

Rebuilding Fulton & Elliott-Chelsea Houses

NYCHA Board Presentation

October 30, 2024



The Opportunity

- NYCHA is seeking approval to enter into a Master Development Agreement to facilitate the proposed redevelopment of the Fulton and Elliott-Chelsea developments.
- The Agreement is a roadmap for this multi-phase project proposal, memorializing key principles, priorities, and roles and responsibilities between NYCHA and the PACT partner.
- Each phase is expected to entail one or more closings, and at that time, more detailed project information would be presented to the Board for approval.
- As currently proposed, Replacement Buildings for NYCHA residents will be prioritized.
- Resident rights and protections will be preserved through NYCHA's PACT program.

A New Fulton & Elliott-Chelsea Houses

- ✓ Replacement of all 2,056 homes for existing residents
- ✓ Approximately 3,500 new mixed-income apartments, including:
 - Approximately 1,000 new permanently-affordable apartments
- ✓ Modern residential amenities will include:
 - Resident-controlled heating, cooling, and ventilation
 - Dishwashers
 - In-unit washers and dryers
 - Common area spaces
 - Large, multi-purpose community spaces
 - Rooftop space
 - Lobby attendants
- ✓ New healthcare facilities and community centers
- ✓ New grocery and retail stores
- ✓ New outdoor recreational spaces

Unit counts are approximate and subject to change pending final design approval, including ULURP

Project Sites & Neighborhood Context



FULTON

- 944 Apartments**
- Constructed 1965**
- 11 Residential Buildings**
- Hudson Guild Senior Center**
14, 634 SF
- 95 parking spaces**



ELLIOTT-CHELSEA

- 1,112 Apartments**
- Constructed 1947 (Elliott) and 1964-68 (Chelsea/Chelsea Addition)**
- 7 Residential Buildings**
- Hudson Guild Elliott Center**
52,525 SF
- 26 parking spaces**



Project Background

- Since 2019, NYCHA has engaged continuously with the residents of Fulton and Elliott-Chelsea regarding the physical and operational needs of their developments.
- In 2021, following the decision to enter the PACT program, NYCHA worked with resident leaders to issue a Request for Proposals (RFP) to identify a partner team.
- For the first time in NYCHA's history, and with the support of independent technical advisors from Citizens Housing & Planning Council, a Resident Review Committee was formed and ultimately selected the team led by Essence Development and Related Companies.



Project Background

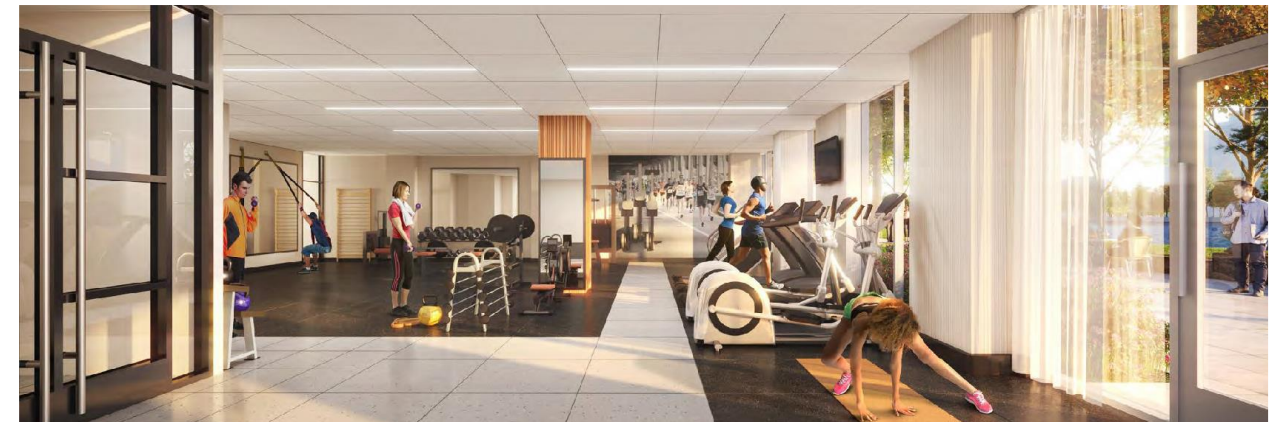
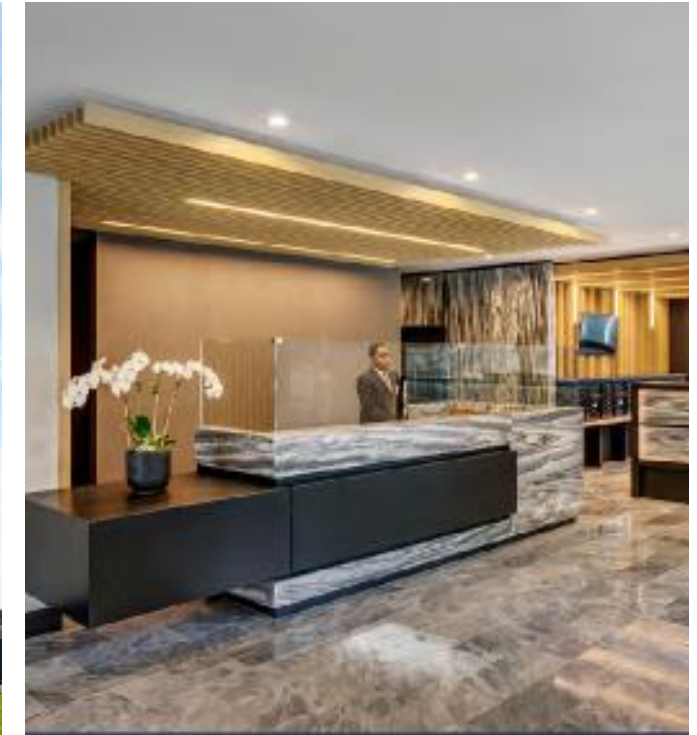
- The PACT partner team conducted building conditions assessments in 2022 that revealed significantly more challenging and costly conditions than original anticipated, and as a result, NYCHA and the PACT partner began conversations with residents about alternative approaches to renovation.
- In mid-2023, following a period of intensive community engagement to understand residents' preferred path forward, NYCHA, resident leaders, and the PACT partner team announced a new plan that would result in the complete rebuilding of both campuses.
- The proposed project is now in the environmental review process.



Guiding Principles

As described in the Agreement, these are the guiding principles for the proposed project:

- 1. One-for-One Replacement:** All existing NYCHA apartments will be replaced with new, high-amenity, permanently affordable homes.
- 2. Build First:** The vast majority (94%) of households will remain in their existing apartments while the NYCHA Replacement Buildings are built, thus avoiding the need for temporary relocation.
- 3. A Dignified Wait:** While the Replacement Buildings are being constructed, the PACT Partner will add capacity to NYCHA property management with additional security, pest control, building system repairs, and in-unit repairs.
- 4. Comprehensive, Equitable Planning:** The campuses will be reimagined as mixed-income, mixed-use communities that are better integrated into the surrounding neighborhood and provide crucial new affordable housing in an amenity-rich neighborhood.



Riverwalk Park, Roosevelt Island, developed by Related Companies; images shown are for demonstrative purposes only and are not proposed designs

Guiding Principles (cont'd)

- 5. A Resident-led Community Planning:** Resident voices and expertise will be centered in the planning and design of each campus, culminating in the creation of Community Plans that guide all future development.
- 6. Right to Remain and Right to Return:** All resident rights will be preserved through NYCHA's PACT program. Federal rules mandate that residents have the right to a new apartment on their home campus or, if temporary relocation is necessary, the right to return.
- 7. Collaborative Process:** NYCHA and the PACT Partner are committed to continuing existing and creating new partnerships with public and private stakeholders, businesses, non-profits, and voluntary organizations for the benefit of NYCHA residents and the project goals.



Hunters Point South, Long Island City, developed by Related Companies; images shown are for demonstrative purposes only and are not proposed designs

PACT Resident Protections

RENT CALCULATION

Residents **continue to pay 30% of their adjusted gross household income** towards rent.*

*Exceptions may apply to households who pay flat rent; are current tenant-based Section 8 participants; are a mixed family as defined by HUD; or who signed a non-public housing over-income lease.

FEES & CHARGES

Residents do not have to pay **any additional fees, charges, or utility expenses** that are greater than what they currently pay.

SECTION 8 ELIGIBILITY

Federal rules prohibit the rescreening of current households for Section 8 eligibility. This means that all existing households residing at the development will **automatically qualify** for the Project-Based Section 8 program regardless of their income eligibility, criminal background, or credit history.

AUTOMATIC LEASE RENEWAL

Households will sign a new PACT Section 8 lease, which emulates the Public Housing lease; it **automatically renews** each year and cannot be terminated except for good cause.

TEMPORARY RELOCATION

In some cases, due to the extent of the construction work, temporary moves may be necessary. Residents have the **right to return** to their original apartment after the renovations are complete, and the PACT partner will pay for any packing and moving expenses.

RIGHT-SIZING

All households who are over- or under-housed must **move into an appropriately sized apartment** when one becomes available within their development. This is a Public Housing and Section 8 requirement.

RESIDENT ORGANIZING

Residents continue to have **the right to organize**, and resident associations will receive \$25/unit in **Tenant Participation Activity (TPA) funding**.

GRIEVANCE HEARINGS

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

JOB CREATION

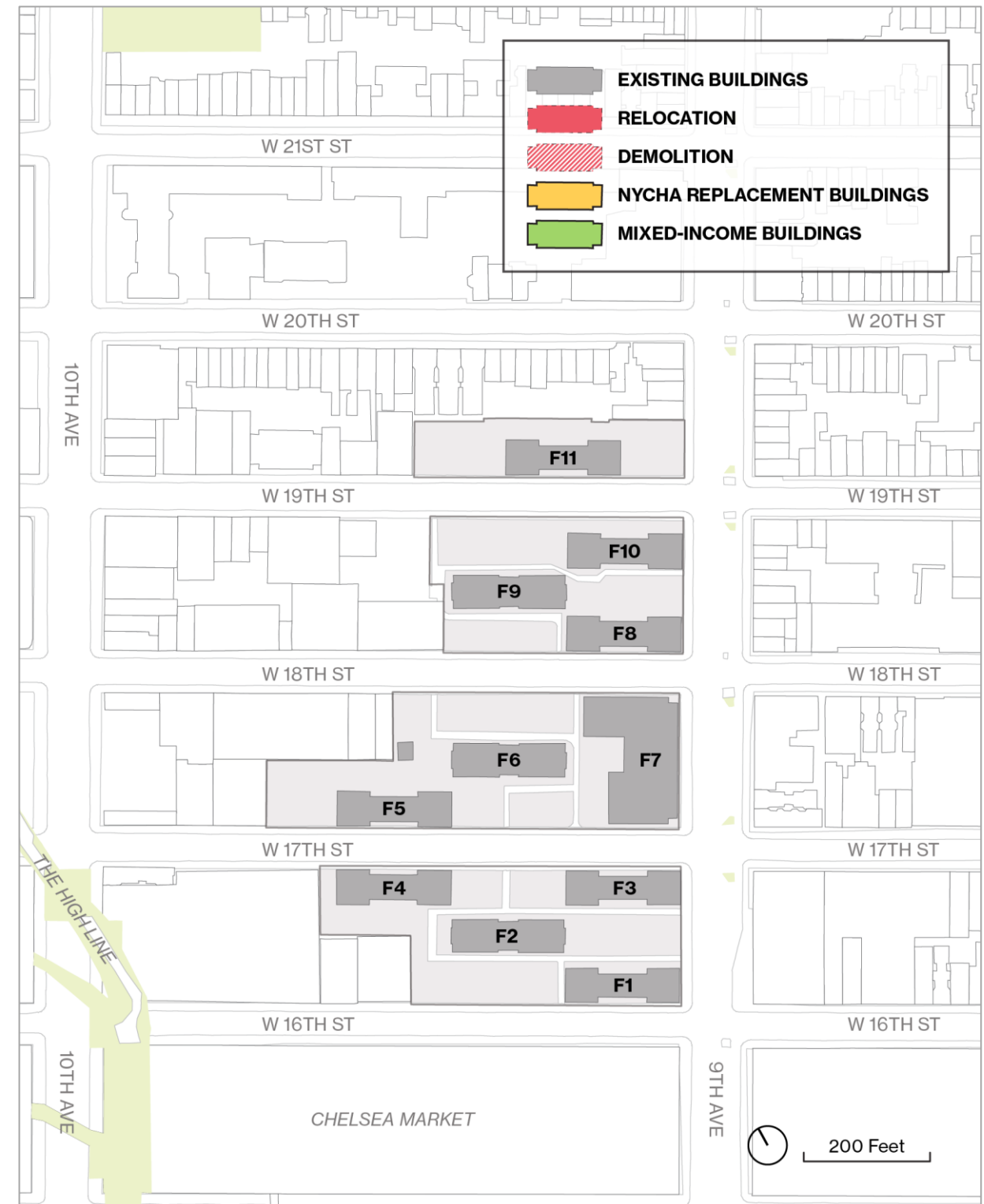
The PACT partner is required to set aside 25% of all labor hours **for NYCHA residents** seeking employment in construction or property management.

For more detailed information, please scan the QR code or visit the Resident Resources page on our PACT Website: on.nyc.gov/nycha-pact



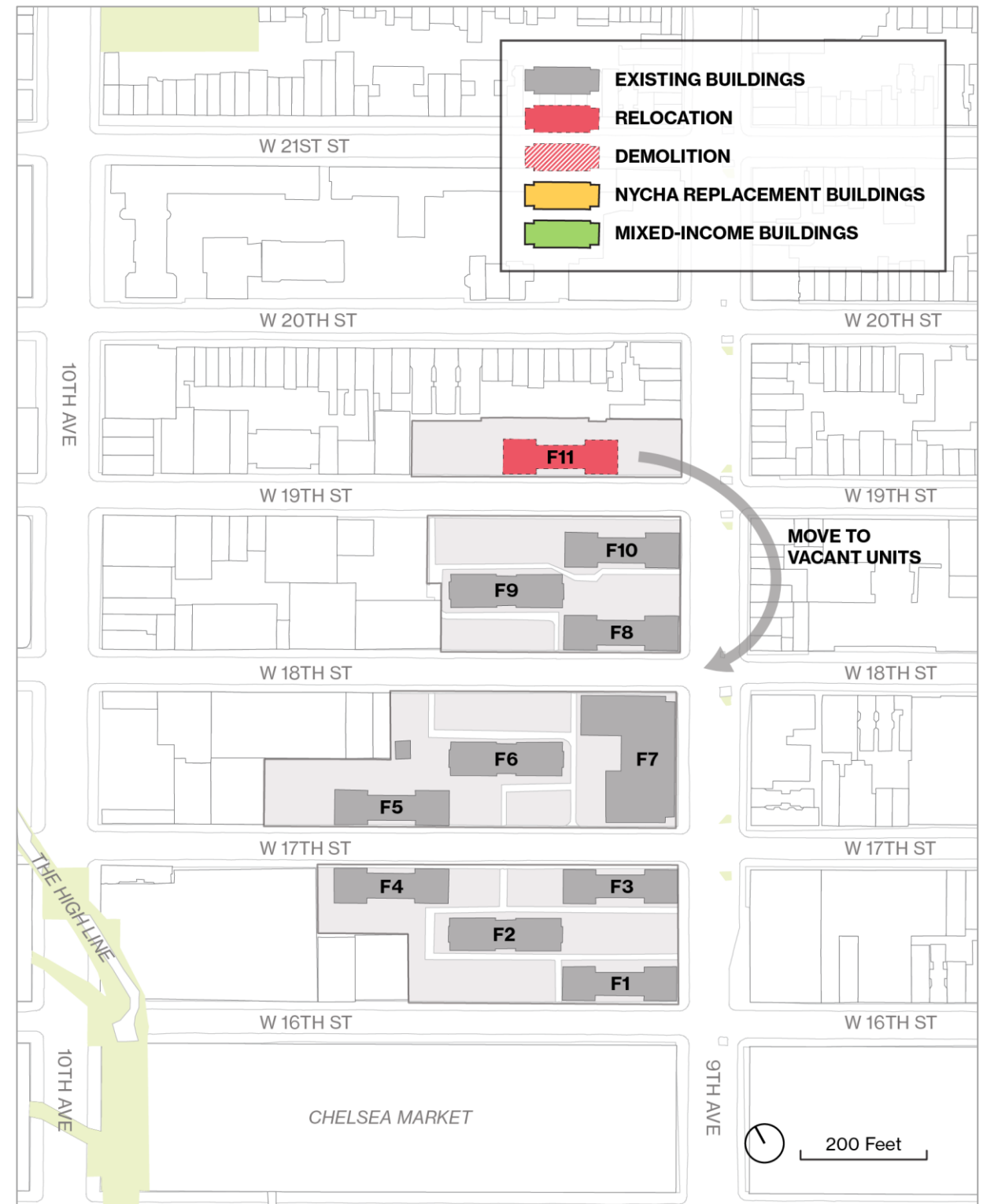
Proposed Project Phasing

- The NYCHA Replacement Buildings are expected to be completed within the next eight years, and the Mixed-Income Buildings are expected to be completed over the next fifteen years.
- The number of phases and the overall construction timeline depend on several factors, including local land use regulations.
- However, the first two NYCHA Replacement Buildings (one at each campus) can be constructed within the current zoning.
- All NYCHA apartments must be fully completed before the completion of any Mixed-Income Buildings.
- This phasing is subject to the completion of the environmental review process.



Proposed Project Phasing: Fulton

- ❑ Relocate all F11 households to other apartments across the Fulton campus



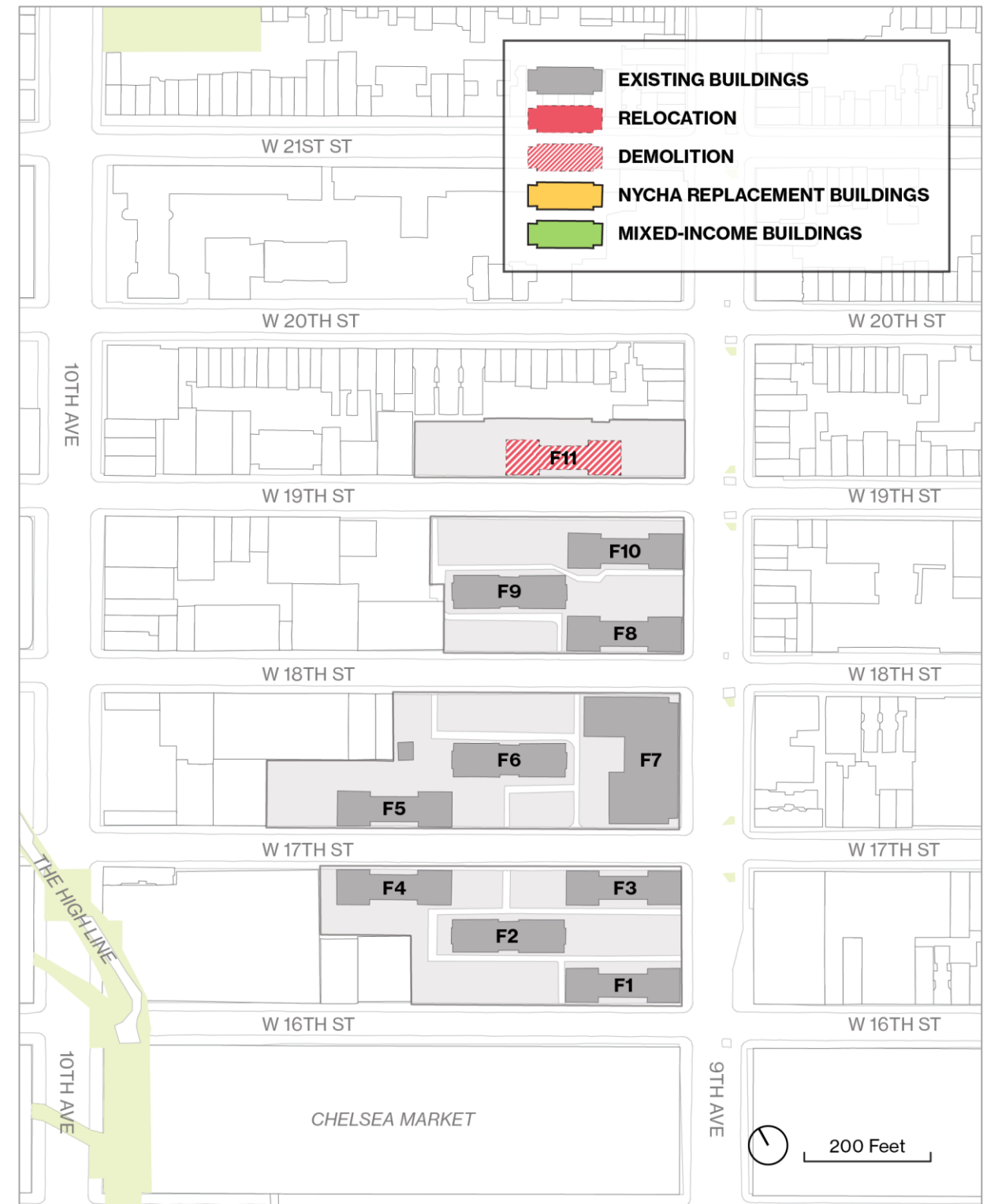
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Proposed phasing plan depicted assumes rezoning

Proposed Project Phasing: Fulton

✓ Relocate all F11 households to other apartments across the Fulton campus

❑ Demolish F11

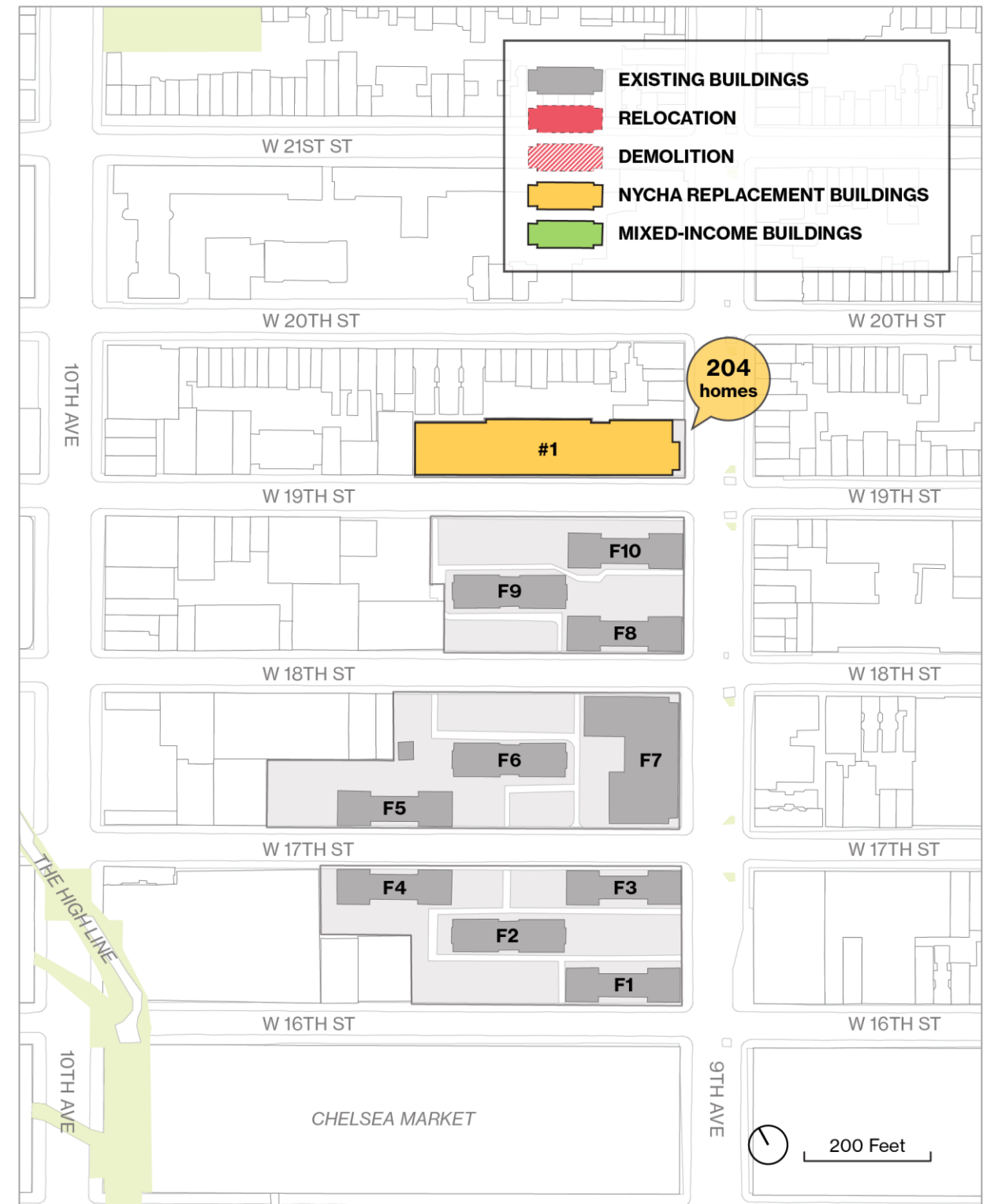


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Proposed Project Phasing: Fulton

- ✓ Relocate all F11 households to other apartments across the Fulton campus
- ✓ Demolish F11
- ❑ Construct F1 Replacement Building

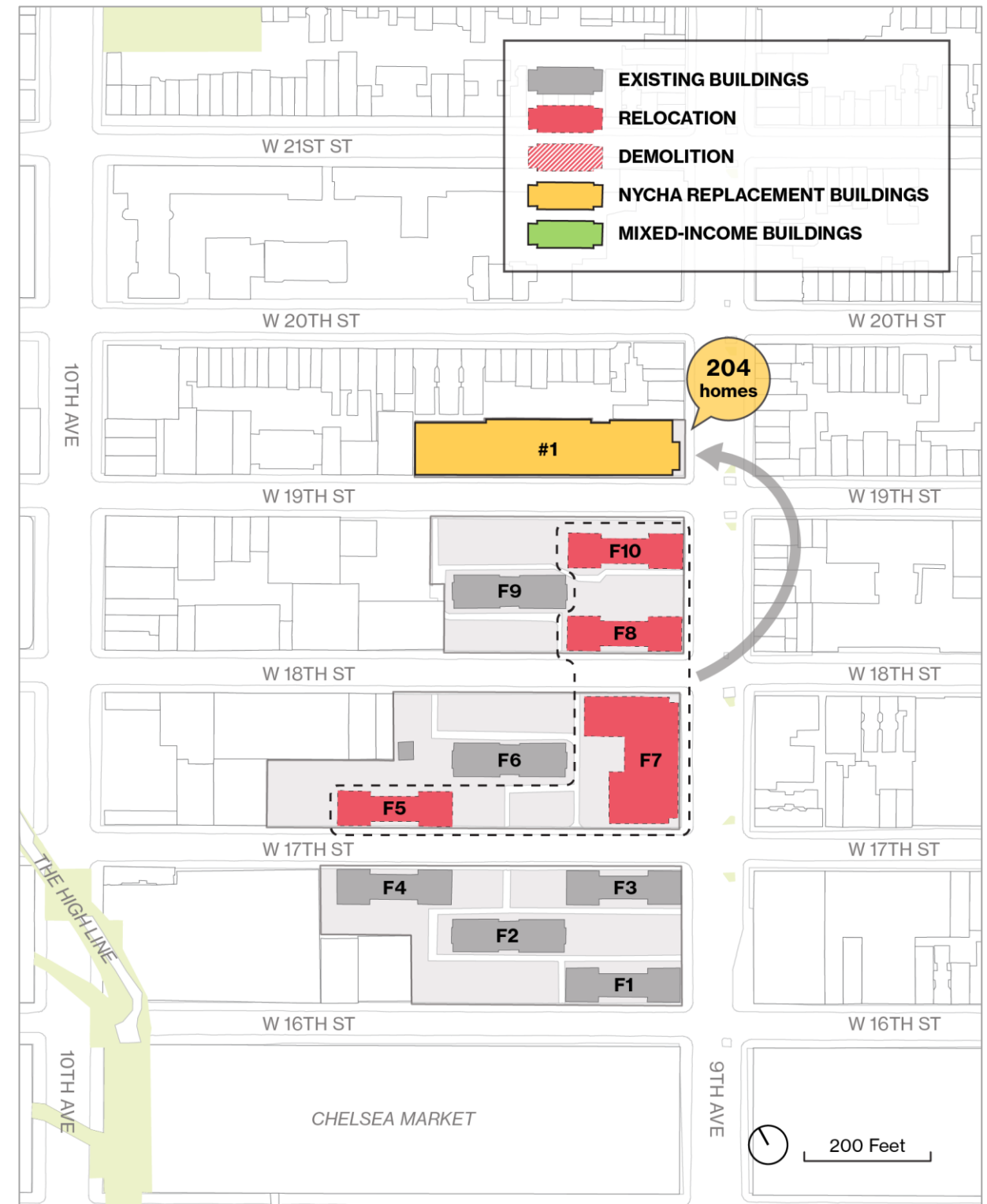


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Proposed Project Phasing: Fulton

- ✓ Relocate all F11 households to other apartments across the Fulton campus
- ✓ Demolish F11
- ✓ Construct Replacement Building #1
- ☐ Move Hudson Guild and all F5, F7, F8, and F10 households into Replacement Building #1

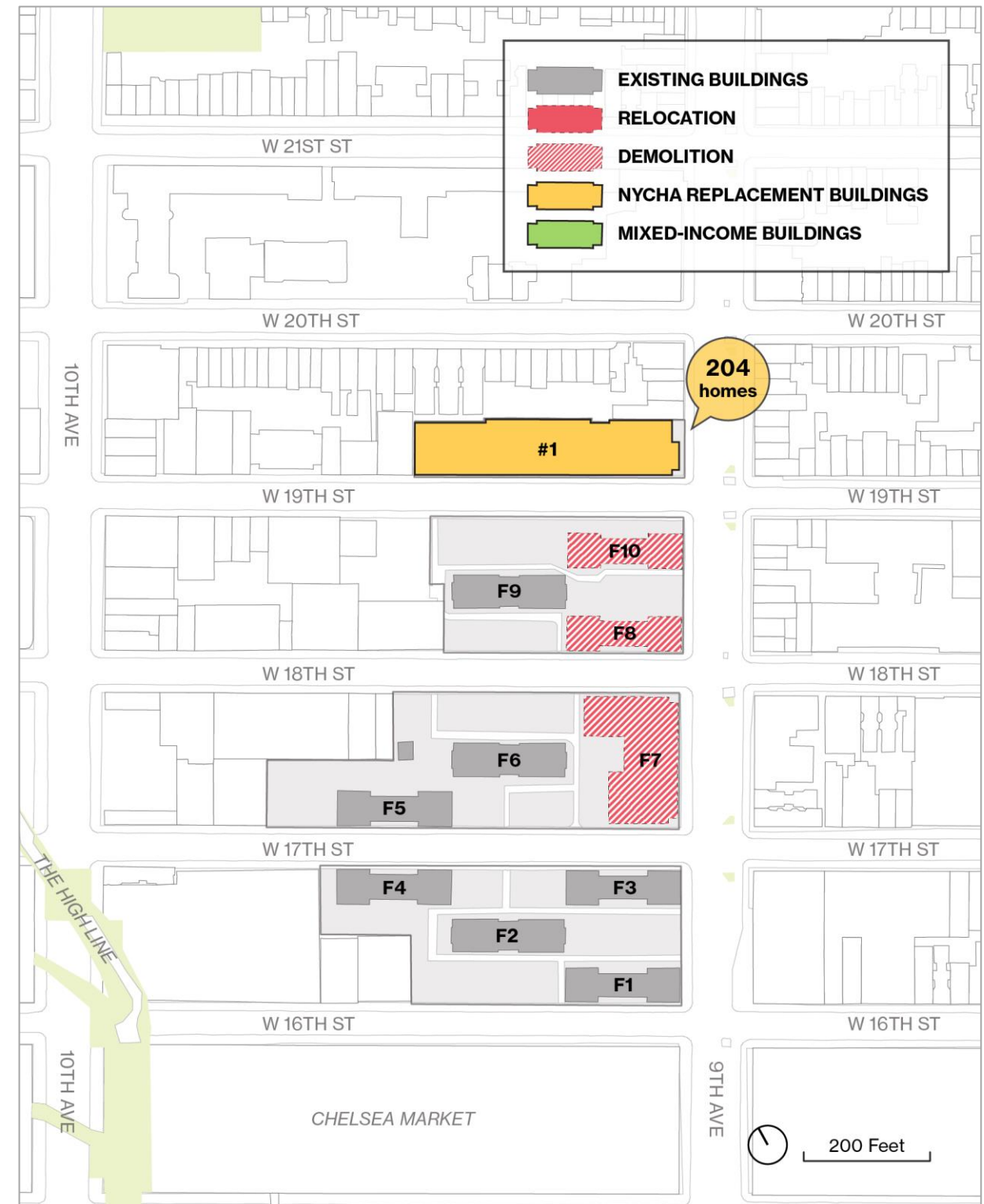


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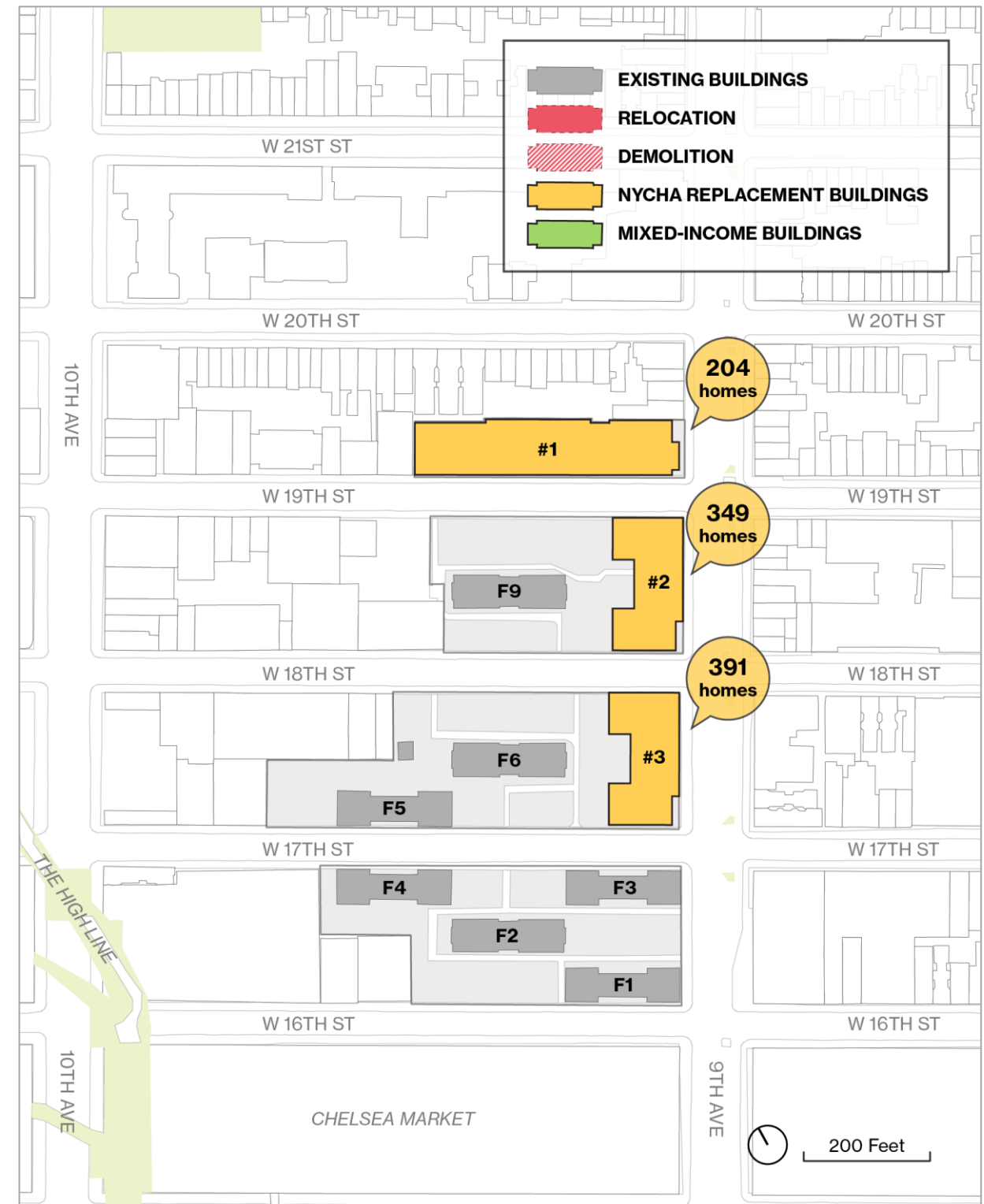
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- ✓ Demolish F5, F7, F8, and F10
- ❑ Construct Replacement Buildings #2 and #3

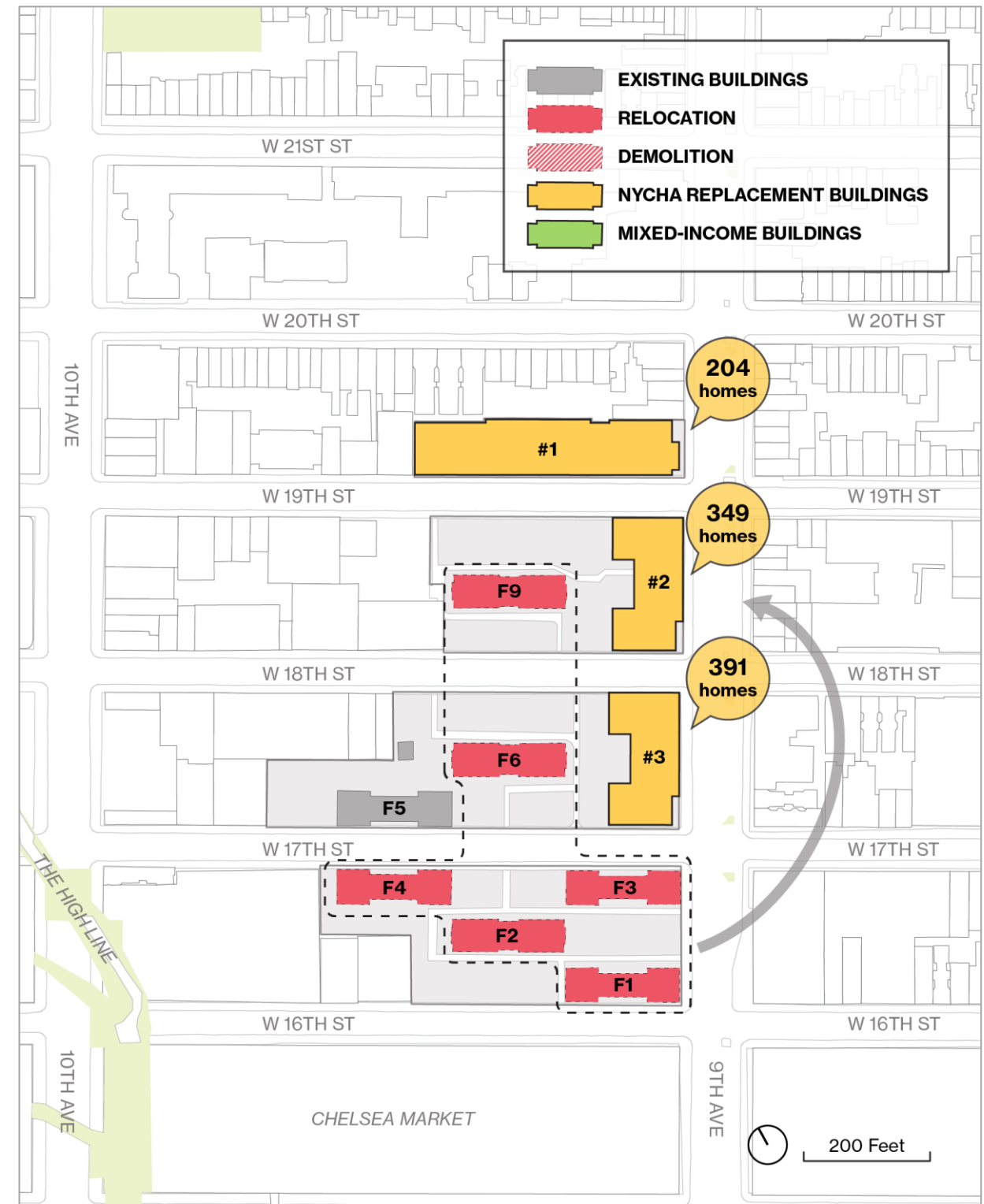


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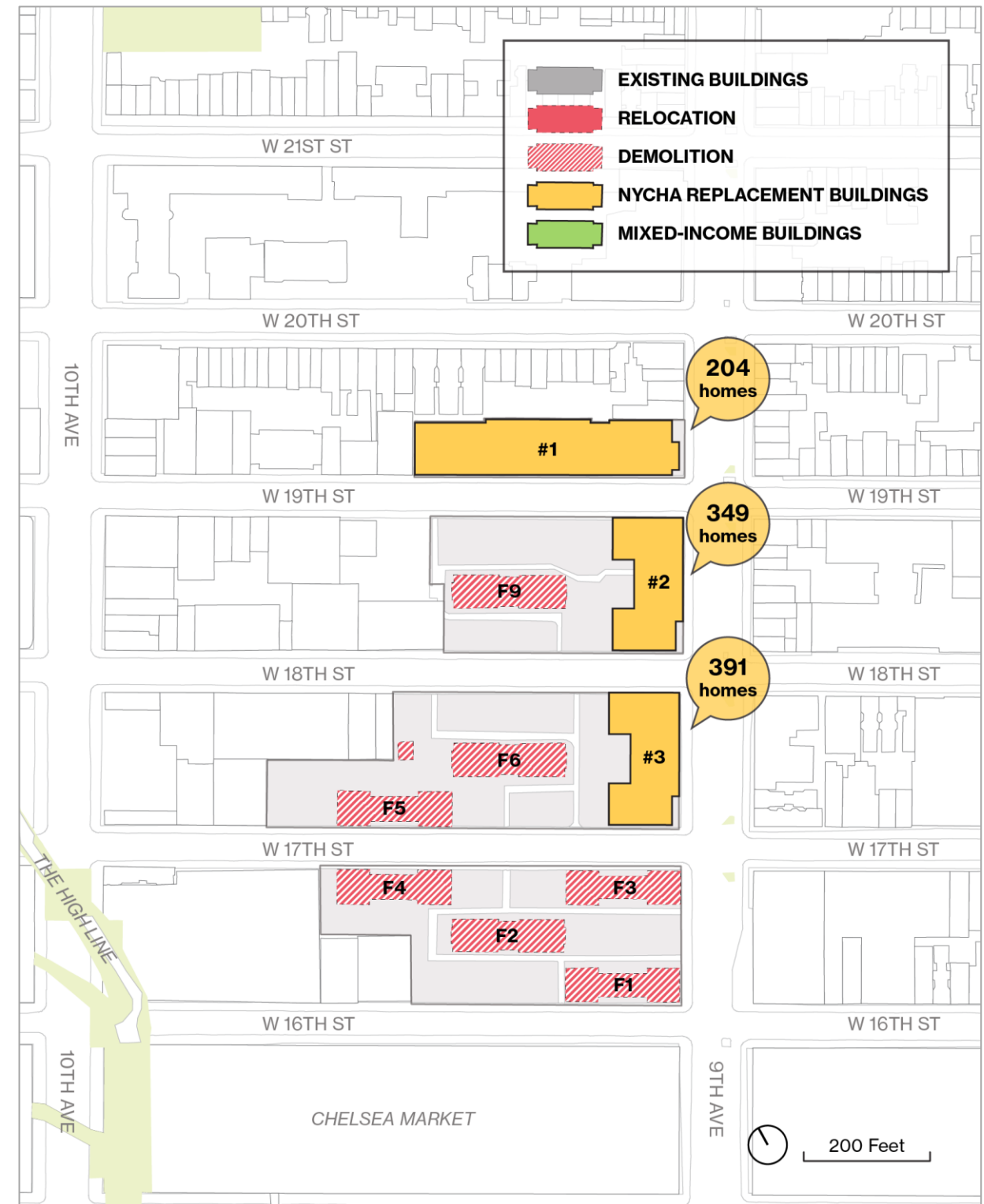
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- ✓ Demolish F5, F7, F8, and F10
- ✓ Construct Replacement Buildings #2 and #3
- ❑ Move all remaining NYCHA households into Replacement Buildings #2 and #3



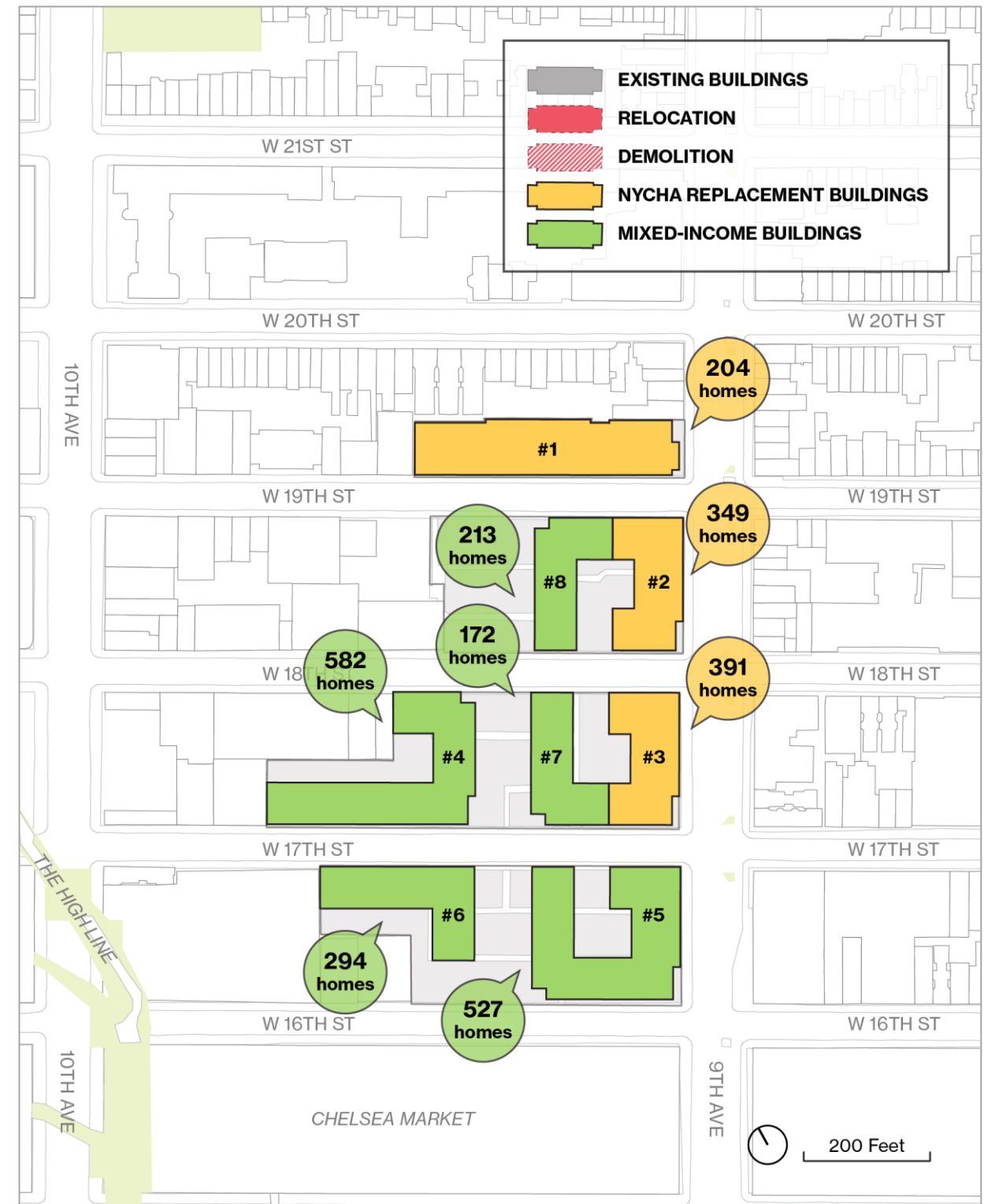
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- ✓ Construct Replacement Buildings #2 and #3
- ✓ Move all remaining NYCHA households into Replacement Buildings #2 and #3
- ❑ Demolish F1, F2, F3, F4, F6, and F9 (phased)



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- ✓ Demolish F1, F2, F3, F4, F6, and F9 (phased)
- ☐ Construct Mixed-Income Buildings (phased)



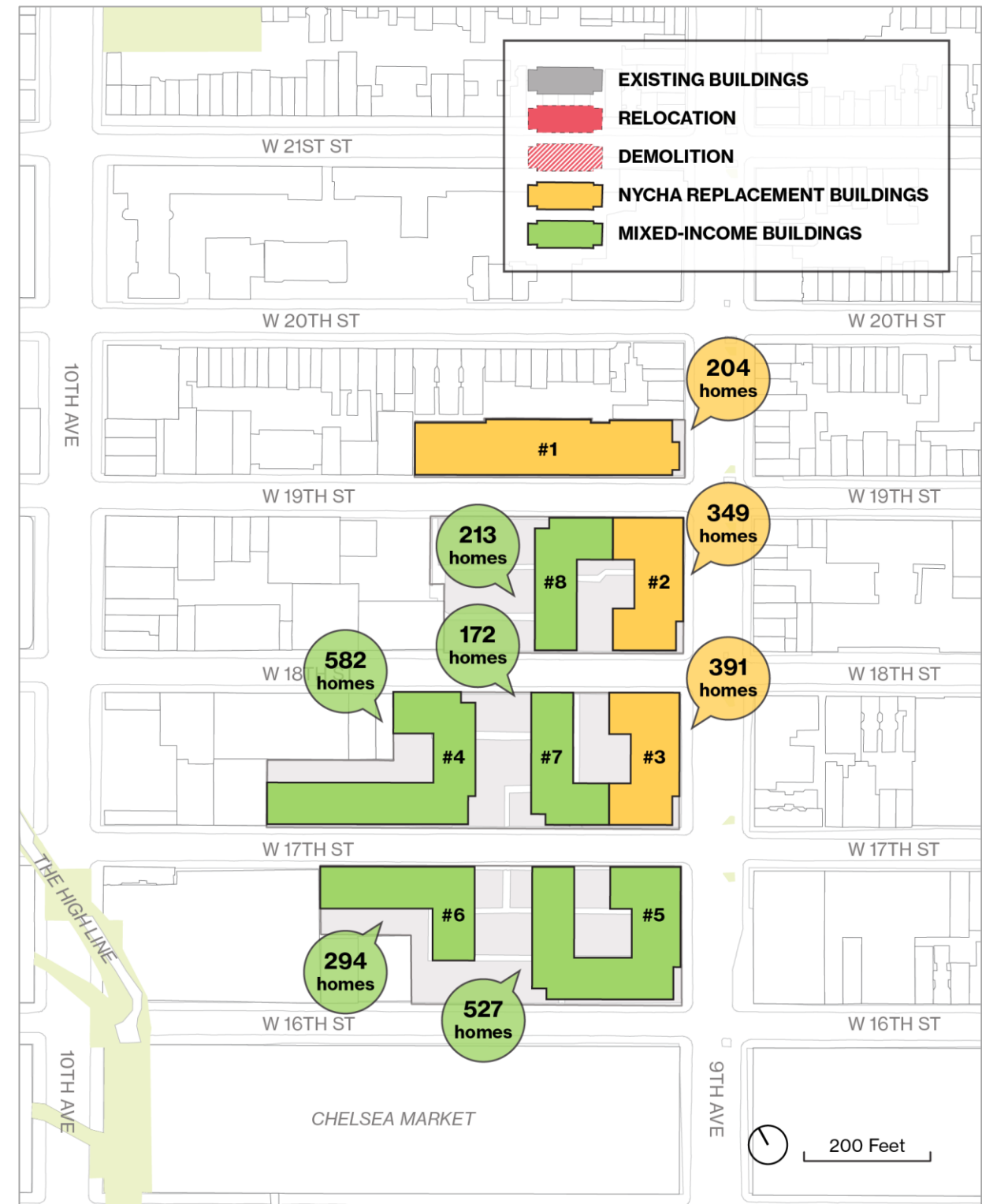
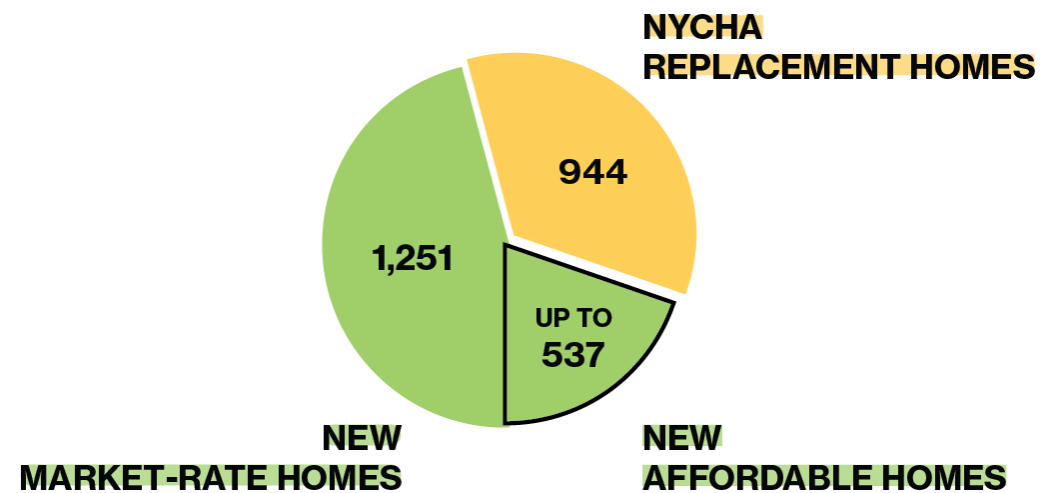
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Proposed Project Phasing: Fulton

Program Summary

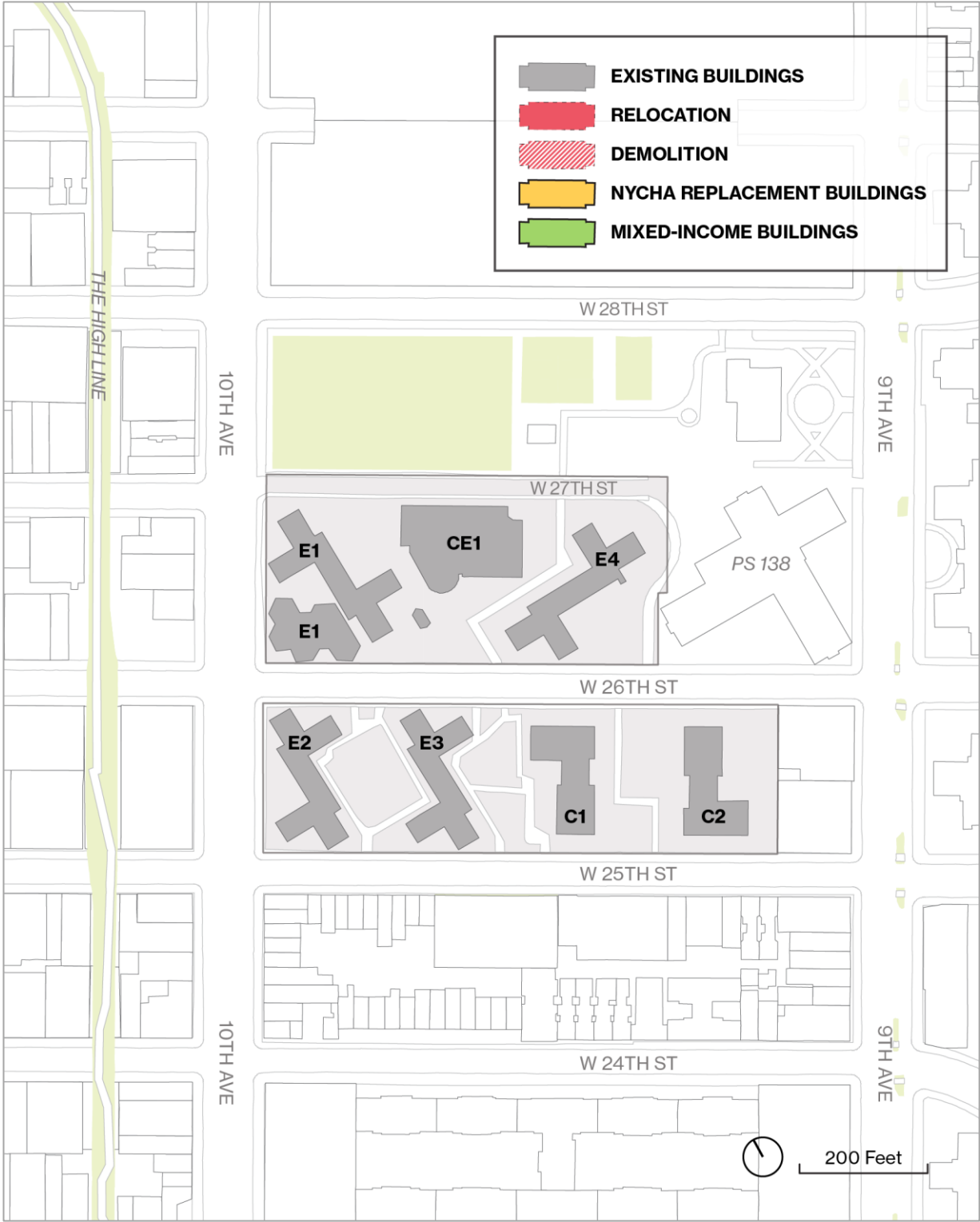
- **Residential:** 2,732 units
 - Replacement: 944 units
 - New Affordable: Up to 537 units
 - Market-Rate: 1,251 units
- **Retail:** 16,724 SF
- **Supermarket:** 6,580 SF
- **Community Facility:** 66,209 SF
- **Open Space:** 106,700 SF
- **Parking:** 1 additional space



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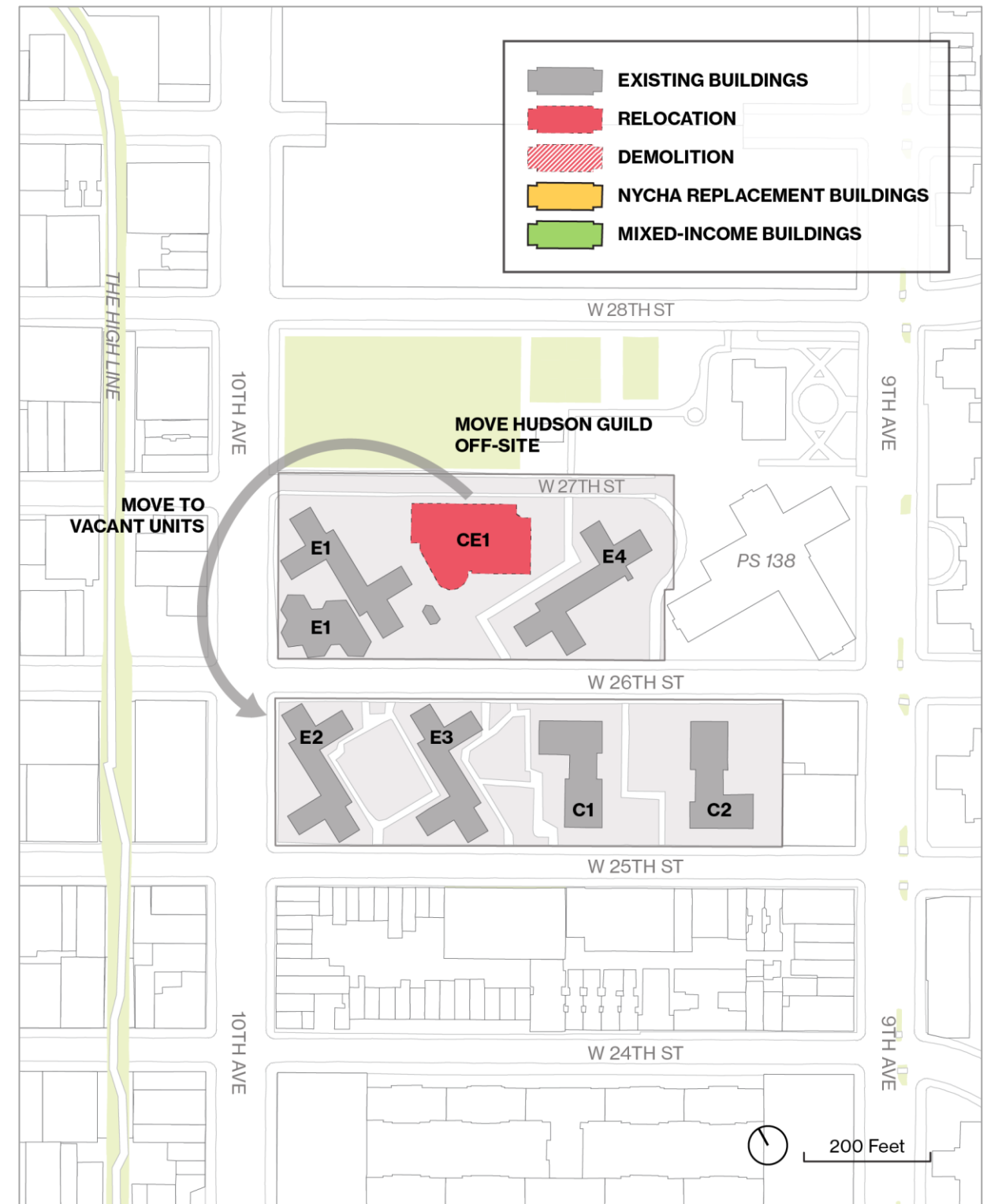
Proposed Project Phasing: Elliott-Chelsea



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Proposed Project Phasing: Elliott-Chelsea

- ❑ Relocate Hudson Guild to temporary facility off-site and all Chelsea Addition households to other apartments across the Elliott-Chelsea campus



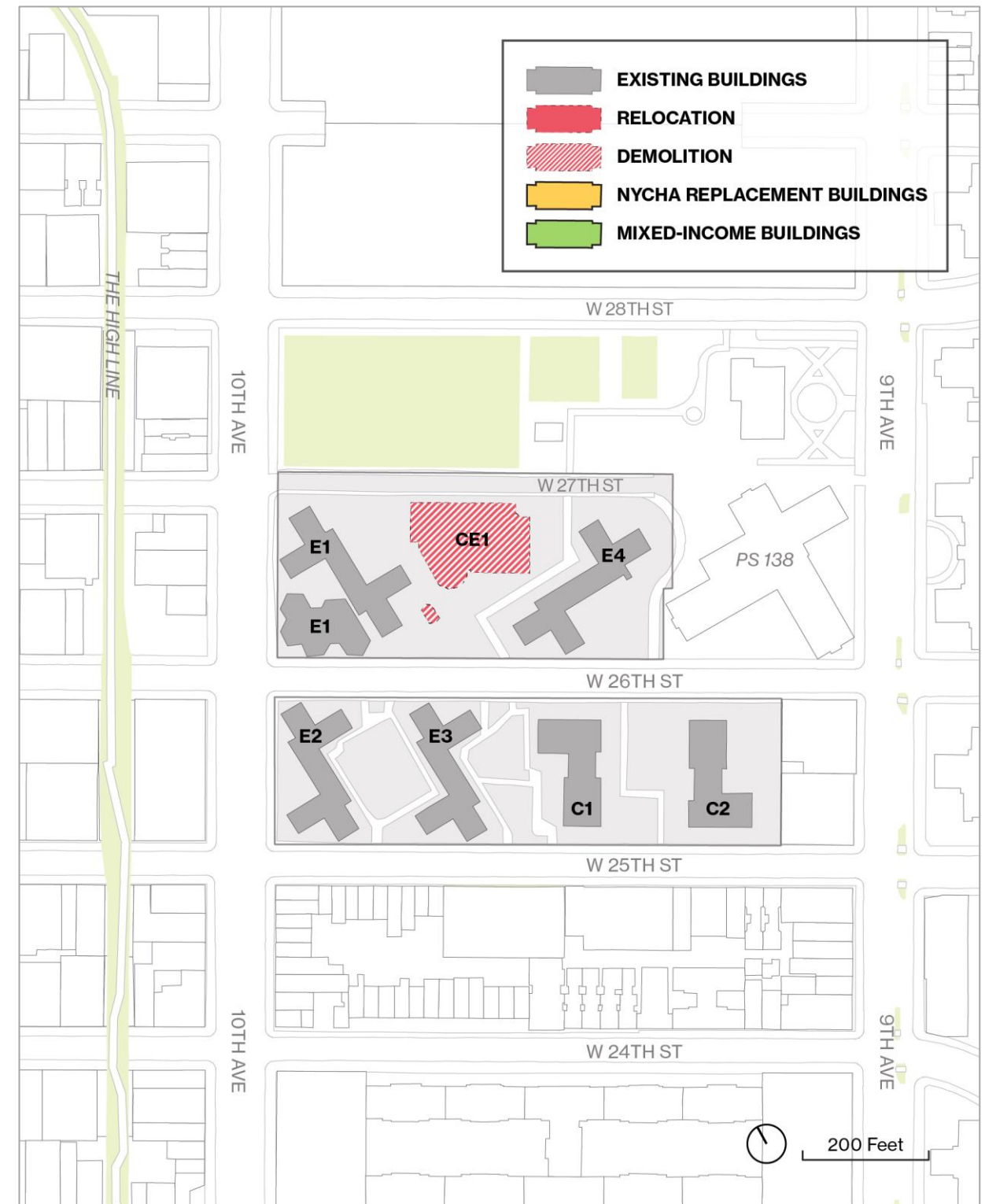
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Proposed Project Phasing: Elliott-Chelsea

✓ Relocate Hudson Guild to temporary facility off-site and all Chelsea Addition households to other apartments across the Elliott-Chelsea campus

❑ Demolish Chelsea Addition

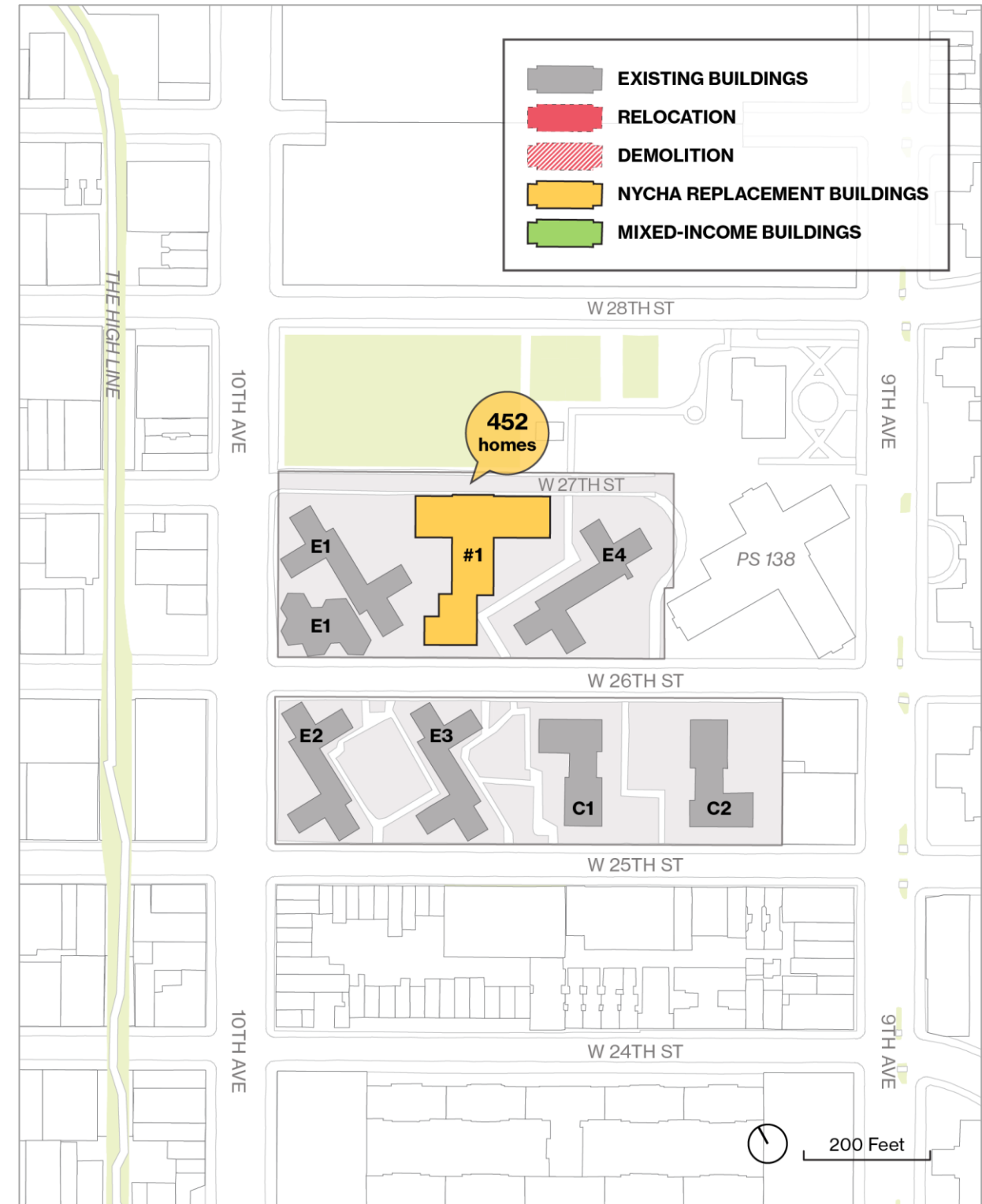


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- ✓ Relocate Hudson Guild to temporary facility off-site and all Chelsea Addition households to other apartments across the Elliott-Chelsea campus
- ✓ Demolish Chelsea Addition
- ❑ Construct Replacement Building #1

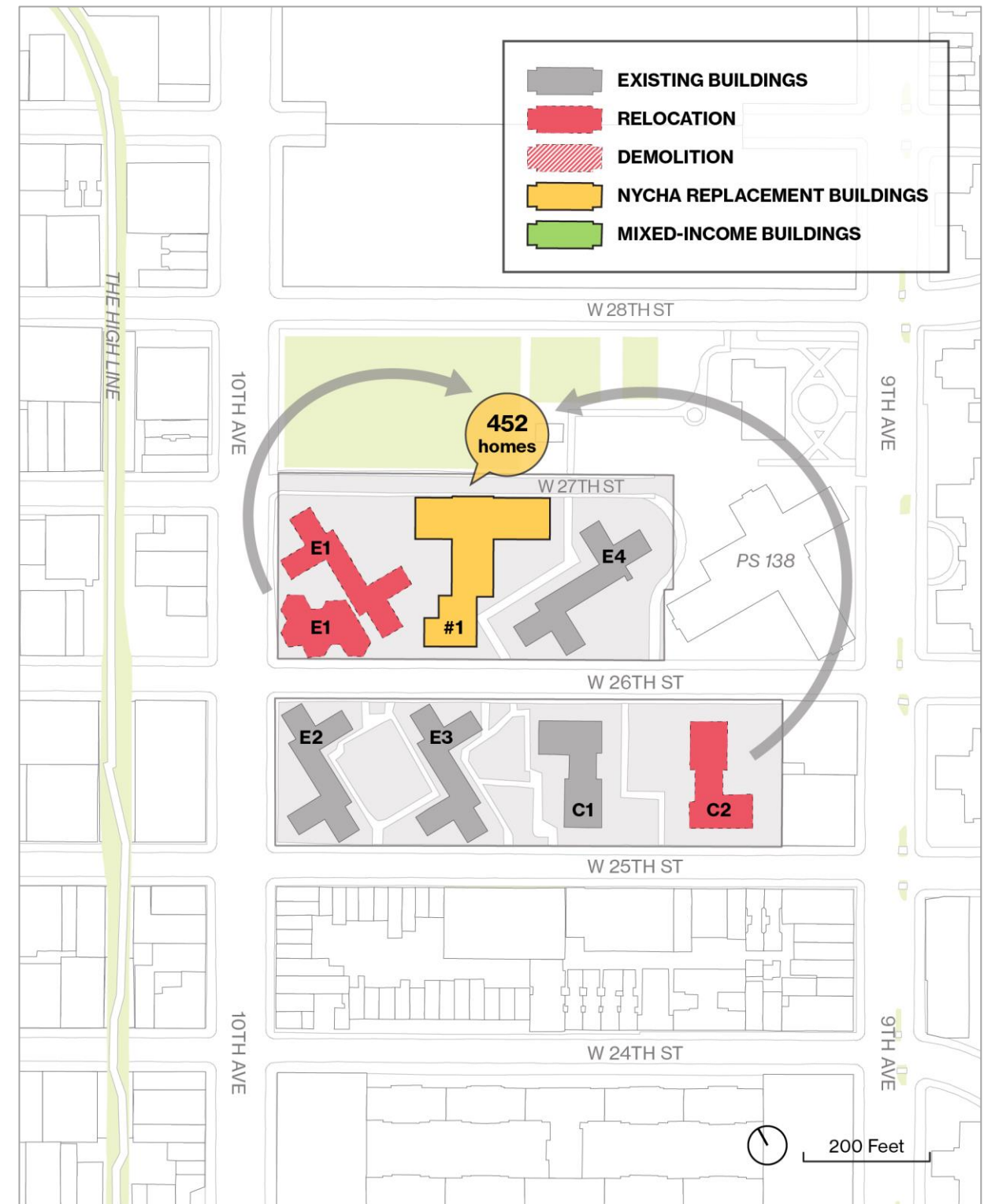


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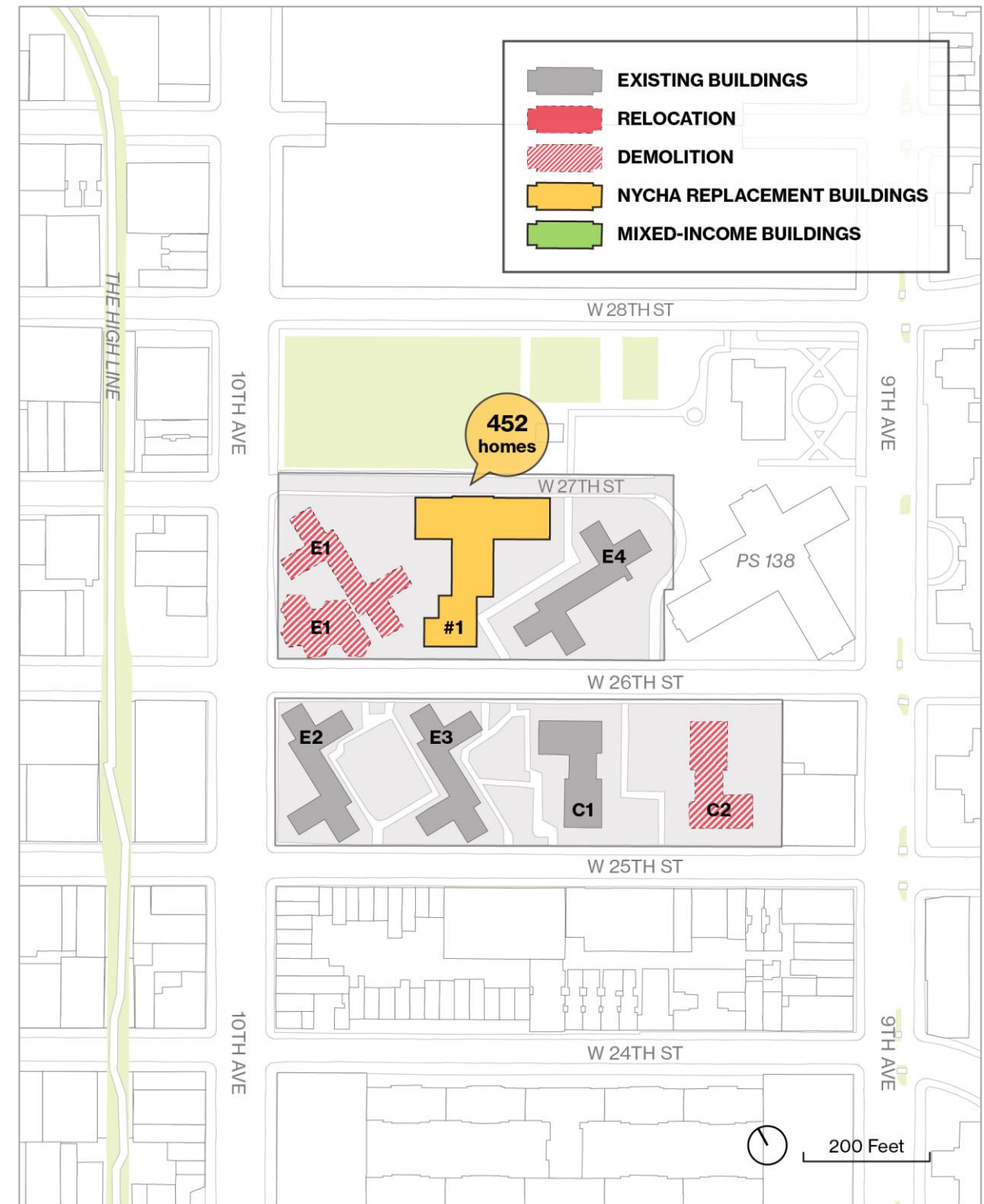
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- ✓ Relocate Hudson Guild to temporary facility off-site and all Chelsea Addition households to other apartments across the Elliott-Chelsea campus
- ✓ Demolish Chelsea Addition
- ✓ Construct Replacement Building #1
- ❑ Move Hudson Guild and all E1 and C2 households into Replacement Building #1



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- ✓ Demolish Chelsea Addition
- ✓ Construct Replacement Building #1
- ✓ Move Hudson Guild and all E1 and C2 households into Replacement Building #1
- Demolish E1 and C2

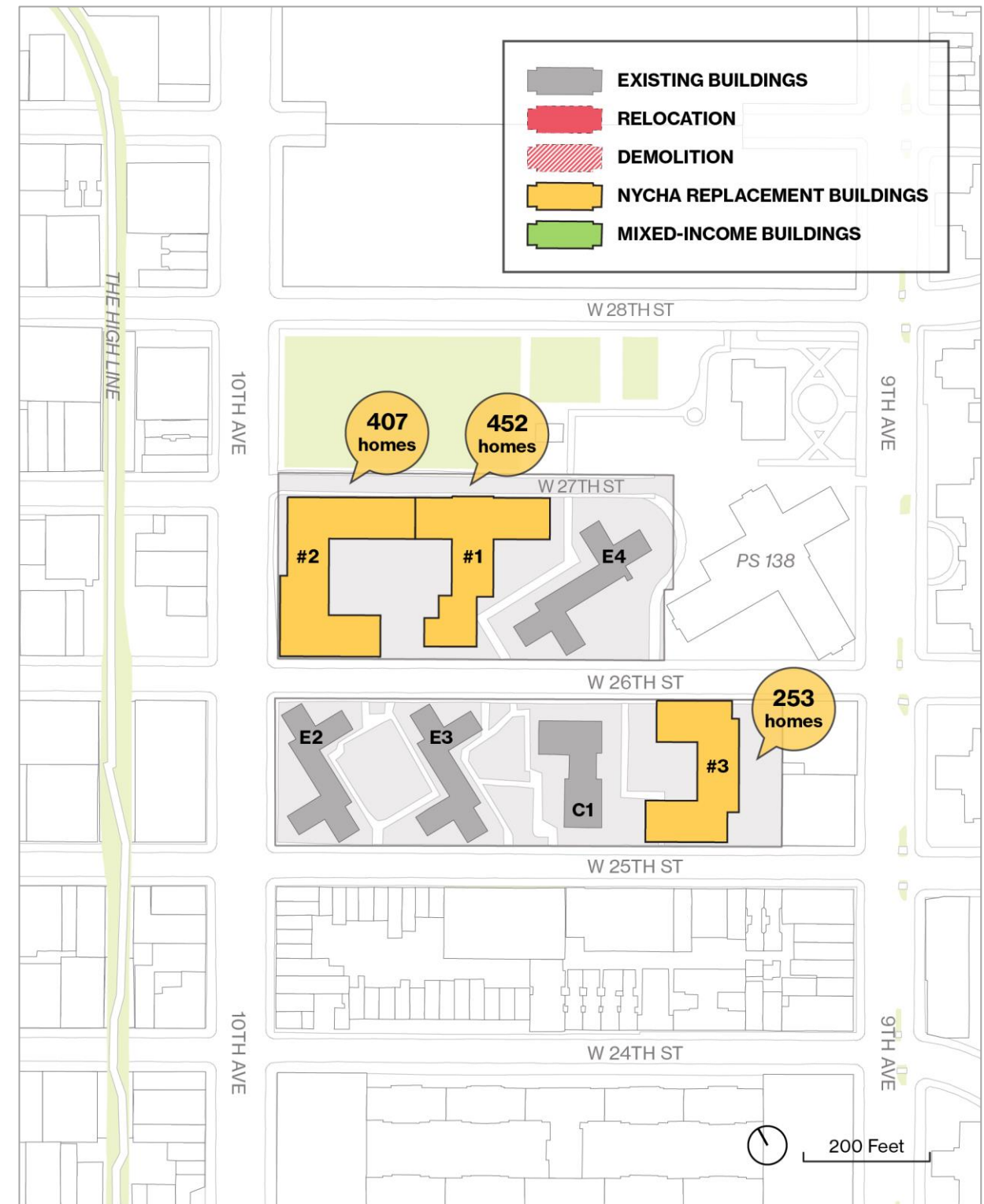


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- ✓ Demolish E1 and C2
- ❑ Construct Replacement Buildings #2 and #3

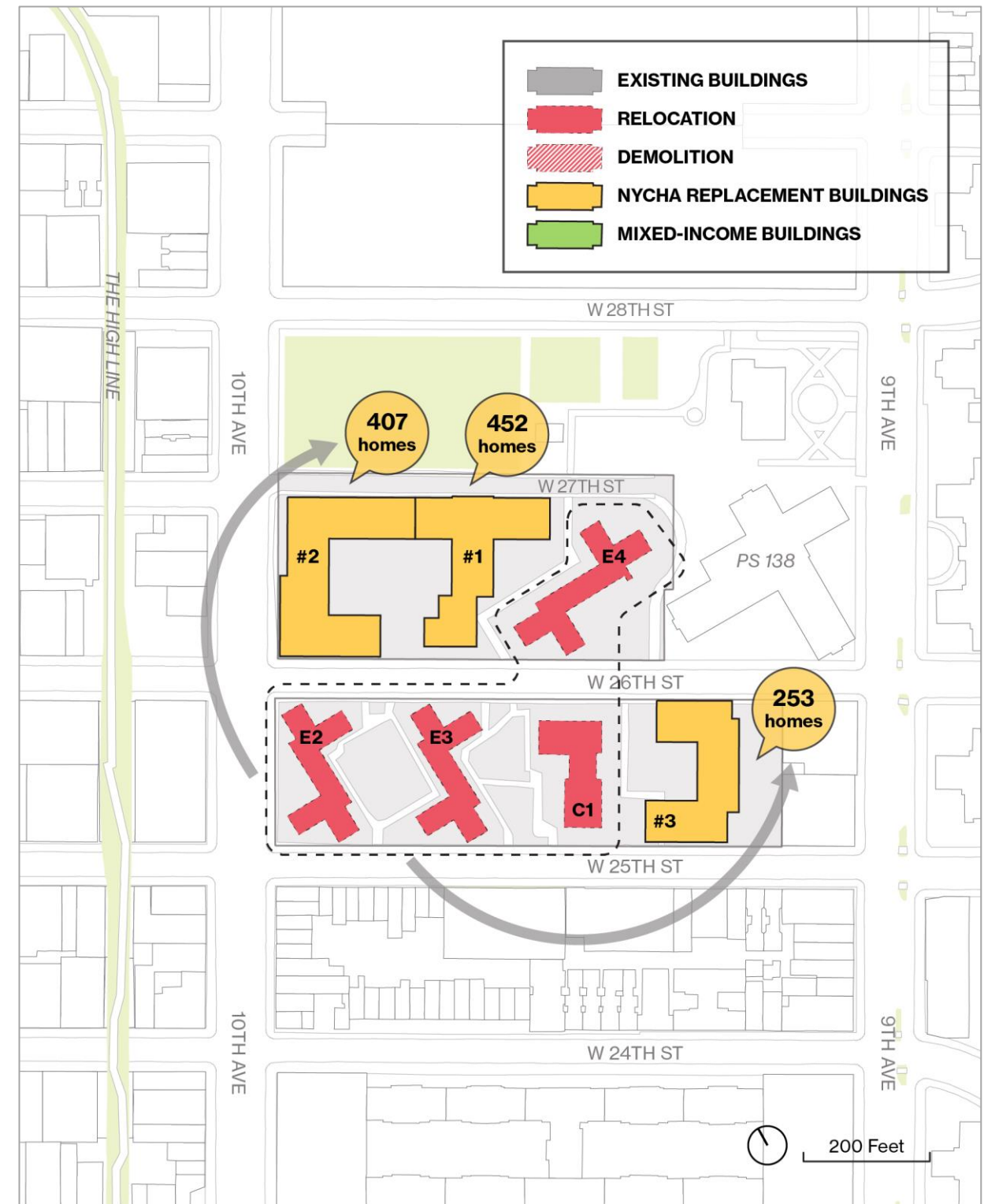


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- ✓ Construct Replacement Buildings #2 and #3
- ☐ Move all remaining NYCHA households into Replacement Buildings #2 and #3

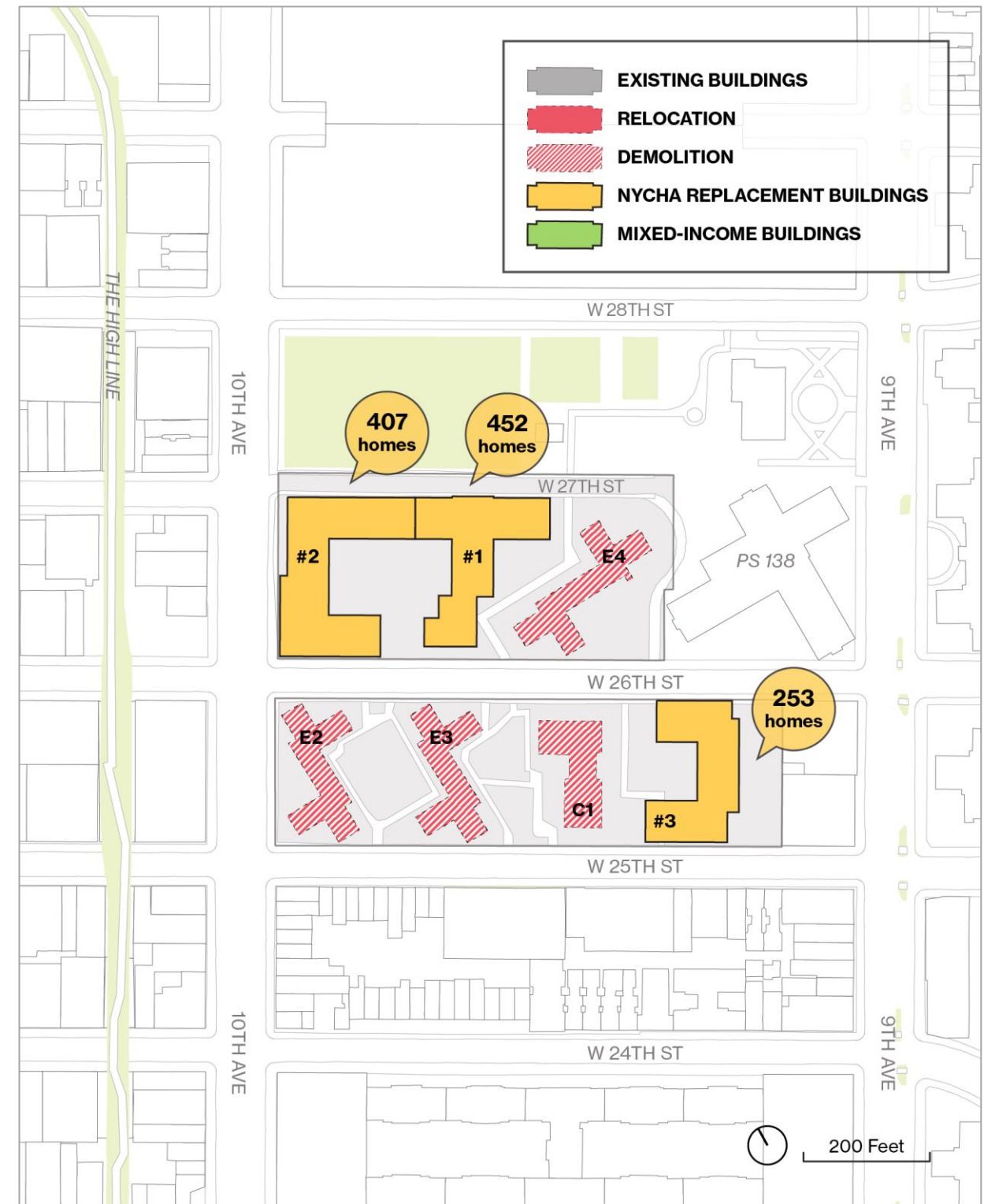


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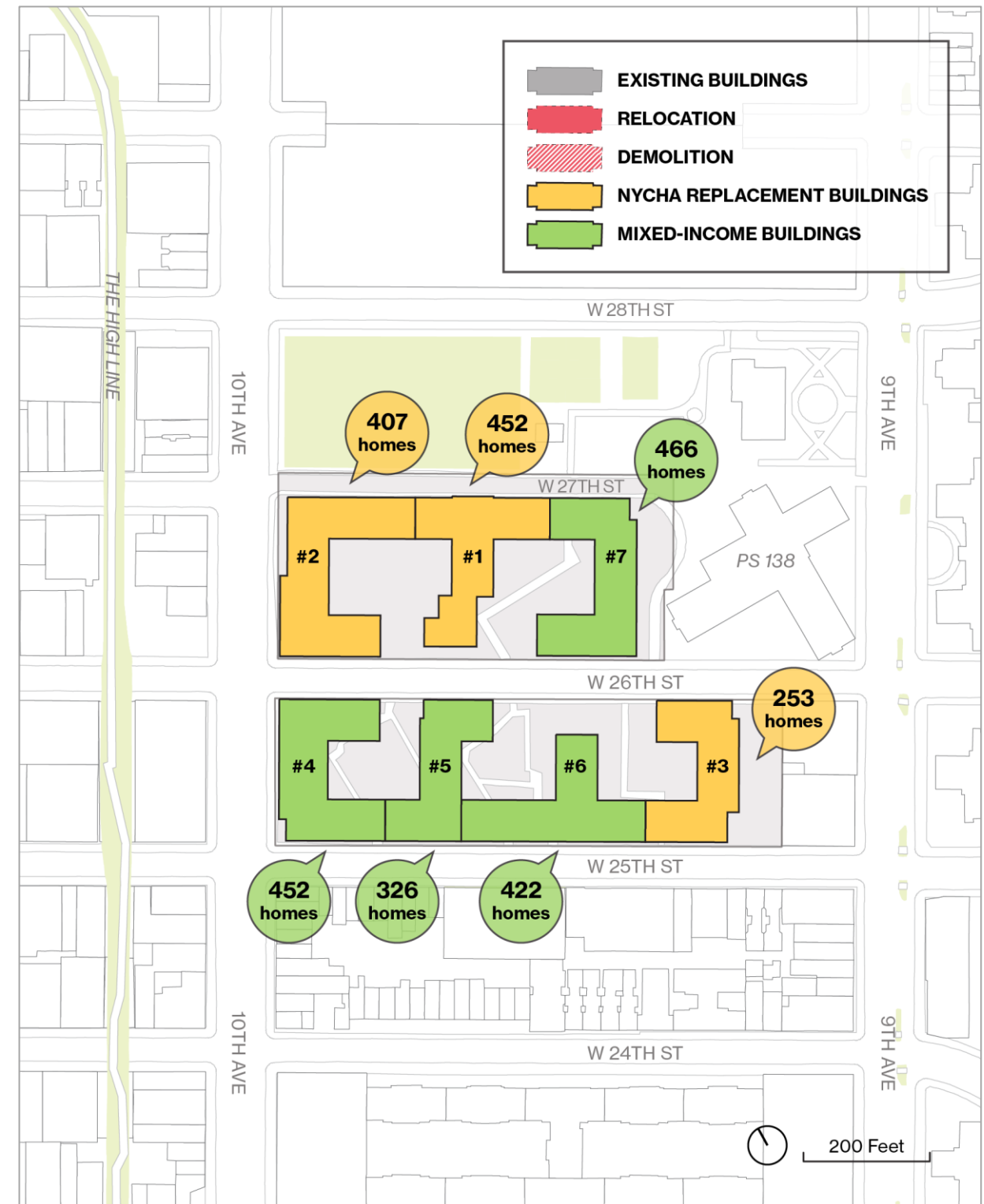


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- ☐ Construct Mixed-Income Buildings (phased)



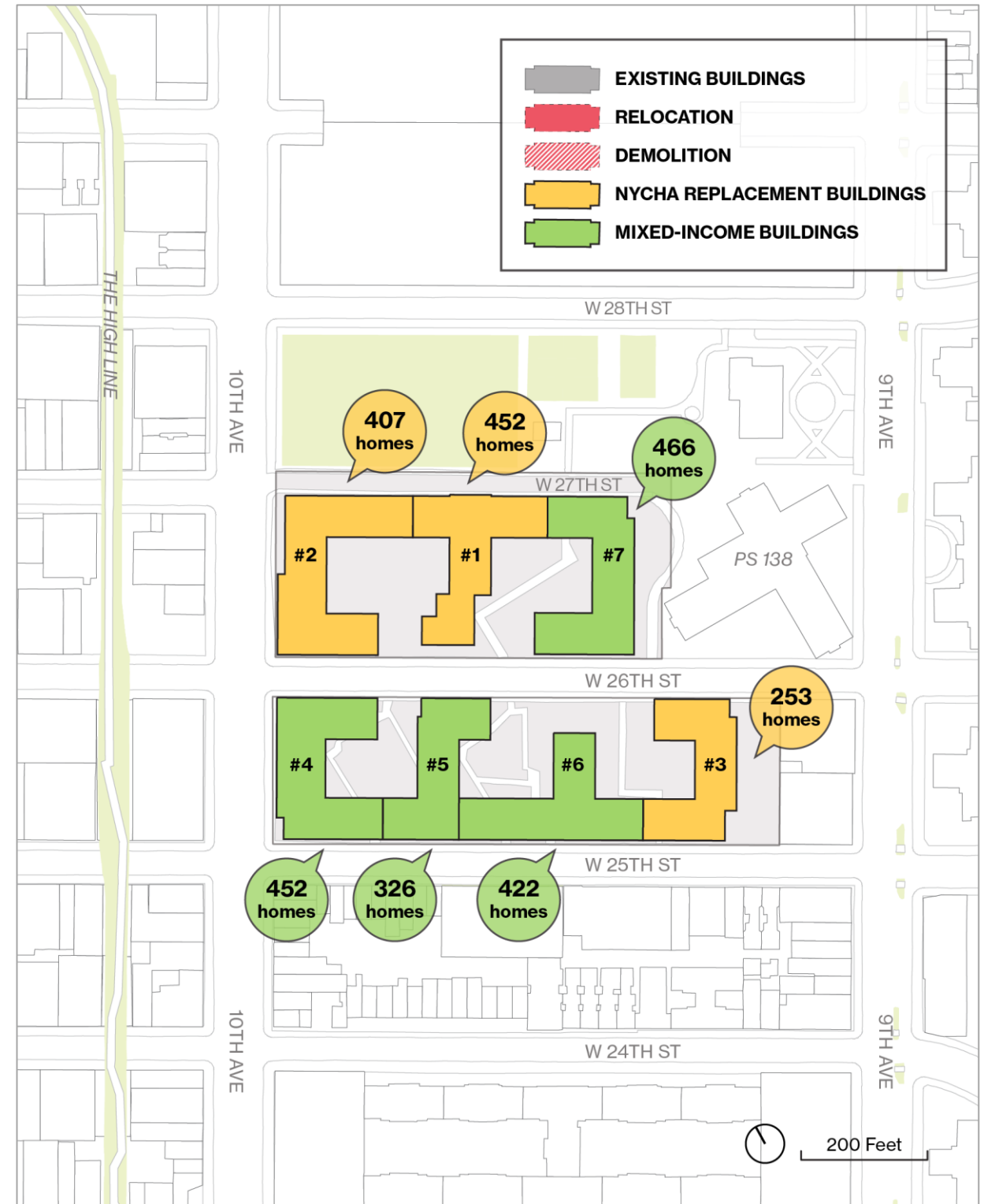
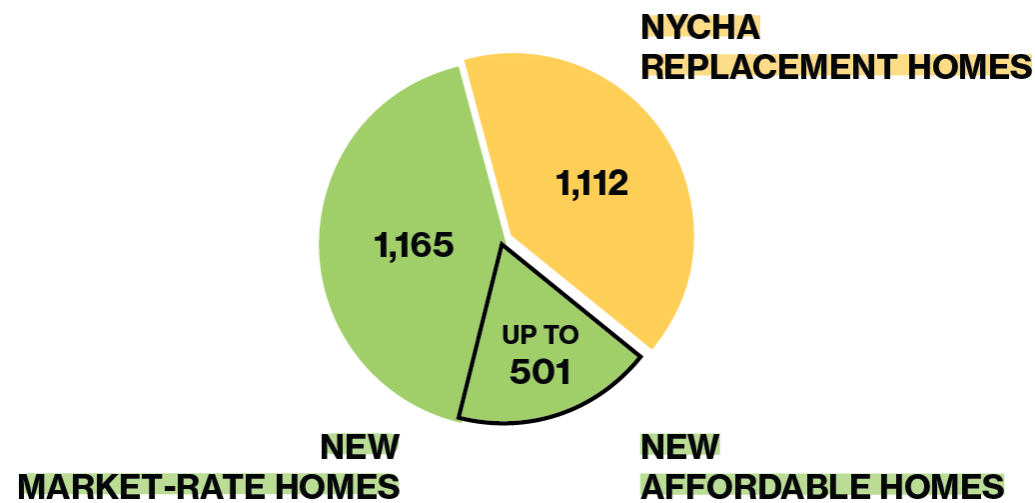
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Program Summary

- **Residential:** 2,778 units
 - Replacement: 1,112 units
 - New Affordable: Up to 501 units
 - Market-Rate: 1,165 units
- **Retail:** 12,060 SF
- **Supermarket:** 11,000 SF
- **Community Facility:** 109,643 SF
- **Open Space:** 125,550 SF
- **Parking:** 0 additional spaces



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Bridge Plan

- Due to the extended timeline of the proposed project, the PACT partner will assist NYCHA property management with deferred maintenance issues and the backlog of building system and in-unit repairs.
- Since February and March 2024, the PACT Partner has been providing enhanced security and pest management services, respectively, across the Fulton and Elliott-Chelsea campuses.
- Following the execution of the Agreement, the PACT partner will begin implementing the full scope of the Bridge Plan until all NYCHA Replacement Buildings are constructed.

Apartment Work Orders

- Address all open paint and plaster work orders
- Replace cabinets where needed
- Replace missing or damaged sinks and tub enclosures

Building Systems

- Replace defective steam traps
- Proactively maintain boiler feed tanks
- Purchase long lead elevator parts to prevent outages

Security

- Provide 24/7 security coverage with four unarmed guards
- Replace broken intercom systems
- Survey and repair non-functioning entry doors

Pest Management

- Install and replace bait stations
- Perform twice monthly pest treatment
- Provide bedbug treatment

Resident Relocations

- **Relocation Plan:** NYCHA and the PACT partner will work closely with resident leaders and stakeholders to develop a Relocation Plan that complies with all applicable federal requirements and minimizes the need for off-site temporary relocations
- **Build First:** As currently designed, only approximately 120 households, or less than 6% of all 2,056 apartments, will be required to temporarily relocate before moving into their new permanent homes. The remaining 94% of households will only move once – directly into their newly built homes in the NYCHA Replacement Buildings.
- **Prioritizing On-Site Relocations:** Most of the 120 households will be provided appropriately sized apartments within their home campus. Where there are no appropriately sized apartments available on-site, NYCHA and the PACT partner will assist residents with temporary relocation in privately managed buildings within the community or at other NYCHA developments.
- **Right to Return:** Per HUD requirements, any household that is temporarily relocated off-site will have the right to return to their development once the associated NYCHA Replacement Building is complete. The PACT partner will be responsible for providing relocation assistance and the payment of any costs related to packing and on- or off-site relocations.

Proposed Project Financing Principles

No City Capital Subsidy

- The Proposed Project will not use City capital subsidy. The PACT partner may explore any additional non-City capital City, State or Federal subsidies and incentives that may be available.

Mixed Income Buildings Subsidize NYCHA Replacement Buildings

- The Mixed-Income Buildings will support the redevelopment of the NYCHA Replacement Buildings; specifically, the value of the land upon which the Mixed-Income Buildings will be built will be used as a source to support the NYCHA Replacement Buildings.

NYCHA Long-Term Ownership and Participation in Partnership

- NYCHA will continue to own the land, and both the NYCHA Replacement Buildings and Mixed-Income Buildings will be built under a long-term ground lease.
- In addition, NYCHA will participate in the “developer” entity with the PACT partner (consistent with other PACT transactions), enabling NYCHA to benefit from and participate in the long-term cash flow.

PILOTs from the City of New York

- NYCHA will use best efforts to obtain PILOT agreements.

U.S. Dept. of Housing and Urban Development (HUD)

- Following initial Board Approval on December 29, 2021, to begin submitting applications to HUD, an initial RAD Application was submitted to HUD for the Project on September 28, 2022.
- HUD issued its initial approval for the Project through its Commitment to enter into a Housing Assistance Payment (“CHAP”) contract on January 10, 2023.
- NYCHA anticipates submitting one or more Section 18 applications and RAD Financing Plan submissions following this Board approval.
- The project remains subject to HUD’s RAD and Section 18 approvals.
- At each closing, the relevant parcels of land will be ground leased to the PACT Partner for a term of 99 years so that redevelopment may occur. Additional Board approval will be required prior to each closing.
- NYCHA and the PACT Partner will enter into a series of Housing Assistance Payments contracts for ongoing Section 8 rental subsidy, administered by NYCHA’s Leased Housing Department.

Agreement Term

- The Agreement is effective once Board approval is received.
- Upon each closing (which will require its own Board approval), the applicable parcel is released from the Agreement, after which such parcel is subject to the applicable transaction documents.
- The Agreement will end on the earlier of (i) the last closing, (ii) the applicable construction outside date (e.g., 60 months after applicable Closing) if the applicable NYCHA Replacement Building has not been substantially completed, and earlier termination of the Agreement pursuant to its terms.

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NYCHA Board Presentation

October 30, 2024

