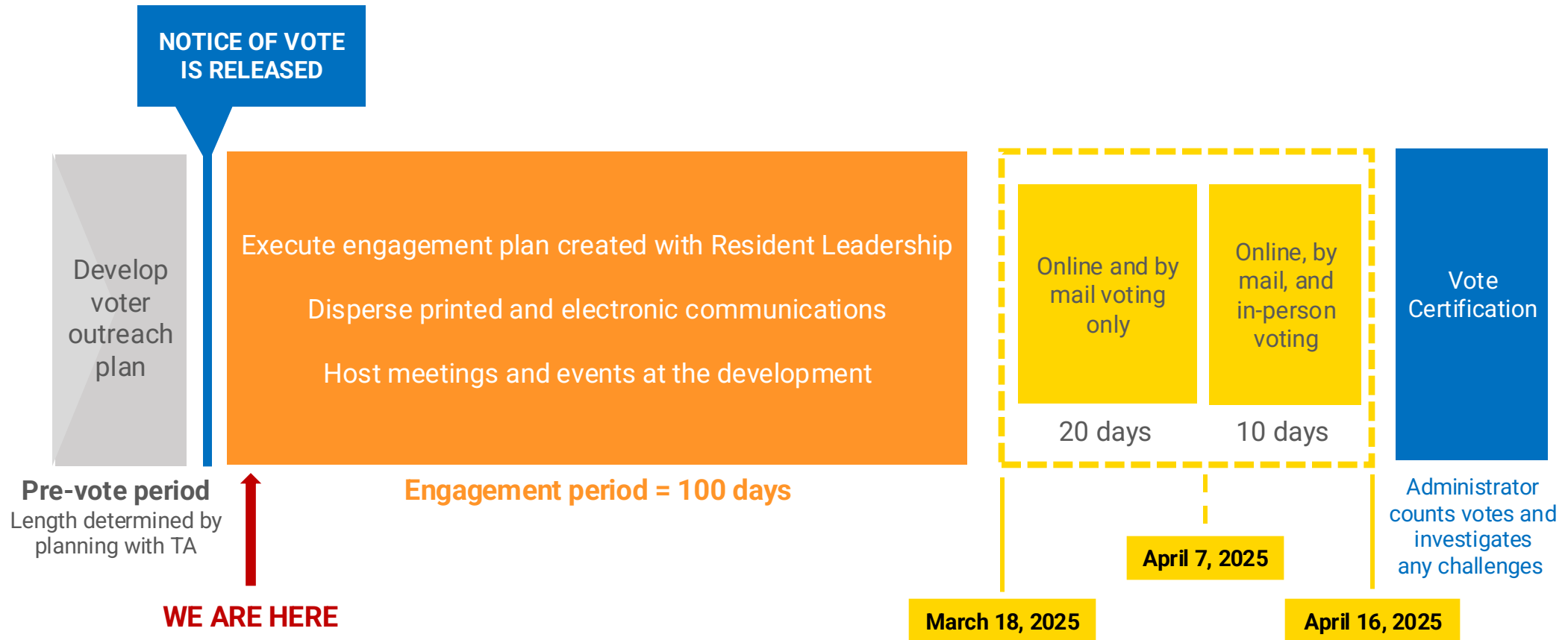
*(Randall-Balcom Houses Today)*

	The Trust (NYC Public Housing Preservation Trust)	PACT (Permanent Affordability Commitment Together)	Section 9 <i>(Randall-Balcom Houses Today)</i>
<b>Federal funding:</b>	Project Based Section 8	Project Based Section 8	Section 9
<b>Baseline Renovations:</b>	Comprehensive renovations	Comprehensive renovations	Limited repairs
<b>Management:</b>	NYCHA staff	Private and non-profit partner(s), incl. social service providers	NYCHA staff
<b>Resident Rights &amp; Protections:</b>	Preserved	Preserved	Continued
<b>Rent:</b>	30% of Income	30% of Income	30% of Income
<b>Land &amp; building ownership:</b>	NYCHA	NYCHA	NYCHA

# Voting timeline and eligibility



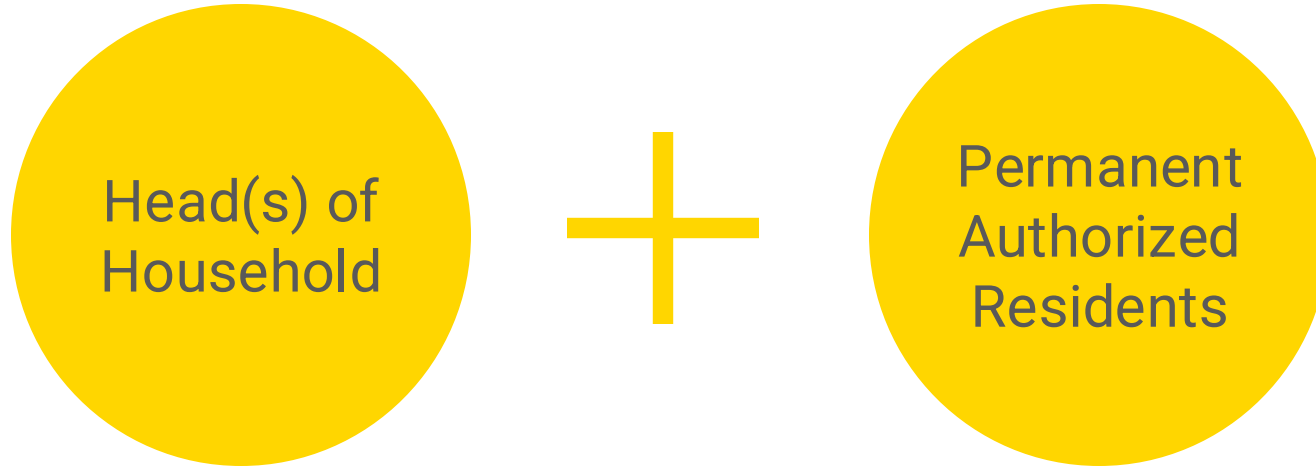
# Engagement + Voting Timeline







# Who is eligible to vote?



- Signed the lease for their NYCHA apartment
- Ages 18 and older by April 16, 2024

- Recorded on the Household Composition
- Ages 18 and older by April 16, 2024

**You can also check your voter status by emailing [vote@nycha.nyc.gov](mailto:vote@nycha.nyc.gov) or by calling (212) 306-6794.**

# Who is NOT eligible to vote?

- Residents under age 18
- Unauthorized residents
- Residents with temporary permission
- Visitors
- Employees (not living in the development)

*\*Be sure to recertify by Friday, January 3, 2025, to make sure that all potential eligible voters in your household are able to vote*



# How will voting happen?

## **Election administrator**

NYCHA is working with an independent third-party firm to administer the election, count the ballots, and certify the results.

## **Voting methods**

Residents will be able to vote through three methods: by mail, online, and in-person.

## **Minimum participation**

The vote will be certified if at least 20% of Heads of Household cast a vote in their development's election. If this threshold is not met, the development will remain in Section 9.

## **Most votes wins**

NYCHA must implement the option that receives the most votes (between the Trust, PACT, or remaining in Section 9).

## **Elected option applies to all**

The option that receives the most votes applies to the entire development (all apartments and buildings).

## **Each development makes its own choice**

Both Randall-Balcom and Randall Avenue-Balcom Avenue are voting, but the votes are separate, and they may select different programs.



# What's next?

We have additional opportunities for you to ask questions and learn more on how to vote for the future of Randall-Balcom.

## 1 Additional development meetings:

**Public Meeting** on Thursday, January 2 @ 12 PM (online)

**Public Meeting** on Tuesday, January 7 @ 11 AM (Kips Bay Boys & Girls Center, 550 Balcom Avenue)

**Public Meeting** on Tuesday, January 7 @ 6:30 PM (Kips Bay Boys & Girls Center, 550 Balcom Avenue)

## 2 Can't make any of those time?

Don't worry!

We will be hosting multiple events in the coming months.

There are multiple ways to find out about new events and get your questions answered!

## 3 Find out more:

**Website:**

<https://on.nyc.gov/nychavotes>

**Email:**

[vote@nycha.nyc.gov](mailto:vote@nycha.nyc.gov)

**Phone number:**

(212) 306-6794

# Q&A

# Appendices



# Financing Basics

*How will a monthly subsidy turn into funding to renovate the entire development?*

- The Trust can work in partnership with the City's housing finance agency to access or issue bonds.
- Municipal bonds are a tool local governments use when they receive a steady stream of money over time but need large sums of money in the present (e.g. tunnels, bridges, or subway stations.)
- Municipal bonds are issued and then can be purchased by the general public – for example, by pension institutions, retirement institutions, and even everyday citizens.
- The government then repays these groups over time, using the incoming steady revenue.
- **Municipal bonds are considered to be one of the safest investments for bondholders, as they are backed by the government.**



# Selecting vendors under the Trust

## *How does the Trust procure vendors?*

The Trust can use “best value” to select the most qualified vendors and ensure renovations are durable, high-quality, and built to last. This is instead of using the “lowest responsive bidder”—namely, the cheapest bidder which NYCHA is typically required to do.

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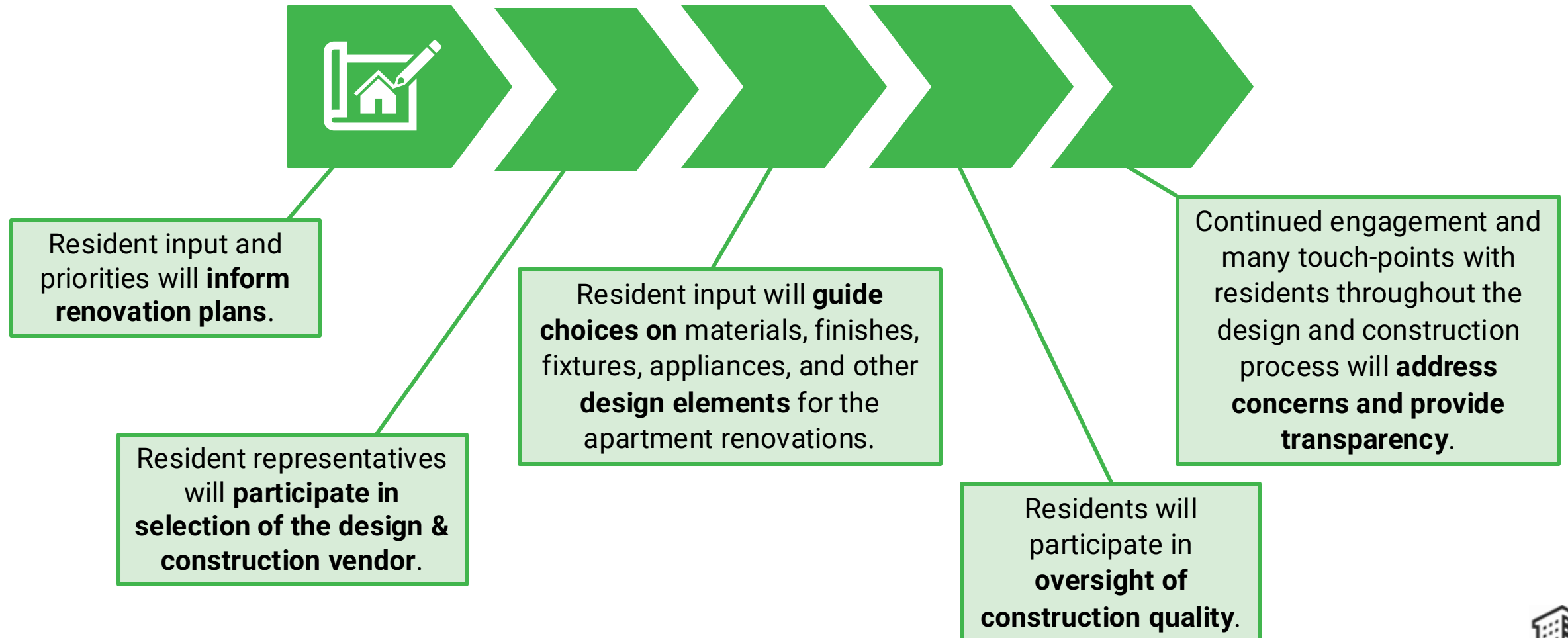
## *What else can the Trust “do better” for NYCHA residents?*

The Trust can select integrated teams that include designers and construction firms who work together to effectively manage risk, improve accountability, enhance efficiency, and ensure high-quality renovations for residents. This is instead of selecting them separately, which is how most City and NYCHA projects are managed.



# Resident Participation in the Renovation Process

Residents will have many opportunities to participate in the renovation process.







# Financing Basics

## *What are the sources of funding?*

- PACT partners can access municipal bonds issued by HDC and/or seek loans from other lenders, Fannie Mae or Freddie Mac, in both cases leveraging HUD funding from Section 8.
- For developments deemed historic in nature by the State and Federal government, Historic Tax Credits can be used as an additional source of funding.
- PACT partners are required to dedicate their own funding (i.e., equity) towards the costs to rehab the developments.
- The City of New York also contributes additional subsidy in certain cases.



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