

**TESTIMONY FROM NYCHA CHAIR & CEO SHOLA OLATOYE
PRELIMINARY BUDGET HEARING
COMMITTEE ON PUBLIC HOUSING
MONDAY, MARCH 13, 2017 – 1:00 PM
COUNCIL CHAMBERS, CITY HALL, NEW YORK, NY**

Speaker Melissa Mark-Viverito, Chair Ritchie Torres, members of the Committee on Public Housing, and other distinguished members of the City Council: good afternoon. I am Shola Olatoye, Chair and Chief Executive Officer of the New York City Housing Authority. Joining me today are Karen Caldwell, Executive Vice President and Chief Financial Officer, and other members of NYCHA's executive team. Thank you for this opportunity to present the Authority's adopted budget for the years 2017 through 2021, which was approved by the NYCHA Board of Directors on December 21, 2016.

Where Public Housing Finds Itself

For three years, I've sat before you to speak frankly about the threats facing public housing – from decaying infrastructure to growing deficits. I've talked about accountability and debated the wisdom of hard and unpopular choices with you. I've also heard and felt the anger in the voices of residents and of members of this Council.

However, with some time and even some setbacks, together, a brighter future for NYCHA was finally starting to come into focus. There was:

- A Mayor marshaling the resources to literally put new roofs over people's heads;
- An Authority moving out of the Stone Age and into the Digital Age; and
- A fight for every dollar to restore fiscal order – replenishing NYCHA's reserves up to 2.5 months, balancing budgets, even small surpluses – all from tough choices and necessary changes.

NextGen NYCHA, our 10-year strategic plan and turnaround effort, was becoming more than a 100-page plan – it was becoming a reality.

Now, I fear all that progress may be in jeopardy as we face the most uncertain times in public housing history.

Today, this Chamber – the people of New York City, the country – want to know what the future of public housing looks like under the Trump Administration. They hear reports of crippling cuts – of an estimated \$54 *billion* in cuts to domestic programs and a devastating \$6 billion slash to HUD's budget. They want to know what it means for 600,000 New Yorkers who count on NYCHA or Section 8 for affordable housing in this City.

Speculation will be put to rest any day now when the President shares his budget for next year, but in the meantime, there are some things we know for sure, right now.

We know cuts from HUD are real, and we've already received them.

Crippling Cuts Hinder Our Efforts

For the third year in a row, NYCHA was able to balance the books at the end of the year. We accomplished this through increased rent collection, more federal subsidy as a result of higher proration rates, and development revenue coupled with lower utility costs and a lower head count.

Like any family who might tighten their budget ahead of uncertain times, NYCHA's Board approved a conservative 2017 budget at the end of last year. By our projections, tightened belts meant NYCHA could end 2017 with a \$21 million operating surplus. Unfortunately, our reality today now projects a deficit of \$14 million instead of a surplus.

HUD provided notice for reductions to three funding streams vital to NYCHA: two cuts impacting the Authority's day-to-day operations (public housing

operations and Section 8 administration) and one cut, which has the potential to impact landlords and voucher holders (the Section 8 subsidy).

In short, HUD instituted:

- A formula change to public housing that assumes that the rate of our rent collection has gone up by 2 percent, but the rate of our expenses has only risen by 0.4 percent;
- A proration rate cut for public housing, from 90 percent to 85 percent; and
- A proration rate cut to administer the Section 8 program, from 84 percent to 77 percent.

Before the year ended, we took a conservative approach and assumed a proration decrease for public housing operations, from 90 percent to 87 percent, which represents a \$21 million loss. The HUD notice we received subsequently went further, lowering proration to 85 percent, which would have been a \$48.7 million loss. NYCHA is now left with a \$27.7 million shortfall for public housing operations, in addition to a \$7.6 million shortfall for Section 8 program administration.

Separately, HUD also instituted:

- A 95 percent proration rate (down from 99 percent) for Housing Assistance Payments, or HAP, which is the Section 8 voucher subsidy for landlords – a potential loss of \$40.5 million. HAP is somewhat unique because the impact on voucher holders can be mitigated through a number of measures.

It's important to acknowledge that HUD changes proration rates on a regular basis. However, if the rates published by HUD are any indication of the future, NYCHA must brace for cuts, because HUD is as uncertain as we are of what's to

come. And for NYCHA, every 1 percent decrease in proration is about a \$10 million loss for the Authority.

When we are talking about proration, we are really talking about the rationing of funds. HUD rations out the funds appropriated by Congress across 3,100 housing authorities across the country. And through proration, the gap between income and expenses only grows wider.

In fact, in the last 16 years, HUD's formula funding achieved a proration rate of 100 percent or more for New York City only three times.

'The Plan'

Everyone wants to know, what's the plan? How does NYCHA plan to manage these and any future federal funding cuts?

The plan is this:

- 1.) Washington does not get to walk away from public housing – so we will fight any and all cuts, and I hope you will join us.
- 2.) As a City, we need to decide what level of service in public housing we can tolerate. There is no “doing more with less,” which we’ve done every year for more than 15 years. So there will be tough choices ahead.
- 3.) NextGeneration NYCHA is the plan. Even though it was drafted two years prior to the threat of millions in lost federal aid, it still provides a valuable roadmap of how we can fundamentally change the way we do business. Because without the NextGen initiatives we’ve started to put in place, we’d be suffering deficits in the *hundreds* of millions every year.

Cuts Have Real Consequences

It would be impossible for any landlord to operate with less revenue than they need to operate, with less capital dollars than they need to maintain their buildings, all while keeping rents the most affordable in the City.

There is no question there is more work that can and must be done by the Authority to increase efficiencies and lower expenses, but NYCHA's hands are tied on many fronts, including the cost of utilities, work rules, health care, and pensions. We are also limited in how we can bring in new revenue, because rents are capped to keep them affordable.

So a cut today means real service reductions – an impact to residents that will be felt immediately, and mostly in maintenance and repairs. We are a 24/7 operation that only works between 8:00 am and 4:30 pm. We pay a premium for work to occur outside those hours. If we decided to stop paying a premium and stop work outside 8 to 4:30, residents would see longer waits and reduced customer service. And at some point the question will come: What, as a city, is a level of service we can tolerate?

Significant cuts to NYCHA's Section 8 program, which received an "A" rating from HUD, could force us to decrease the number of families served; lower the subsidy toward a voucher holder's rent, which effectively increases their rent; potentially stop issuing vouchers through attrition; and eventually, remove families from the program.

NextGen: Making the Most Impact Possible with Capital Funding

As you may know, our capital budget includes three sources: federal funding from HUD, City funding, and federal FEMA funding.

In recent years, HUD has provided NYCHA with about \$300 million annually in federal capital dollars for infrastructure improvements and major upgrades. This

year, nearly three quarters of our capital dollars will go toward structural and exterior work, such as roof and façade repairs. Sealing our buildings from the elements has a significant impact on the quality of life that residents experience in their homes.

While our capital funding is far from sufficient to meet our buildings' \$17 billion in needs – and has declined by a cumulative \$1.4 billion since 2001 – we're putting the money we do receive to work for our residents faster and more efficiently. We've accelerated the obligation of these funds, from 18 months in 2013 down to eight months now, well below HUD's 24-month requirement.

On the City level, Mayor de Blasio has demonstrated his commitment to public housing in a very tangible way. He recently announced a \$1 billion investment over 10 years so we can replace more than 700 of the most deteriorated roofs in our portfolio. This is on top of the \$300 million he already committed as part of NextGeneration NYCHA. In total, we'll be able to tackle one of the biggest structural challenges we face at more than 950 buildings, benefitting some 175,000 residents.

I'm also pleased to report we are ahead of schedule with the installation of new safety lighting for the MAP initiative, funded through the partnership between the City Council and the Speaker, the Mayor's Office, and the Manhattan District Attorney's Office. To date, we've installed an impressive 1,781 new light fixtures. And as promised, we installed or upgraded more than 600 CCTV cameras at 121 buildings with Fiscal Year 2015 and 2016 funding, thanks to support from the City Council.

Our Bond B work to complete about \$500 million of major improvements at 319 buildings is nearly finished. Last year, our Capital Projects Division had 120 projects in construction worth a total of \$1.2 billion. We completed brick and roof repairs in all five boroughs. We have spent nearly \$500 million on Sandy recovery work, hiring 164 residents and beginning major construction at seven

developments; major construction will start at every Sandy-impacted development by the end of the year.

All of this momentum to finally begin to rebuild our infrastructure will be lost if we see devastating cuts to NYCHA's federal capital budget next year. Simply put, with fewer resources, there will be fewer rehabilitation projects. Precious dollars will be invested in the most dire properties, while other projects in the queue will be shelved for a future, uncertain date.

NextGen: Creating Revenue for NYCHA's Preservation

NYCHA's fate is tied to our infrastructure and our ability to operate. For years, these functions have been starved of the very resources they need to survive. And since "there is no NYCHA fairy coming to save us," we must pursue revenue-generating strategies to help save ourselves.

With so much uncertainty from Washington, the debate on whether or not to build on public housing land as a revenue source should be over. As a city, the stakes are too high for us to disagree amongst ourselves. Public housing will need leadership and partnership like we've never seen before, because of these unprecedented times.

In a win-win, NextGen Neighborhoods offers the City more affordable housing and NYCHA much-needed revenue to fund building upgrades. Constructing a 50/50 mix of affordable and market-rate housing on under-utilized NYCHA land helps shore up public housing. And this spring, we will announce the selected developers for our first two NextGen Neighborhood sites, Wyckoff Gardens in Boerum Hill and Holmes Towers on the Upper East Side.

When tested, we can be entrepreneurial in the way we approach challenges. Our NextGen strategy on RAD – HUD's Rental Assistance Demonstration program – is a public-private partnership and a path forward to preserve affordable housing

for the long term, and to improve the quality of life for residents through major building repairs immediately.

In December, we closed our first RAD agreement for Ocean Bay-Bayside in the Rockaways, bringing in \$325 million to repair and modernize 1,400 apartments. In January, we received approval from HUD to proceed with another 1,700 units, which will enable us to invest an estimated \$300 million in extensive repairs at 17 developments and 59 individual buildings throughout the Bronx and Brooklyn.

NextGen: Creating a More Efficient Organization

NYCHA's survival hinges, in part, on making our operations more efficient, a core tenet of our NextGen vision and a key way that we are providing better service to residents. One measure of our progress in this area is the time that it takes to complete basic repairs. Last year, it was around 10 days. Today, we're just under six days.

NextGen NYCHA has taught us many things – none more important than local property management matters. Our NextGen Operations model of localized property management is delivering faster repairs to residents at approximately 67,000 units, by making property managers more accountable as leaders of their developments. Basic repairs are being completed within five days at these developments, down from 14 days in January 2015. Emergency repairs are being completed within an average of nine hours, beating our target of 24 hours and in comparison to about 12 hours at the rest of our portfolio.

Since operations is our core business, it will be nearly impossible to shield it from the impacts of lost operating dollars. The hard-fought gains to improve service levels may slip backwards as one of the first casualties of cuts.

While future funding levels may slow us down, we are still proceeding with FlexOps, the Flexible Operations pilot we launched last summer at 12

developments with our colleagues at Local 237. It is another demonstration of our ability to adapt, to the benefit of residents and staff alike. Through multiple, staggered shifts for front-line staff, residents are seeing cleaner hallways, elevators, and lobbies when they leave for work in the morning and can get repairs completed in their homes in the evening, so they don't have to take time off from work. We are looking to expand the pilot program at up to 12 new sites.

Through NextGen's digital initiatives, we've laid the groundwork to be more resilient in the face of fiscal uncertainty. NYCHA has joined the digital age with a host of initiatives that improve customer service by streamlining the work that our employees perform at our residents' request. More than 3,500 of our front-line staff are now equipped with handhelds that allow them to open and close work orders and get resident sign-off on the work on-the-spot, increasing transparency and eliminating paperwork from the process entirely. Using their handhelds, maintenance workers are now completing 15 percent more work orders. Residents can now complete their annual income certifications online, which cuts down on paperwork, back and forth, and frees up our staff to assist residents in other ways. Self-service kiosks have been rolled out to property management offices, enabling residents without computer access to complete their annual recertification online, in addition to paying rent and even applying for jobs. Our MyNYCHA app – which just won the Citizens Budget Commission award for Public Service Innovation last week – has been downloaded nearly 48,000 times by our residents.

NextGen: What NYCHA Is (And Why Saving It Matters)

As I've been speaking today, images of "our people, our neighbors" have been scrolling beside me, because when federal funding is on the line, it really does impact real people and our city.

Consider this: One in 14 New Yorkers rely on NYCHA for housing, through public housing or NYCHA's Section 8 program.

They are working families – they are teachers, caretakers, and cops. In fact, the top employers of our residents are the DOE, NYCHA, and the NYPD.

Some are seniors; actually, 76,000 residents are retired from the workforce, aging in place on fixed incomes.

Others are formerly homeless, as NYCHA has become the permanent home for more than 4,500 families over the past three years, and about 2,600 families transitioned from shelters into housing with assistance from NYCHA's Section 8 program.

NYCHA isn't just in the business of housing our residents, but connecting them to economic opportunities. Since it was founded in 2010, the NYCHA Resident Training Academy, a collaboration with the Robin Hood Foundation and best-in-class workforce development partners, has trained more than 1,800 residents for careers in the construction, maintenance, and janitorial fields. In addition, our Office of Resident Economic Empowerment and Sustainability and its partners connected more than 3,000 residents to good jobs last year.

We believe that public-private partnerships can help us bring greater opportunity to residents. To that end, we launched the Fund for Public Housing, a non-profit that seeks support from philanthropists and businesses who value this incredible institution and want to invest in NYCHA residents and their communities. Jeffrey Levine, who grew up in Linden Houses, is the first former NYCHA resident to donate to the Fund: Over 10 years, he's providing \$100,000 in scholarships to NYCHA residents enrolled at City College, his alma mater. I'm proud to note that the Fund for Public Housing was recently named by *Fast Company* magazine as one of the 10 most innovative non-profits in the world.

Who We Are

Last month, in Speaker Mark-Viverito's final State of the City address, I was struck by the powerful words she used to describe our city. She really tapped into the ethos of Who We Are; something powerful that resonates beyond our city limits, which means something not just in Albany and in DC, but to the entire world.

For 83 years we've put a stake in the ground to say: Public housing is a New York institution because our people deserve decent and affordable housing – this is who we are.

When brick towers in St. Louis and Chicago were brought to rubble, New York's towers in the park became a bastion for working families and seniors in the increasingly unaffordable city they call home – this is who we are.

For the last forty years, curve balls and shortfalls, and even management missteps, have dogged public housing, yet NYCHA, even with some bruises, continues to rise above and carry on – because this is who we are.

We must refuse to allow Washington to turn its back on 2.6 million public housing residents across the country, including 400,000 here in New York City.

While some may underestimate the magnitude or uncertainty of this crisis, I can assure you: History will judge us on what we did or did not do to save public housing in New York City when we had the chance. Now is our chance.

With that preface, I request of you this:

Join me in calling on Washington to meet their obligations to public housing. Invite your constituents and your residents. Go to Albany, knock on doors, and ask them to commit to rebuilding public housing, the way the Mayor and the Council have. Raise your voices so there is no mistake that this is who we are.

Also, there may be the temptation to solve cuts with short-term fixes instead of systemic changes, systemic changes like we've outlined in NextGen – the type of change that can ensure the long-term prosperity of public housing as we know it in New York City. We must fight the urge to do what is convenient and what others have done before us.

As Chair, I know I cannot do it alone. I will need you, our workforce, and our residents – we all will have to come together to do whatever proves necessary to prevent deficits, default, and the dismantling of public housing. Because we can provide safe, clean, and connected public housing for this generation and the next, because that is who we are.

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

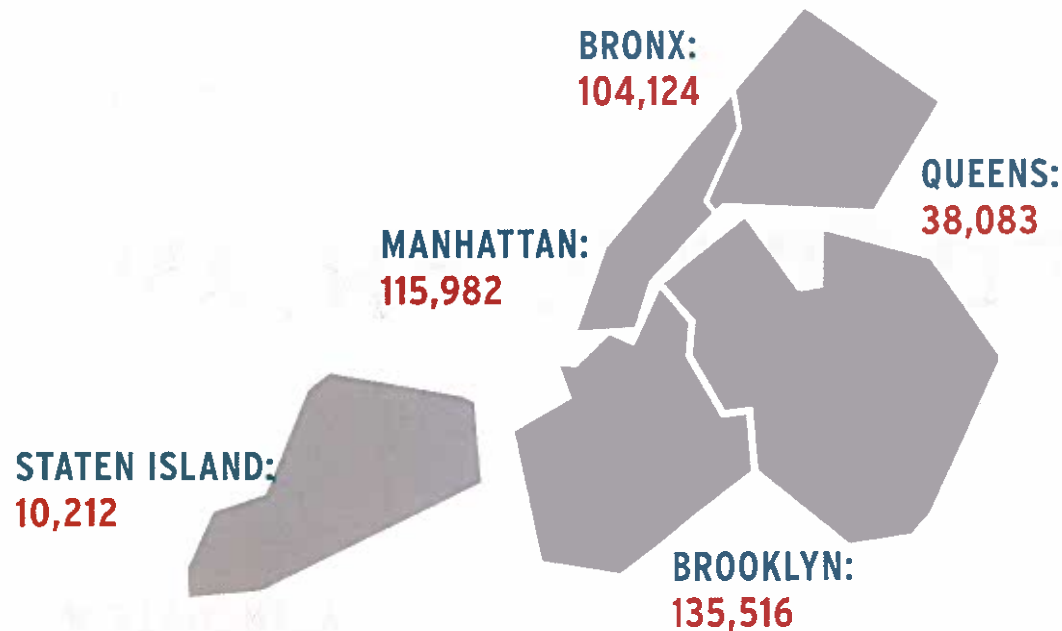


NYCHA Federal Outlook

March 13, 2017

Serious Federal Threats to New York City's Public Housing Residents

RESIDENT POPULATION BY BOROUGH



**FEDERAL
FUNDS**

**FEDERAL
PROPOSAL**

What we Anticipate

How will changes in Washington impact NYCHA?

Potential Funding Changes	Potential Policy Changes
Across-the-board cuts for FY17	Time Limits
Breaking sequestration agreement to treat defense and non-defense spending equally	Modifying Brooke Amendment (Rent Increases)
Reducing discretionary funded agencies (HUD is in that funding category)	Work Requirements

Federal funding cuts are real,
unpredictable, & already started...

FEDERAL
FUNDS

2/26/2017

PH Financial Management Division
Office of Public and Indian Housing

Interim Proration Levels for CY 2017 using an Estimated Eligibility

The Department's undertakes a conservative methodology in determining proration levels while using estimated eligibility. For the March funding, the Department considered 2017 estimated eligibility to provide for an interim proration level of approximately 85%. The final proration will reflect the difference in the amount of the actual eligibility for that approved PHA subsidy requests and the Appropriation Bill.

\$36 MILLION
LOSS IN ONE
MONTH

In February, NYCHA
received a HUD notice
of a **\$28 Million**
cut in public housing
funds...

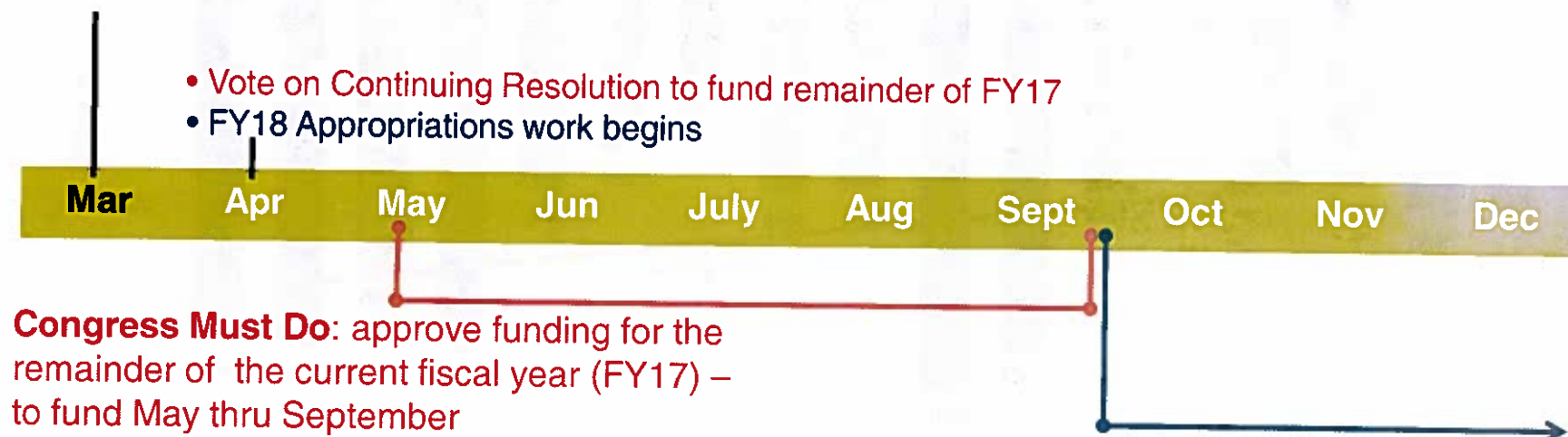
...AND a **\$8 Million**
cut in Section 8
administration
funds



Federal Funding Decisions: *Where We Are & What To Expect*

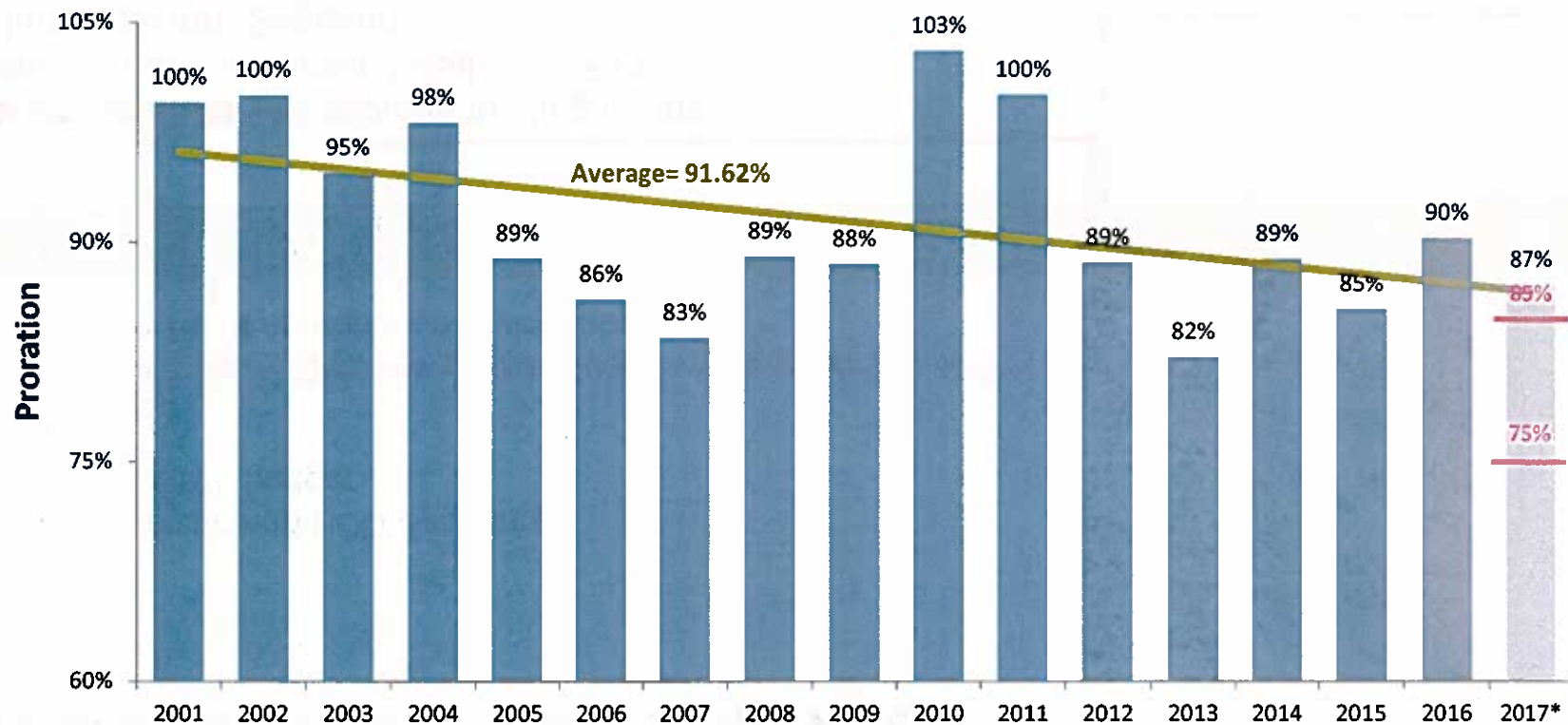
- Dr. Carson confirmed HUD Secretary
- President's FY18 budget

- Vote on Continuing Resolution to fund remainder of FY17
- FY18 Appropriations work begins



Operating Subsidy Proration Public Housing

Each percent reduction to proration equates to roughly \$10M less in funding



* 2017 Adopted budget proration

The Consequences of Cuts


What Deep Federal Funding Cuts Means to Public Housing Residents & Staff

Priority	Avg. Cost	Cut Implications
10 Employees	\$1 million	<ul style="list-style-type: none">• Reductions in weekly staffing, elimination of overnight and weekend work• Fewer staff, slower customer service, longer wait times for repairs• Residents could wait twice as long for complex repairs (example: carpentry work is typically a 3.4 month wait; in 2012 it was a 9 month wait)
1 Boiler Replacement	\$2.1 million	<ul style="list-style-type: none">• Delaying replacement = chronic boiler failures, more frequent heat and hot water outages• Residents with aging equipment can experience about 80% more outages than those with newer boilers
3 Roof Replacements	\$6.3 million	<ul style="list-style-type: none">• Roofs and facades protect the integrity of apartment interiors, as exteriors decline, interiors decline• Residents are 5 times more likely to complain about leaks in buildings with deteriorated roofs, compared to new roofs

NextGen Initiatives = Critical In Closing Funding Gap

2017-2021 Five-Year Financial Plan

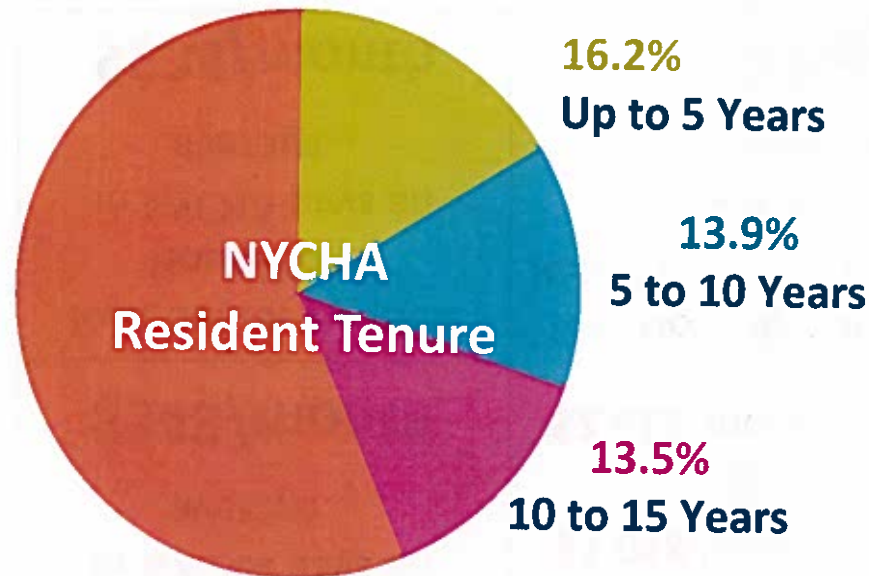
	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan
With NextGen	\$21.1 M Surplus	\$61 M Surplus	-\$19.6 M Deficit	-\$27.3 M Deficit	-\$56.8 M Deficit
Without NextGen	-\$152.8 M Deficit	-\$115.7 M Deficit	-\$148 M Deficit	-\$171 M Deficit	-\$169 M Deficit


**Crisis Level
Operating Deficits**

Potential Policy Attack on Public Housing: Time Limits

Average Resident
Tenure: 20.5 Years

56.4%
Over 15
Years



Time Limits means public housing
would no longer be permanent
housing.

FEDERAL
PROPOSAL

Potential Policy Attacks on Public Housing:

Rent Increases & Work Requirements

What Modifications to the Brooke Amendment (30% cap on tenant rent) Could Mean to Public Housing Constituents

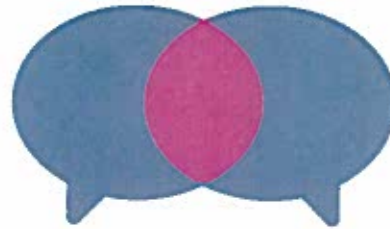
Working Household in NYCHA pays an average... \$695/month	Non-Working Household in NYCHA pays an average... \$343/month	NYC Market Median Rent \$1,018/month (low) ↕ \$2,812/month (high)
Senior Headed Households in NYCHA pays an average... \$467/month	Non-Senior Headed Households in NYCHA pays an average... \$534/month	NYC Housing Vacancy Rate for rentals <\$800= 1.8%

FEDERAL PROPOSAL

How City Leaders Can Help Public Housing Residents in NYCHA



- Fight federal revenue reductions to Public Housing and Section 8
- Support additional state funding for NYCHA (\$500M over 5 years) to go directly to NYCHA and not through DASNY
- Prioritize City Capital through the Council budget process.



- Speak to residents, advocates and other stakeholders to make sure they understand that NYCHA and its residents are at risk.



- Sign invitation letter to Dr. Ben Carson urging him visit NYCHA
- Coordinate with federal, state, and city colleagues to support NYCHA



NextGeneration NYCHA Progress

4th Quarter 2016

October 1 to December 31



The New York City Housing Authority (NYCHA) is the largest public housing authority in North America, with 400,000 residents. We also operate the largest Section 8 program in the country, helping 200,000 voucher holders pay their rent to private landlords. Our 10-year strategic plan, NextGeneration NYCHA (NGN), released in May 2015, will protect and preserve this priceless public resource for today's residents and the next generation of New Yorkers.

The goals of NGN are to: **achieve short-term financial stability and diversify funding for the long term (Fund)**; **Operate** as an efficient and effective landlord; **repair public housing and build affordable housing stock (Rebuild)**; and **Engage** residents to connect them to job opportunities and social capital.

See our progress below.

With **400,000 residents**, NYCHA's population is larger than Las Vegas, Atlanta, and Miami

● LAS VEGAS

● ATLANTA

● MIAMI

8.1% of NYC rental market

2,472 acres

Fund

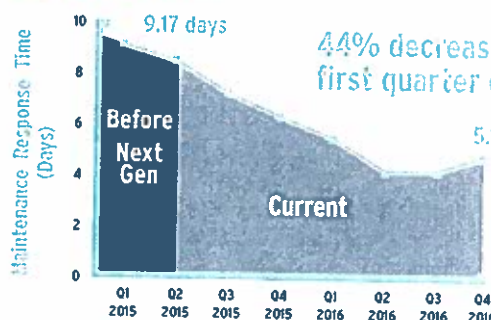


\$20M surplus in 2016 budget

Due to NextGen NYCHA:

- Higher rent collection
- Lower personnel costs
- New ground floor commercial and community tenants

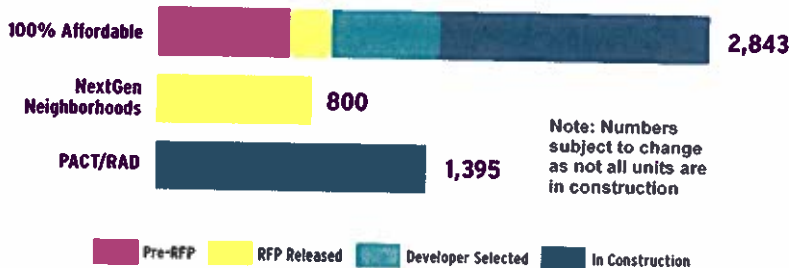
Operate



Note: Apartment inspections resumed in Fall of 2016

(Re)build

4,358 housing units in development pipeline



Engage

In 2016, our Office of Resident Economic Empowerment & Sustainability (REES) made:

7,340

connections to service partners

3,262

job placements

REES connects residents to jobs, trainings, and financial empowerment opportunities provided by area nonprofits.



2016 workforce training program graduates:

79 Food Business Pathways

FBP provides entrepreneurially driven residents with training and resources to launch their food business.

274 NYCHA Resident Training Academy

NRTA provides employment-linked training opportunities and job placement assistance to NYCHA residents.

I am Next Generation NYCHA

Connecting communities



"I'm proud to be able to bring this to my community. I always see coding for girls, but there are so many areas of IT that are untouched. Bringing something that is a passion of mine to my community — I can't even describe the feeling that I get to be part of this."

—Shameya Muniz

Installing broadband at Queensbridge Houses, home to 7,000 residents in 26 buildings, is a lot of work. To gain consent and access to the apartments, the service provider, SpotOn, hired Shameya Muniz, a lifelong

Queensbridge resident, as the Supervisor of Customer Relations/Office Manager, and April Andrews, who moved to the development in 2015, as the Assistant Project Manager. "This is awesome!" says Ms. Muniz. "Broadband access is important. There are a lot of college students, a lot of talented people who can't work or practice at home, they have to go do the things they love outside of their home. And parents won't have to go through the hardship of figuring out how to pay for internet for their kids. This will create a lot of growth in the community," Ms. Andrews adds.

Reuniting families

"I wouldn't have been able to get work if I didn't have a place to call home and build a foundation. I'm certainly grateful for this opportunity for peace. You can turn a whole new page in your life and start a new story."

Darnell Smith is 34 years old, living with his wife and three sons at Saint Nicholas Houses and working a union job in construction. What's unusual about this is that Darnell was recently released from prison; until two years ago NYCHA prohibited formerly incarcerated individuals from living in NYCHA housing. The Family Re-entry Pilot Program, developed in collaboration with the Vera Institute for Justice, the Corporation for Supportive Housing, and others, allows people who have been released from incarceration within the past three years to live with their families in NYCHA developments.



Trump administration considers \$6 billion cut to HUD budget

By Jose A. DelReal March 8

The Trump administration has considered more than \$6 billion in cuts at the Department of Housing and Urban Development, according to preliminary budget documents obtained by The Washington Post. The plan would squeeze public housing support and end most federally funded community development grants, which provide services such as meal assistance and cleaning up abandoned properties in low-income neighborhoods.

It's the latest evidence that the administration is following through on President Trump's goal to cut domestic spending by \$54 billion to bolster the defense budget. HUD's budget would shrink by about 14 percent to \$40.5 billion in fiscal 2018, which begins in October.

HUD Secretary Ben Carson has taken a staunchly conservative stance on public assistance in the past, saying dependency on HUD programs could become "a way of life" for recipients. While suggesting significant cuts, the preliminary budget maintains the same level of funding to rental assistance programs and avoids reductions that could directly put families on the streets. Instead, it targets funding for building maintenance and community development projects, although HUD recommends in the budget document that those projects receive funding from another source.

About \$1.3 billion would be cut from the public housing capital fund, under the preliminary plan — when compared to funding in 2016 — and an additional \$600 million would be cut from the public housing operating fund.

HUD spokesman Jereon Brown said the budget document "is still a work in progress." The budget document appears to be part of a back-and-forth with federal budget officials, and it is unclear whether the proposed cuts will be included in the president's final budget proposal. The Trump administration has said it will release its complete budget plan next week.

Carson's chief of staff, Sheila Greenwood, did not respond to requests for comment.

Budgets for public housing authorities — city and state agencies that provide subsidized housing and vouchers to local residents — would be among the hardest hit. Under the preliminary budget, those operational funds would be reduced by

\$600 million, or 13 percent. Funds for big-ticket repairs at public housing facilities would be cut by an additional \$1.3 billion, about 32 percent. That could have a major quality-of-life effects on the low-income families who rely on public housing: Tens of billions of dollars in backlogged repairs already plague the country's 1.2 million public housing units, according to a 2010 HUD report.

The proposal would also reshape the federal government's involvement in local community development, potentially eliminating a decades-old program that funnels federal dollars into programs that combat poverty and urban decline, and fund other local improvement efforts.

The Community Development Block Grant Program, which has enjoyed bipartisan support in Congress, is budgeted to receive \$3 billion this fiscal year, according to the document. The proposal would cut those funds entirely.

The program has been used to develop a pedestrian and bike trail in New Orleans and affordable housing projects in Milwaukee. A Boys and Girls Club in Maryland is applying for CDBG funds to construct a gym next year.

In the budget document, HUD employees recommended "inclusion of funds in infrastructure package" for the Community Development Block Grant, indicating the money could come from outside the HUD budget as part of a separate White House bill.

The HOME Investment Partnerships Program, which provides block grants for local communities to build affordable housing, and Choice Neighborhoods, a program that invests in redeveloping low-income communities, also would be cut.

In total, about \$4 billion in community planning and development grants, which have been used to clean up struggling neighborhoods, would be eliminated under the Office of Management and Budget's proposal.

Under the proposal, direct rental assistance payments — including Section 8 Housing and housing vouchers for homeless veterans — would be cut by at least \$300 million, to \$19.3 billion. Additionally, housing for the elderly — known as the Section 202 program — would be cut by \$42 million, nearly 10 percent. Section 811 housing for people with disabilities would be cut by \$29 million, nearly 20 percent. Money available for Native American housing block grants would fall by \$150 million, more than 20 percent.

Barbara Sard, vice president for housing policy at the Center on Budget and Policy Priorities, said that even flat funding for HUD's core programs ultimately could affect the number of subsidized housing vouchers available to families because of inflation. As a result, she said, hundreds of thousands of vouchers could be eliminated in the coming years if the department's funding allocations for subsidized housing stay the same.

She noted that, while it appears likely that Trump will propose an infrastructure package, the White House has not indicated that it would include anything related to housing.

Marc Morial, president of the National Urban League, said such cuts would be “devastating and hardhearted,” potentially leading to rent increases for those in subsidized housing.

“These sorts of cuts could . . . increase the number of families and people that are homeless because housing is less affordable,” Morial said. “It’s a slap in the face of working Americans, urban communities, to suggest that you should make all these cuts to buy more tankers, aircraft carriers and missile systems.”

HUD salaries and administrative expenses will be cut by 5 percent, down from \$1.36 billion in 2016 to \$1.28 billion in 2018. It is not yet clear how that reduction in staff or wages would be achieved.

In the process of developing the federal budget, agencies submit an initial funding request to OMB, which makes adjustments and returns the budget markup. The budget document obtained by The Post details OMB’s budget priorities, program by program. Brown, the HUD spokesman, said the preliminary document is likely a HUD working draft as part of the budgeting process and might not have been reviewed by OMB, which is responsible for finalizing the president’s budget proposal before it is sent to Congress.

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Given deadlines and the length of the process, that probably happened before Carson was confirmed last week by the Senate.

White House spokesman Sean Spicer referred questions to OMB spokesman John Czwartacki, who called the document an “internal discussion” and said it would be “premature for us to comment.”

The president and his Cabinet are working collaboratively as we seek to create a budget that keeps the president’s promises to secure the country and prioritize taxpayer funds,” Czwartacki said.

Debra Cenziper, Damian Paletta and Juliet Eilperin contributed to this report.

Jose DelReal is a national correspondent covering America's rural-urban divide, the USDA, and HUD. During the 2016 presidential election, he traveled to over 40 states while chronicling Donald Trump's astonishing political rise. Jose grew up in Anchorage, Alaska, and graduated from Harvard College. He lives in Washington, D.C. 🐦 Follow @jdelreal

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FOR THE RECORD

Testimony by The Legal Aid Society

Before the New York City Council Committee on Public Housing

Oversight Hearing: New York City Council Fiscal Year 2018 Preliminary Budget and

Mayor's Fiscal Year 2017 Management Report

March 13, 2017

Introduction

The Legal Aid Society (the Society) is the oldest and largest provider of legal assistance to low-income families and individuals in the United States. Operating from 26 locations in New York City with a full-time staff of more than 2,000, the Society handles approximately 300,000 individual cases and legal matters each year. The Society operates three major practices: the Civil Practice, which improves the lives of low-income New Yorkers by helping families and individuals obtain and maintain the basic necessities of life - housing, health care, food, and subsistence income or self-sufficiency; the Criminal Practice, which serves as the primary provider of indigent defense services in New York City; and the Juvenile Rights Practice, which represents virtually all of the children who appear in Family Court as victims of abuse or neglect or as young people facing charges of misconduct. The Society is counsel on numerous class-action cases concerning the rights of public housing residents and is a member of the New York City Alliance to Preserve Public Housing, a local collaboration of New York City Housing Authority ("NYCHA") resident leaders, advocates and concerned elected officials.

We appreciate the opportunity to testify before the City Council's Public Housing Committee. We greatly appreciate the leadership of Chair Ritchie Torres and his commitment to public housing residents.

NYCHA's Financial Crisis

Public housing in New York City is a vital and vibrant source of stable and affordable housing for low-income New Yorkers, with over 500,000 residents living in 178,000 apartments spread throughout NYCHA's 328 developments. In addition to public housing, NYCHA administers the largest Section 8 program in the nation, serving over 85,000 families. NYCHA public housing has fallen into critical condition in recent years, marked by significant operating deficits year after year and accelerating deterioration of its housing infrastructure— 60 percent of its buildings were built before 1965. In addition to battling the effects of its operating deficit, NYCHA has major infrastructure needs that have not been addressed for many years due to funding gaps. Currently, NYCHA has over \$17 billion in unmet capital needs to its aging buildings. Residents are living with chronic disrepairs and face year-long waits for needed repairs in their apartments.

We thank Mayor de Blasio for his unprecedented support of public housing and for taking an active role in expanding NYCHA resources, by relieving NYCHA in 2014 of the \$73 million annual payments for police services and the \$32 million annual PILOT payments in lieu of property taxes. This has meant that over \$100 million each year could be added to NYCHA's limited operating resources to strengthen management and repairs. In 2015, the Mayor also committed \$300 million from the capital budget over three years to critically needed roof replacements. In January 2017, the Mayor's Preliminary Budget also contained a capital commitment to NYCHA of an additional \$1 billion over 10 years for roof repairs. In recent years, the City has also taken over the operations of the 41 remaining NYCHA managed senior and community centers, ending the yearly crisis at the brink of defunding. However, a greater financial commitment is needed right now from the City to NYCHA in order to secure infrastructural improvements and preserve New York City's greatest affordable housing resource.

Proposed Federal Funding Cuts for Fiscal Year 2018

As reported by the Washington Post on March 8, 2017, the Trump Administration is considering more than \$6 billion in cuts at the Department of Housing and Urban Development (HUD), a 14 percent cut to HUD funding¹. It is estimated that the public housing operating subsidies will be cut by \$600 million and the capital funding will shrink by \$1.3 billion. Such massive cuts will have major quality of life effects on low-income families in public housing and will certainly undermine the health and safety of public housing residents. In addition to public housing cuts, the Section 8 Program faces cuts of up to \$300 million. The Center on Budget and Policy Priorities (CBPP) estimates a loss of 200,000 Section 8 vouchers nationally in response to such budget cuts².

The proposed federal budget cuts will have a devastating effect on NYCHA and its residents. On March 6, 2017, the Wall Street Journal (WSJ) reported that HUD recently notified NYCHA that it will be losing \$35 million in federal funding this year³. This is the biggest cut in federal funding in five years and according to the WSJ article, NYCHA is bracing for additional funding cuts this year. At the end of 2016, for the first time in many years and after implementing some of the strategies laid out in its Next Generation NYCHA Plan, NYCHA had a \$21 million operating surplus which, as Chair Shola Olatoye states, “evaporates” with the recently announced cut in funding. With the proposed federal funding cuts, NYCHA now faces annual operating deficits increasing to an estimated \$169 million shortfall in 2021.

Recommendation:

The Legal Aid Society calls on the City to commit additional capital funds to NYCHA now and not to take a “wait-and-see” approach with regard to Washington. Today, more than ever, there is a compelling need for major City and State investment in NYCHA infrastructure. The health and safety of over 500,000 New Yorkers is threatened by the proposed Federal funding cuts— action must be taken by the City and State now to ensure that critical infrastructure

¹ https://www.washingtonpost.com/politics/trump-administration-considers-6-billion-cut-to-hud-budget/2017/03/08/1757e8e8-03ab-11e7-b1e9-a05d3c21f7cf_story.html?utm_term=.096910f4616c

² <http://www.cbpp.org/blog/trumps-proposed-cuts-risk-slashing-rental-aid>

³ <https://www.wsj.com/articles/federal-aid-reduced-for-new-york-city-housing-authority-1488844639>

improvements can be made and to prevent the loss of 178,000 affordable housing units in New York City.

CONCLUSION

Thank you again for the opportunity to testify.

Respectfully Submitted:

Seymour W. James, Jr., Attorney in Chief
Adriene Holder, Attorney in Charge, Civil Practice
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**Testimony of
Daisy Rodríguez, American Museum of Natural History
New York City Council
Committee of Public Housing
March 13, 2017**

Chairman Torres and distinguished members of the Committee, my name is Daisy Rodríguez and I am here to offer testimony on behalf of the American Museum of Natural History in support of increased funding for cultural organizations, to advance the work they do to engage New York City Housing Authority (NYCHA) residents in life-long learning programs.

We commend the Council and the Administration for supporting programs through which cultural organizations provide programming and services to NYCHA residents. One such program at the Museum, the *Family Science Program*, serves families from NYCHA developments and underserved communities throughout the City.

With support from Speaker Melissa Mark-Viverito and the City Council, the *Family Science Program* was launched in 2014 and serves up to 1,200 participants (children and their parents or guardians) annually. The program aims to make the Museum and its resources even more accessible to families by teaching parents and guardians how to access and utilize the Museum's scientific and educational activities and programs effectively. The Museum seeks to empower participants to view cultural institutions like ours as attractive and accessible sites for family learning.

Key features of the program include opportunities for families to practice using scientific tools together while getting up-close and hands-on with Museum collections. By exploring these specimens and objects, families build direct connections to the natural sciences and develop their abilities to explore nature together in their own neighborhoods. The program includes translators, food, transportation, and educational activities and tools to use at home and in their community, as well as free vouchers for return visits. Additionally, we include information on ID-NYC to encourage families to take part in this incredible program.

In the pilot year (2014), the Museum served only 4 Council Districts through this program. In its second year, attendance grew by 35%, and the program expanded to serve 20 different Council Districts. This year, we have increased the number of sessions offered from eight to ten over the course of the school year and plan to serve over 26 Council Districts.

The American Museum of Natural History and other cultural organizations want to sustain and expand programs like this which serve NYCHA residents, but we need continued support to do so. We therefore urge you to support increased funding to the Department of Cultural Affairs (DCLA) to preserve and grow these vital programs. Thank you.

Mara Cerezo - Senior Program Officer, Green City Force
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Good Afternoon. My name is Mara Cerezo and I'm the Senior Program Officer for Green City Force. In addition to working with young adults from public housing, I'm also an individual whose family personally benefitted from public and subsidized housing. In fact, my father grew up in Red Hook Houses -- fast forward about 40 years and I was back in those very same houses while GCF broke ground on our first farm. I am here to testify that NYCHA is both a backbone and a ladder for communities across this city, providing strength and mobility.

Today, NYCHA is facing the largest funding decrease it has seen in 5 years, a cut of approximately \$36 Million dollars. Housing is critical, and NYCHA is integral in the strength and mobility of hundreds of thousands of city residents. Stable housing is the basis from which people are able to build their lives. NYCHA is home for roughly 400,000 people, or 1 in 14 New Yorkers. As NYCHA struggles with infrastructure challenges including \$17 Billion in unmet capital needs, a budget cut of this magnitude is impacting a significant portion of NYC residents. Thousands of families, seniors, young adults, and children will be negatively affected by the proposed cuts. Now more than ever NYCHA needs partnership at every level of government and continued support from the de Blasio administration and City Council to help offset these dire financial straits.

NYCHA is working hard to leverage its limited resources to benefit residents and create opportunities for them to thrive. Through the partnership and support of NYCHA, GCF has been able to provide workforce opportunities for hundreds of residents. Over the past 7 years we have engaged over 450 young people from NYCHA, and have had an average graduation rate of 80%. For our recruitment we partner closely with NYCHA's Office of Resident Economic Empowerment & Sustainability. REES supports residents to increase their income and assets through programs, policies, and collaborations. The young people we engage all have their GED/HS Diploma, have been unemployed or underemployed in low-wage dead end jobs, and have a drive to begin and advance their careers. They are intelligent, capable, and motivated. NYCHA understands and appreciates the diverse experiences and needs of its residents, and it has taken great strides to improve their lives.

Green City Force partners with NYCHA to focus on the high unemployment rate for young adults in NYCHA. We are a non-profit organization that works with young adults ages 18-24 from NYCHA developments across the city. Green City Force's (GCF) mission is to break the cycle of poverty, preparing urban young adults to succeed in their chosen careers by engaging them in service, training and work experiences related to the clean energy economy. In doing so, GCF encourages them to lead socially and environmentally responsible lives. Our Corps Members are able to make the investment in learning new skills and training for jobs in the clean energy economy, in no small part because they have stable housing and can focus their efforts on preparing for the future.

Our Corps Members who are all NYCHA residents, engage with NYCHA communities every day. They are credible messengers spreading the word about eating healthier foods, recycling, reducing energy consumption, and embracing where they live. They are part of the fabric of the community and speak about their developments with pride. They want what is best for their families and homes. This passion for loving where you live continues past graduation.

Our graduates go into careers in building maintenance, energy efficiency, urban agriculture, renewable energy, landscape design, and more. Our graduates, all young adults from NYCHA, have advanced from being porters to building superintendents, from being field technicians and direct installers to energy auditors, from farm crew leaders to farm managers, from construction crew members to lead solar installers. There are viable pathways for young people in the field of sustainability. There are careers that we can access because of our consistent and deep partnership with NYCHA.

NYCHA is a reliable source of housing for working class New Yorkers. Investing in NYCHA is providing strength and mobility for people in communities across the city. NYCHA has the leadership, vision, and partnerships to sustain its buildings and land for the next generation of residents, it is absolutely critical that they also have the funding.

Quotes from some Green City Force Graduates:

I grew up in NYCHA for almost all of my 25 years of life. I have seen both the ups and downs in our community. I am glad to say we have been making progress. NYCHA provides homes for over 400,000 families. Families who will be directly impacted by the 35 million dollar budget cut, my family included. As a community we are already below poverty. We are already making the best we can with the little we have. A lot of people might not know but because of NYCHA young people have access to free training programs and because of NYCHA we are first priority when it comes to getting full time or part time jobs provided through NYCHA. I'm afraid if we get these budget cuts my community will get distracted. We are going to be left out with no resources. NYCHA will fall as a community and crime with rise. It's not just money we are playing with, it is people's lives and families. I love my family and I love my community and we will not expect anything less than what we deserve! - Precious

NYCHA is the home to children who bring life, and the elderly who bring wisdom. It's unfair and unjustified to take away what hard working people deserve. NYCHA needs funding so we can build a better future for our people. - Quaming

By properly and wholeheartedly investing in our citizens and residents, then NYCHA can symbolize the federal government's commitment to invest the nation's capital to the expansion and betterment of the American people's livelihood. – Miguel

About Green City Force:

Our long-standing service model is called Love Where You Live. Through LWYL, Corps Members engage fellow public housing residents in reducing their energy consumption employing a door-to-door outreach campaign, while building experience and skills directly relevant to multi-family energy efficiency work and related in-demand jobs. Over the past 4 years we've engaged over 17,000 NYCHA residents in making a difference in their home communities by placing the power in their hands to make sustainable choices.

Over the past several years we have increased our commitment to Urban Agriculture and Land Improvement. We've partnered with NYCHA to build farms in various developments. We started in Red Hook, and have expanded to Howard, Bay View, and Wagner, with more farms slated to get built over the next few years. In 2016, we engaged over 3,000 resident volunteers on our farms, and harvested over 12,000lbs of food. Making a direct impact on the way people engage with their community and increasing access to healthy foods.

NEW YORK HOUSING CONFERENCE



**New York City Council Fiscal Year 2018 Preliminary Budget,
Mayor's FY '17 Preliminary Management Report and Agency Oversight Hearings
Testimony for Rachel Fee
March 13, 2017**

My name is Rachel Fee and I am the Executive Director of the New York Housing Conference (NYHC). I would like to thank the Committee Chair Ritchie Torres as well as the other members here for the opportunity to submit comments on the 2018 New York City Housing Authority (NYCHA)'s Preliminary Budget.

NYHC is a statewide affordable housing policy and advocacy organization. Our mission is to advance City, State and Federal policies and funding to support the development and preservation of decent and affordable housing for *all* New Yorkers through our broad-based coalition.

NYCHA is an invaluable resource to New York City and an important part of our affordable housing infrastructure. Maintaining NYCHA's housing stock is essential not only for residents living in public housing, but also to New York City neighborhoods in desperate need of more affordable housing options.

New York Housing Conference commends Mayor Bill de Blasio for providing a framework for reinvestment and revitalization in NYCHA's Next Gen Strategic Plan and also for the commitment to provide \$100 million annually over the next ten years. We applaud the significant improvements made by Chair Olatoye to transform management and operations of the housing authority and the concerted efforts made to improve resident engagement. We also support the Administration for employing HUD's Rental Assistance Demonstration Program (RAD) to leverage investment through RAD conversions while making meaningful reductions in the citywide capital backlog. RAD allows public housing authorities to protect long-term affordability of public housing units that are in need of rehabilitation and financial support by leveraging significant funding through private-public partnerships, while safeguarding tenant

rights. With renovation underway in Ocean Bay and an additional 1,700 units expected to convert through RAD, extensive capital repairs will now become a reality, improving the quality of life for residents at 17 chosen developments.

While local support for NYCHA is an improvement over past Administrations, more must be done to make up for projected federal cuts. On February 28th, NYCHA was notified by HUD that its current budget has been cut by 5% or \$35 million dollars. Based on President Trump's stated plan to increase defense funding by \$54 billion by cutting non-defense discretionary spending and news reports on preliminary budget documents, we can assume the President's budget will likely feature 14-15% overall budget cut to the Department of Housing and Urban Development (HUD). Public housing alone would lose \$2 billion in funding nationwide with a reduction of 13% or \$600 million in operational funds and a reduction of 32% or \$1.3 billion in capital funds. This will turn NYCHA's projected operating surplus into a \$153 million operating deficit. Budget reductions at this level will directly impact the quality-of-life, health and safety of NYCHA's residents.

Over the past 15 years, the federal government has shortchanged public housing program funding, which has resulted in a loss of more than \$1.1 billion in capital subsidy for NYCHA over that period. This underfunding has prevented NYCHA from performing necessary building maintenance work, which has resulted in its \$17 billion capital repair backlog, impacting the quality of life for residents.

As you know, public housing buildings are in desperate in of capital investment to provide residents with safe and decent living conditions. As federal funding for public housing is declines local government must intervene to ensure that public housing is maintained for current residents and preserved for future generations. We urge the City Council and Mayor de Blasio to prioritize additional NYCHA funding in this budget.

Thank you again for this opportunity to testify.



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**Testimony of United Neighborhood Houses
Before the New York City Council
Committee on Public Housing
Honorable Ritchie Torres, Chair**

**Presented by Gregory Brender, Co-Director of Policy & Advocacy
March 13, 2017**

Thank you Chair Torres and members of the Committee on Public Housing for convening this hearing and the opportunity to testify. United Neighborhood Houses is New York City's federation of settlement houses and community centers. Rooted in the history and values of the settlement house movement begun over 100 years ago, UNH promotes and strengthens the neighborhood-based, multi-service approach to improving the lives of New Yorkers in need and the communities in which they live.

Settlement houses operate programs at 112 sites in 56 NYCHA developments, serving residents and families. To provide some examples, settlement houses run Naturally Occurring Retirement Communities (NORCs) in 10 NYCHA developments, ensuring that older residents receive critical services to safely age in place in their homes. To promote food access, settlement houses design programs that promote food access to nutritious food for NYCHA residents in neighborhoods that are poorly served by supermarkets. They bring multi-service and multi-generational program models into Cornerstone Community Centers and provide nighttime services in the summer for teenagers as part of the Mayor's Action Plan to Address Violence in Public Housing.

UNH is eager to work with the City Council to preserve and improve services for public housing residents.

Background

UNH's 38 member organizations have a strong commitment to the development of public housing and to the residents who live there. During the early 20th century, settlement house leaders were strong advocates for the creation of public affordable housing in New York City. The early leaders of the New York City Housing Authority (NYCHA) included settlement house pioneers such as Mary Simkovitch, NYCHA's first vice-chair as well as the founder of Greenwich House - a settlement house in Manhattan.

While New York City's public housing faces incredible challenges, it nonetheless continues to defy a popular but false narrative that public housing is doomed to fail. In many other cities, large public housing developments have been demolished and the land cleared, displacing residents and leaving them homeless. In New York City, residents and community leaders fight to preserve every unit of public housing, as it is key to ensuring the affordability of New York City over time.

There are well-documented maintenance issues within NYCHA developments, and residents are often faced with delayed repairs and substandard living conditions. We take this issue seriously and strongly urge NYCHA to resolve infrastructure issues identified by tenants in an expeditious manner.

Nonetheless, a large part of the success of public housing in New York City can be attributed to NYCHA's partnership with community based organizations, like settlement houses to serve residents in and neighbors near NYCHA developments.

The Challenge

New York's successful public housing communities are severely underfunded, threatening the stability of affordable housing for thousands of city residents. While this is not a new problem, it is growing more dire. The federal department of Housing and Urban Development (HUD) has already taken administrative action to cut NYCHA's support by \$35 million. Moreover, the President is expected to reduce overall HUD funding by an additional \$6 billion which would lead to significant funding cuts for NYCHA.

At the same time, NYCHA's unmet capital needs are growing as buildings, many of which were constructed in the mid-twentieth century need facility repairs, especially new roofs and elevators. Both the community space and residential spaces in NYCHA developments face flooding, infestation, sewage back-up and lack of heat and hot water.

Every level of government must take responsibility to ensure that public housing communities have the services and infrastructure they need. We urge the City Council to continue to advocate for NYCHA, and seek appropriate funding from the City, State, and Federal government to ensure the stability of public housing. UNH stands ready to work with you in these efforts.

Thank you.



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Greg Berman . Director

Center for Court Innovation Testimony
New York City Council
Committee on Public Housing
Preliminary Budget Hearing
March 13, 2017

Good afternoon **Chair Torres** and Members of the Committee on Public Housing. My name is **James Brodick**, and I am the **Director of Brooklyn Justice Centers** at the **Center for Court Innovation**. Thank you for giving me the opportunity to speak today.

A large number of the individuals who come through our Youth and Community Justice Centers have roots in public housing. Our Justice Centers serve public housing residents in neighborhoods in all five boroughs in New York City. For example, the Center's Community Justice Centers in Brooklyn and Harlem operate Housing Resource Centers to assist NYCHA residents with repairs, rent payment, and housing court cases. In addition to housing court resources, our Community Justice Centers offer a variety of other community-based programs and services to justice-involved public housing resident seeking employment, education services, and meaningful opportunities to serve their communities. And in Crown Heights, Bed-Stuy, and the South Bronx, the Center's Cure Violence projects work with many public housing residents in an effort to end gun violence.

I am here to urge the Council to support continued funding for the Center for Court Innovation and its efforts to improve public safety, promote and expand the use of community-based alternatives to incarceration, and increase equal access to justice for vulnerable New Yorkers. The Center for Court Innovation is seeking \$700,000 in City Council support. This includes a continuation of \$500,000 to support ongoing core operations in communities across the city, and

OPERATING PROGRAMS

Brooklyn Justice Initiatives | Brooklyn Mental Health Court | Brooklyn Treatment Court | Bronx Community Solutions | Brownsville Community Justice Center
Bronx Child Witness Program | Crown Heights Community Mediation Center | Domestic Violence Court | Harlem Community Justice Center | Legal Hand
Midtown Community Court | Newark Community Solutions | Parent Support Program | Parole Reentry Court | Peacemaking Program | Project Reset
Poverty Justice Solutions | Queens Youth Justice Center | Red Hook Community Justice Center | Save Our Streets | Staten Island Youth Justice Center
Strong Starts Court Initiative | Westchester Court Education Initiative | UPNEXT | Youth Court | Youth Justice Board

an enhancement of \$200,000 to expand alternatives to incarceration in several key neighborhoods.

The Center is committed to improving outcomes for young people impacted by the justice system and offering them pathways to academic, social and vocational success. Through both court and community-based programs, such as Project Reset, our adolescent and young adult diversion courts in Manhattan and Brooklyn, and Youth Justice Centers in Queens and Staten Island, we provide judges, prosecutors, and police with meaningful alternatives to business as usual. Our programs serve more than 6,000 youth each year, providing them with opportunities to avoid Rikers Island, and in many cases, a trip to court.

In addition to diverting New Yorkers out of the justice system, we are helping people transition back to community life after spending time in jail or in detention. In collaboration with the New York City Administration for Children's Services and its contracted aftercare providers, the Center provides a structured, strengths-based services for youth returning from residential placement for delinquency. These young people and their families are offered skill-building and leadership development, educational support and coordination, case management, cognitive behavioral services, arts and cultural programming, and pro-social activities. Youth are also referred to with additional community-based services to help them overcome challenges, manage family transitions, and sustain positive growth.

The City Council's support has been invaluable to the success of the Center for Court Innovation, helping us maintain core operations and expand our demonstration projects throughout New York City. The Center for Court Innovation looks forward to continuing to work with the New York City Council to improve public safety and to create new alternatives to incarceration that result in a fairer, more accessible justice system for all New Yorkers. Thank you again for the opportunity to speak, and I would be happy to answer any questions you may have.

Good afternoon everyone,

My name is Daphany Rose Sanchez and I work as an energy efficiency consultant to the City of New York. As a 2nd generation New York native, my roots, my community, and most importantly, my home, Cooper Park Developments in Greenpoint have made me who I am today. As you hear various testimonies and request for funds, I ask you to remember my words, my story as it is those before you that have provided me with the opportunity to stand here today and advocate on behalf of NYCHA.

So I'd like to provide you with some context before I begin. My parents at the age of 24, were going to school, they were working, they were raising me, and living in various shelters, moving around borough to borough. On the coldest winter day in 1996, they had the opportunity to move into NYCHA. They were ecstatic, a home to give to a child, and opportunity to show her, they too can have stability. It was an opportunity to teach their daughter nothing is impossible.

Fast forward to school days, my parents, neighbors, and friends would always call my development home and it wasn't till someone else brought up the negative association with "projects" that made me understand another perspective of NYCHA. But I was never ashamed or embarrassed to live in a place that was publically funded. It was my home, a place I can sleep warm during winter nights and enjoy cool showers in the summer time. Living in NYCHA provided my family with resources to continue fighting for economic equity and stability and that was something of NYCHA I appreciated.

At the tender age of 18, I was able to work one job, one internship and continue my STEM education focused on sustainable urban environments at Polytechnic University. It was hard, I was living alone in Cooper Park, paying rent, going to school, and making sure I had enough money to get around; but one thing I felt safe about was knowing once more, I had a place to sleep during cold nights and a shower to enjoy in the summer days. This place, my home, Cooper Park, gave me the strength and determination to move forward. My neighbors, and others in the community would cheer me on as I would walk exhaustedly to the train. I know this sounds a little too positive, but it's true! I have people in the neighborhood that would always stop me and say "don't forget about us" and I would say "Cooper is my home, I'll never forget about you!" They were the sweetest, loving strangers in my development.

I graduated with a 2.4 GPA, I know it's not good; however I went into to grad school. Still living in Cooper, going to school full time, I wanted to be more involved in my community; I realized how essential that support my development gave to me and worked at Make the Road NY to help other multifamily buildings understand energy efficiency resources that the utilities and state agencies provide to reduce their maintenance and operations cost.

I have graduated with my masters two years ago, with a 3.6 GPA. Today, and under my current work, my team and I have engaged over 3,800 buildings – which represents 8% of the built square footage in NYC. I've helped affordable housing buildings understand the resources available to them to reduce their utility usage, train building staff in efficient building

management, and provide them comfort knowing they are living in a healthy environment and are able to use their finances on their community, the next generation, and themselves. In better terms, I have been able to sit down with people similar to my parents, and help them gain funds that allowed them to effectively reduce their utility bills. I have had the opportunity to help buildings and most important families gain financial stability, as NYCHA has done for me. I now sit on the board of the New York Housing Conference Young Leadership Council and the advisory committee for the Fund for Public Housing because I know back in 1990 something there was someone else advocating for funds and policies that helped me move forward.

There are over 500,000 residents in NYCHA. There are various community members who are helping NYCHA today, and ensure communities are active, and are doing it in a way that's not successfully captured in statistics or data. So I say once again, as a New York native, my roots, my community, and most importantly, my home, Cooper Park Developments in Greenpoint have made me who I am today. As you hear various testimonies and request for funds, I ask you to remember my words, my story; as it is those before you have provided me with the opportunity to stand here today and advocate on behalf of NYCHA I ask you to stand up and help those in NYCHA today continue to receive the support of public housing.

Public Hearing on NYCHA ...March 13,2017 City Hall
Speaker: Jerry Frohnhoefer adjunct Professor and founder of The
Fiorello Homes for the Homeless Campaign Association

Honorable members and all present: We all know we are struggling with a terrible housing crisis in our city. We have thousands upon thousands living in shelters, cluster housing, hotels and motels. Not to mention tens of thousands more living doubled up with kin, neighbors and generous others. The pity and shame of this is we start this program and that program as if that is going to solve the problem. Our mayor has come up with a nice 114 page glossy advancing the notion of what we know has failed and is failing. Shelters. We don't need 90 more we need permanent real housing for our people. Over a year ago there was an op/ed in the Daily News hitting the nail on the head. It was a simple quote "Gimme a Home not a shelter".

Why can't we build new low density, green, public housing? Right now our shelter system is backed up because there is a lack of low-income housing. "Affordable Housing" does not exist no matter how much we like the term. A word does not make a reality. Our association for the last year and a half has held four forums, gained over 3,000 signatures and has a fifth in the works for Wednesday at Queensborough Community College. The Theme is Villages of Hope. Let's make that happen.

Building new public housing is obvious . Fiorello LaGuardia saw the need over 80 years ago during the Great Depression. Why can't we see it now? How many of us once lived in public housing and have made great careers for ourselves? Let's not let our people down now.

Can it be done? Was the Empire State Building built in 18 months? Take a look - it's still there. What do we need? Land!-we have over 1,100 city vacant sites not to mention federal and state. The land is public - it is ours. No need to buy it, no need for evictions or even eminent domain. We have the money. Why spend \$1.6 billion on shelters, hotels and motels and slum housing? Use it to build low density, cutting edge, green, modular housing. Why are we pushing a 421a and a J51 when it leads to gentrification and displacement of families who have been New Yorkers for years in good times and in bad? We have the land, we have

the money, we have the technology. Let's work with our communities and build for the future of our children. Let's put an end to our newer version of debtor prisons and feudal landscapes. We need not hovels, not shelters but real homes. As Einstein once said, to repeat the failures of the past is to embrace insanity. Let's get smart.

Contact info. (718)570-2536 or GFrohnhofer @lagcc.cuny.edu or Fiorello Homes for the Homes Campaign Association, PO Box 4476 Sunnyside Station, Long Island City New York 11104-4476

Construction Cost estimates:

$$28' \times 30' = 840 \text{ Sq. ft.} \times \$185 = \$155,400/\text{unit}$$

$$28' \times 30' = 840 \text{ Sq.Ft} \times \$150 = \$126,000/\text{unit}$$

$$28' \times 50' = 1400 \text{ Sq.Ft} \times \$150 = \$210,000/\text{unit}$$

$$28' \times 50' = 1400 \text{ Sq.Ft.} \times \$185 = \$259,000/\text{unit}$$

Tax collected from defeat of 421A

$$\underline{\$1,200,000,000 = 8,095 \text{ units} \times 2.5 = 20,237 \text{ people}}$$

$$\$155,400 \text{ at } \$185/\text{sq.ft.}$$

$$\underline{\$1,200,000,000 = 9,523 \text{ units} \times 2.5 = 23,807 \text{ people}}$$

$$\$126,000 \text{ at } \$150/\text{sq.ft.}$$

\$\$\$ once used for shelters now for housing

$$\underline{\$1,700,000,000 = 13,555 \text{ units} \times 2.5 = 33,888}$$

$$\$126,000 \text{ at } \$150/\text{sq.ft.}$$

$$\underline{\$1,700,000,000 = 6,562 \text{ units} \times 2.5 = 16,405}$$

$$\$259,000 \text{ at } \$185/\text{sq/ft}$$

Combination of resources at highest cost

$$\underline{\$1,200,000,000 = 7,777 \text{ units} \times 2.5 = 19,443}$$

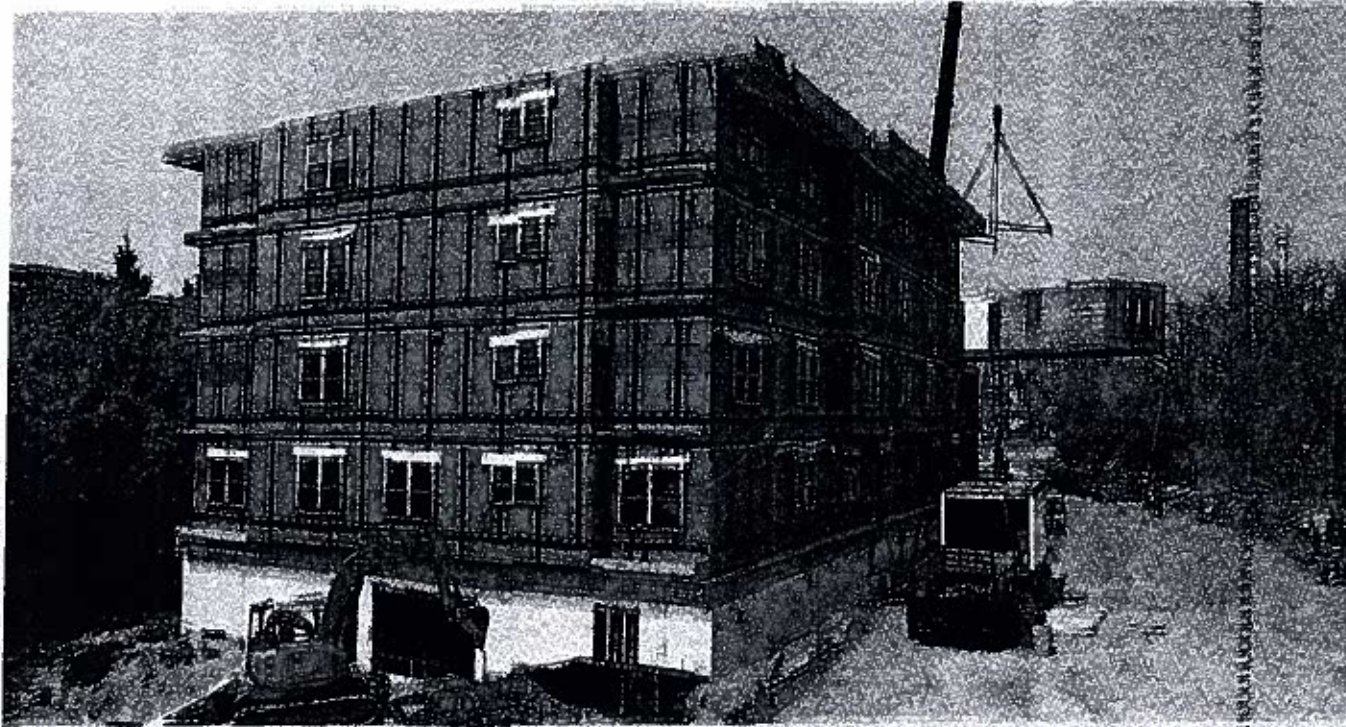
$$\$155,400 \text{ at } \$185/\text{sq.ft.}$$

$$\underline{\$1,700,000,000 = 6,540 \text{ units} \times 2.5 = 16,350}$$

$$\$259,000 \text{ at } \$185/\text{sq/ft. Worst scenario } 35,793 \text{ people}$$

*new estimated cost on average of 2.5 persons per unit. Each floor of each building unit will have one studio, one bedroom and another 2 bedroom apartment-hence the average of 2.5 persons. 421a (44,044) + Shelter \$\$\$ (50,293) = **94,337 HOUSED (ESTIMATES BASED ON MODULAR EXPERTS)**

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building standards



An Efficient Construction Process, Greener, Faster, Smarter...

- ❑ **Faster Construction** – Modular prepped & assembled in factory while site work begins, excavation, foundation, utilities
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- ❑ **Quality Control** – High Quality, standardize workmanship by skilled labor in controlled environments
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- ❑ **Renewable Energy** - Modular construction can accommodate alternative energy sources, from solar panels to a geoexchange systems



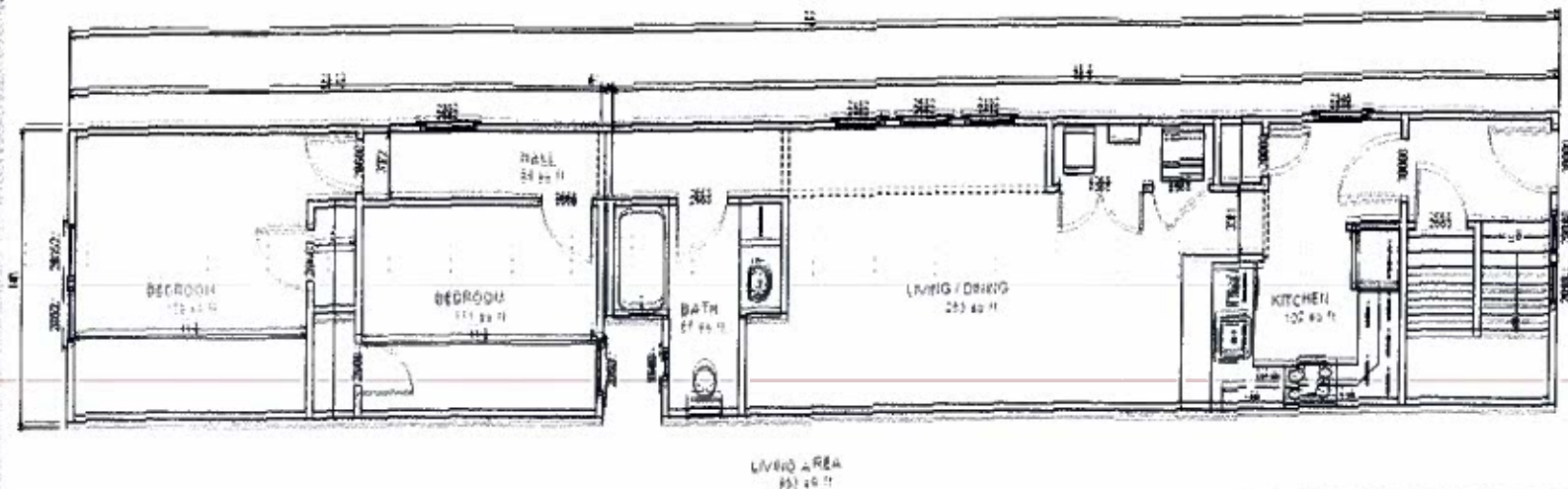
Mixed Use Buildings



with



Urban 2 Bedroom Floor Plan



Completed Community



Modular Construction – Changing how communities are built.

My name is Naved Husain, Lead Organizer at CAAAV Organizing Asian Communities. On behalf of hundreds of our members that are low income immigrants living in Chinatown and in Queensbridge, we demand that the elected officials claiming that NYC is a sanctuary city fight back against the proposed cuts by the Trump Administration which would take hundreds of millions of much needed dollars out of public housing and services for the low income and homeless communities in New York City.

Trump's proposed cuts would immediately result in families already living in squalid conditions in NYCHA, where lead paint and mold are still threatening tenants lives and health, to be left in even more danger. It would mean that the resources needed to address tenants' health issues would be decreased and NYCHA would increase its already astounding backlog of repairs.

The cuts would also mean that more and more families and children would be out on the streets thus increasing the homeless population in New York City

CAA

AAV works with the increasing numbers of Chinese, Korean, and Bangladeshi tenants that live in NYCHA housing. Our work has already shown how deficient NYCHA has been in providing basic interpretation and translation services for these tenants. Now with these cuts, the likelihood that NYCHA will be able to provide these much-needed services decreases.

We demand that the elected officials opposing in Trump in word, oppose him in action. We demand that the city and state of New York fund NYCHA with at least 1 billion dollars in funding to offset these Trump proposals. This is the only way we can defeat his evil agenda. Our tenants refuse to live in a country where they take money from the poor to fund wars. Thank you,

FOR THE RECORD

Robert J. Lafayette, PhD
212 East 7th Street
Apartment 401
New York, NY 10009- 6092
Telephone 212.810.6895
Email: boblafayette@gmail.com

March 12, 2017

In 2008 I found myself in a precarious position due to recent economic conditions and failing health. I was concurrently very ill with several serious long term chronic conditions and had only Social Security disability income to rely on. I also lost my housing. I was not then living in 'affordable' housing.

My financial base was fractured and my long time quite serious chronic conditions were getting worse by the day. I found myself, for all intents and purposes very ill spending too much time in doctors' offices (treating my worsening chronic conditions) and 'homeless' without the financial resources I needed to maintain my previous lifestyle.

As a veteran in good standing receiving medical care from my local VA medical center I was referred to a social worker in the VA system by a VA doctor. (I received VA care in addition to my private eye doctor for my 30+ year old chronic eye condition). After I explained my life at that time to the VA social worker he guided me to a possible solution. He researched my situation and got back to me.

He told me about a program that his research indicated I was qualified to apply for. I met the requirements for access to the HUD- Veterans Affairs Supportive Housing (VASH) program. I had never heard of that program because I never considered homelessness would ever be part of my lifestyle. "I" was never homeless before.

I owned two houses when I was married. I had a PhD, was expert in various areas and I was unable to work due to my ever so many medical conditions. I was broke. I was stressed beyond my human limit. I needed help.

I signed up for the HUD-VASH program in late 2008. In early 2009 I received a Section 8 voucher that was good for 90 days. I had to seek and find my own apartment that would then be subsidized by the VASH program. Amazing, I thought.

I set about seeking a place to live and visited no less than 50 apartments that accepted Section 8 vouchers from late January 2009 until mid-March 2009. None of them met my minimum living requirements.

05027807 807

I also applied for public housing on line in January 2009. About 15 days after the initial on-line application was submitted I received a letter from NYCHA that I might qualify for an apartment in a public housing project.

Once the NYCHA research on me and the accompanying paperwork was completed it was determined that I did qualify for a NYCHA apartment. I was informed soon thereafter that an apartment in a NYCHA project was available for me.

It was up to me to accept or reject the apartment.

I visited the project and decided after seeing the apartment that having my own place in an otherwise less than desirable building was better than being disabled, ill, homeless albeit broke, and despairing.

I moved into the NYCHA apartment in April 2009. My life changed for the better ever since, thanks to the VASH Section 8 program. After 2 years in the public housing project, I applied for and was approved by Section 8 to move. The paperwork was processed and I began looking for a new subsidized apartment in a more desirable building.

Once again, I searched and visited about 60 available places that accepted Section 8 vouchers. I visited one such place in August 2009 and knew I had found my new home.

The paperwork again took several months. The apartment was well worth the delay and wait. On November 1, 2011, I moved into my current subsidized residence. This is March 2017, five and one half years later.

My life has improved substantially since then thanks to having a stable living situation and a Section 8 subsidy for part of my rent. I wish I could say my physical health from my chronic conditions has improved. I am now 69 years old. Still disabled, yet not 'unable'.

I had my 3rd cornea transplant (3rd in twenty years) in January 2017. As a new lecturer at a local university (since fall 2013) I teach no more than 2 classes a semester when I can. This semester based scheduling gives me ample time to see my many doctors and not overstress myself.

My rent contribution is adjusted to reflect my teaching income (after deducting my out of pocket medical expenses, which are quite high).

During the period 2008 to 2017, I had no fewer than 190 specialist *private* eye doctor appointments. Forty eye doctor appointments alone in 2016. This, in addition to having 50 private therapy appointments annually, as well as applying and learning about other self-management tools required to maintain my long-term chronic conditions.

I also had, as well, many other routine doctor appointments and several other surgeries for non- life- threatening medical conditions since 2009.

Section 8 gave me the path to a newer more fulfilling life. I found the tools and did what was necessary for me to take care of myself with the guidance and suggestions of professionals who care. I enjoy being otherwise independent, albeit with a Section 8 rent subsidy without which I could not have written this statement.

As I have done since the late 1960s, I also contribute back to society by volunteering regularly.

I am now 69 years old disabled working part time, volunteering and grateful for all that I have.

Thank you for allowing me to share and for having, and hopefully continuing, my Section 8 (HUD-VASH) rent subsidy. The rest is up to me to take care of myself.

Robert J. Lafayette

Robert J. Lafayette, PhD

FOR THE RECORD

Hello,

My name is Joann Poe I am from the Bronx, Patterson Houses, and I'm the proud owner of NYC's Best Dressed Cupcakes. I create gourmet custom cakes, cupcakes, cake pops, cookies and an assortment of other baked goods. I am a graduate of the Food Business Pathways program Cohort #1.

I went from daydreaming of one day having a business to actually living the dream of being a business owner. The Food Business Pathways program gave me the foundation I needed to have a legitimate business.

I knew how to bake but I didn't know everything it took to run a business. By being in the program, I learned how to manage and run a business. I learned the importance of having a business & marketing plan, and the importance of keeping good business records.

By being in The Food Business Pathway program, I obtained my L.L.C., the DOH permits needed for owning a business, insurance for my business, my food handler's permit, and space in an incubator commercial kitchen.

So many great things have happened to me from being in Food Business Pathways program. I had the opportunity to fulfill orders for NYCHA, Citibank, Capital One, Kate Spade NYC, Plaza College, and I have been a vendor at several special events throughout the city.

I've come a long way from baking from home in a tiny kitchen wishing and dreaming of one day having a business to achieving my dream. This was all made possible because the Food Business Pathways, REES, NYCHA and all the affiliates associated with the program.

I would recommend this program to all of the NYCHA residents that ever thought of owning a business because there's nothing better than being your own boss.

Thank you.

March 13, 2017

**Testimony of Daniel Carpenter-Gold
On behalf of New York Lawyers for the Public Interest
Before the New York City Council's Committee on Public Housing**

My name is Daniel Carpenter-Gold. I am the Healthy Housing Legal Fellow for New York Lawyers for the Public Interest (NYLPI).

On behalf of NYLPI, I thank Councilmember Ritchie Torres, Chair of the Committee on Public Housing, for conducting this hearing.

NYLPI is a non-profit organization that advocates for civil rights using a community-lawyering model, which aims to address systemic issues faced by communities and emphasizes the active role members of those communities play in addressing such issues. NYLPI's Healthy Housing initiative brings together its expertise in its three core areas of work—Health, Environmental, and Disability Justice—to help New Yorkers protect their rights to safe homes, free of conditions which could harm them.

NYLPI places particular emphasis on asthma, and other chronic breathing conditions, for several reasons. First, asthma is a pervasive and harmful health condition with substantial racial and economic inequities. Second, asthma is especially painful for communities because it has its greatest effect on children, keeping them home from school, placing substantial burdens on their family, and limiting their ability to participate in the social fabric of their community. Third, and most relevant to this hearing, asthma is entirely manageable in most cases so long as an affected person limits their exposure to pollutants that can trigger asthma attacks, such as mold spores and the proteins given off by the excretions of cockroaches and rodents.

Unfortunately for NYCHA tenants, cockroaches, mice, rats, and mold—especially mold—are a fact of life in much of the city's public housing. While little citywide information is available, a recent survey conducted by the Red Hook Initiative of 280 tenants in NYCHA's Red Hook Houses found that 40% of residents had mold, and 94%—virtually every single one—had mold or leaks at some point in their tenancy. NYLPI's own experience likewise indicates that mold is a deeply rooted problem in New York City public housing: I can personally attest to speaking with tenants who tell me about such conditions going back years, and with doctors and other medical professionals who blame the mold for the tenants' extensive health problems.

All three of these common asthmagens—mold, cockroaches, and mice—thrive in poor housing conditions. Failure to maintain the integrity of the building envelope creates gaps in the walls that pests can crawl through. Water intrusion, through leaky pipes or poorly fitting windows, combine with heat and moisture from outdated steam-heating systems to create ideal conditions for mold growth.

These conditions make maintaining an asthma trigger-free environment extremely difficult, even for the most devoted families. Scrubbing surface mold off of interior walls is never a permanent solution, since as long as a moisture source—faulty plumbing or an overactive radiator—remains, mold will return. Mold may even hide behind plaster or drywall, where it is safe from sunlight and cleaners and continues to emit potentially deadly spores. Similarly, dirty and cluttered common areas give mice and cockroaches safe haven, even when tenants are successful in driving them out of their apartments.

NYCHA is well aware of these conditions, and the threats they pose to tenants with asthma or other respiratory conditions. However, it has no effective system for swiftly and appropriately addressing health hazards as they arise. In fact, in 2015 a federal court found the Authority in violation of a consent decree governing the speed and efficacy of mold remediation. Residents also report very little contact with NYCHA with regard to short-term repair work or long-term capital maintenance.

These problems indicate that more funding is required for NYCHA repairs. Deferred maintenance can only compound the problem, as aging systems fail more often and demand more from already overworked staff. At the same time, federal funds for NYCHA are slated for a decrease this year, making other sources all the more important.

But more money alone cannot be the only answer. First, we do not have a good understanding of how much funding NYCHA needs adequately to address its mold problem. Second, details on how the money will be allocated, and to what extent the funding will address the ongoing mold and pest problems, are important. Finally, it is essential that NYCHA keep its residents and the rest of New York City informed as to the specific work that it is doing, and how effective that work is.

To this end, NYLPI urges:

- Increased funding for NYCHA repairs;
- A detailed assessment of the total amount of resources NYCHA needs to address its mold and pest problems adequately, and how the funds in this budget are allocated to those needs; and
- Additional transparency measures that, at a minimum, allow the public and NYCHA residents to easily see the number of mold or pest problems in each development, the speed of NYCHA's responses, and the rate of reoccurrence of such problems.

Thank you for your time.

Submitted to: New York City Council Committee on Public Housing - Budget
Monday, March 13, 2017

Section 8 had saved my life. How? I am a three-time cancer survivor. During my second episode, my insurance capped out and, therefore, I was labeled with a pre-existing condition and could not secure other health insurance. It was necessary for me to cover my medical expenses during the second and third episodes.

Also, I had retired from the California system with PERS. During my tenure with the college system, they did not take out FICA, and, therefore, my FICA was very low. With that said, government regulations, at that time, required that I use all of my assets [lost my house, auto, and retirement savings] before being eligible for government assistance; the laws are somewhat relaxed today. I was homeless for a short period of time. There was a notice in the local paper, in 2007, that Section 8 vouchers were available. I applied, and, in two weeks, I received a HCVP, and, decided to port to New York City to be close to my son. I was unable to find a decent one-bedroom apartment, and, therefore, I ported to Lincoln, Massachusetts.

In 2011, my son had suffered a heart attack, and, therefore, it was necessary for me to port to New York City. I was blessed to be selected for a lottery apartment; twice. Presently, I reside in a 421a luxury development with all of the amenities that one could desire [washer/dryer inside apartment].

I am 84 years old, and on the downside of my journey. I had been a successful small business owner, and was enjoying my retirement [living proudly; with dignity] when I experienced the second cancer episode.

Further, It is sad; that our system does not completely allow one to have government medical assistance without depleted all of one's assets. With that said, Section 8 is allowing me to complete that journey in a healthy, clean and safe environment. I am experiencing the same quality of housing that I had become accustomed prior to my previous cancer episode—thanks to Section 8.

In closing, homelessness creates poverty. Therefore, any proposed cutting federal spending for everything but defense over the next ten years would decimate all affordable housing programs, which would increase housing poverty and homelessness. I am grateful that the federally assisted housing program is available to me and other low-income and marginalized Americans.

This is a scary time and let us all unite to protect Section 8 funding.

Thank you for allowing me to share my experience.

Mrs. Brown
Section 8 Voucher Holder
NYCHA Resident Advisory Board Member

**Testimony of
Victor Bach, Senior Housing Policy Analyst
Community Service Society (CSS)
At
Oversight Hearings
The Mayor's Preliminary Budget and NYCHA
New York City Council Committee on Public Housing
March 13th, 2017**

Thank you for this opportunity to testify on the mayor's preliminary budget for NYCHA. As we all know, this hearing is taking place as Washington considers surgical 15-percent cuts to HUD's budget, which will set NYCHA back by a decade when its operating deficits ran in the hundreds of millions and the deterioration of resident living conditions accelerated. It is clear now, more than ever, that we can't count on Washington. We have to rely on the city and state to deepen their commitments to sustain and restore our public housing.

Our just-released, attached CSS report calls public housing "New York's Third City" for several reasons. The two most important reasons: Among "have not" New Yorkers, NYCHA residents live in abysmal conditions far worse than other low-income tenants in private rentals. NYCHA conditions comprise a hellish world unto itself—leaking roofs, crumbling facades, failing elevators, and toxic molds. As importantly, public housing is a "third city" because our political leaders view it as separate from the rest of their housing agendas. It is a stepchild to the multi-billion dollar affordable housing initiatives put forward by the mayor and the governor, which largely ignore public housing and concentrate on construction and preservation of affordable housing in the private sector. A virtual "firewall" separates those major initiatives from NYCHA preservation.

We commend Mayor de Blasio for proposing a capital budget that commits an additional \$1 billion over 10 years to NYCHA preservation, bringing the city's total to \$1.4 billion since he took office. That is a major step toward breaking down the "firewall" separating a half-million

NYCHA residents from the city's housing plans. But more is needed to address the \$17 billion backlog in needed infrastructure improvements to NYCHA's aging buildings. Again, we can't depend on Washington to save the nation's largest single housing resource for low-income families.

The city and the state contributed to the present crisis by disinvesting in NYCHA for decades. They must now step up to the plate to restore it. That is why we join our allies in calling for a 10-year city commitment of \$1 billion annually if residents are to see improvements within their lifetime. And, of course, the state needs to make a similar commitment.

The city and state firewalls still exist. This is the time for them to match their commitment to private affordable housing with a parallel commitment to reinvesting in public housing and its residents.



PUBLIC HOUSING: NEW YORK'S THIRD CITY

**Community
Service
Society** | Fighting Poverty
Strengthening
New York

by Victor Bach
MARCH 2017

PUBLIC HOUSING: NEW YORK'S THIRD CITY



The Community Service Society of New York (CSS)

is an informed, independent, and unwavering voice for positive action representing low-income New Yorkers. CSS addresses the root causes of economic disparity through research, advocacy, and innovative program models that strengthen and benefit all New Yorkers.

David R. Jones, Esq., President & CEO

Steven L. Krause, Executive Vice President & COO

About the Authors

Victor Bach has been Senior Housing Policy Analyst at the Community Service Society since 1983. He was a Research Associate at the Brookings Institution and on the faculty of the New School for Social Research and the LBJ School of Public Affairs at the University of Texas, Austin. He holds a Ph.D. in Urban Studies & Planning from M.I.T.

This paper was originally prepared in honor of Walter Stafford, a former CSS colleague, as part of the Walter Stafford Symposium on the Structure of Race and Inequality in New York City, held at New York University, October 13-14, 2016. All symposium papers can be found at <http://wagner.nyu.edu/stafford-symposium/anthologyoutline>

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Reader Summary

At the inception of the de Blasio administration, a July 2014 report by the Community Service Society assessed the state of New York City's public housing, the causes that had contributed to its recent decline, and near-future directions that should be pursued.¹ The last two years have been marked by significant housing plans and initiatives—on the part of the mayor, the New York City Housing Authority (NYCHA), and the governor—intended to preserve and expand affordable housing resources.

This report assesses the progress made since 2014 in addressing the financial and physical crisis facing New York City's public housing.

- It confirms that, after decades of government disinvestment, resident living conditions continue to be deplorable, far worse than those facing low-income tenants in the private rental market.
- It describes and assesses the efforts by the city and state, and by NYCHA itself, to address the crisis.
- It provides a demographic profile of the half-million NYCHA residents and their employment patterns, and assesses the extent to which they are organized to press government to meet their needs.
- Finally, it puts forward several recommendations for strengthening the future of New York's public housing, notably the inclusion of public housing as part of a forthcoming national infrastructural investment initiative, and the organization of a concerted local campaign to press state and local government to reinvest in NYCHA infrastructure and preserve this critical housing resource.



The Third City

New York is said to be two cities. There is the city of the “haves,” those who can make it here. The dominant images are of Wall Street types, corporate attorneys, real estate pros, celebrities, and recently arrived yuppie emigrants. And there is the city of the “have-nots,” the lower-income wage earners, largely black or Latino, many of them immigrants, who struggle to keep a toehold in the city’s economy, meet its high living costs, and provide for their families.

In many ways, public housing constitutes a third city very different from the other two. Physically, it stands apart from the rest of its urban surround. Its constellation of 328 developments across the five boroughs consists largely of massive residential complexes, prototypically red brick, apartment towers rising over large tracts of open space that include green areas, playgrounds, and parking lots.² In this dense city, where high-rise apartment buildings are common, it is still an unmistakable configuration because it often interrupts the local street pattern. The sheer size of the city’s public housing is daunting. The New York City Housing Authority (NYCHA), its owner and manager, is the city’s largest landlord and the only public one. Its 178,000 apartments represent one out of 12 rentals in the city, housing a half-million residents, a population larger than Atlanta or Minneapolis.

Although it serves primarily a have-not population, from a housing perspective, public housing is a third city because of the unique housing challenges the authority and its residents face. Residents have the advantage of affordable rents, but they live under abysmal conditions—some call them “third world” conditions—conditions far worse than comparable tenants face in the city’s competitive, often cut-throat, low-end rental market. Public housing residents also experience higher rates of crime than other communities, due to the stresses of poverty and the extent to which “the projects” exacerbate them.³

Institutionally, New York’s public housing is under

severe threat. NYCHA is in serious financial straits, with a structural annual operating deficit⁴ and an enormous backlog of needed capital improvements to its aging infrastructure, estimated at \$17 billion over the next 15 years. In a city where virtually all rental housing is thriving, where rents have soared even as the local economy went through its worst recession in recent history in 2008, the authority is struggling for survival as it faces financial stresses and physical decline.

The New York City Housing Authority’s 178,000 apartments represent one out of 12 rentals in the city, housing a half-million residents, a population larger than Atlanta or Minneapolis.

The resulting housing inequities experienced by public housing residents center largely on their substandard living conditions. They must cope daily with accelerating deterioration—leaking roofs, failing elevators, fragile plumbing, crumbling facades, toxic mold, and the like. Unlike lower-income tenants in the private rental market, their crisis is not affordability, but whether they can survive the deterioration of their buildings and homes, and the institutional failings of an authority attempting to stem the decline with only marginal support. It is an institutional context in which efforts are clearly being made, but one in which no one can assume full responsibility for the frequent failures. Residents ultimately bear the cumulative costs of decades of government disinvestment and neglect. Although they may acknowledge recent attempts by the de Blasio administration to address this situation, many resident leaders, after years of putting up with unresponsive management and mounting physical deterioration, remain angry, distrustful, and fearful that they will ultimately lose their homes.

Perhaps most importantly, public housing is a third city because political leaders view it as separate from the rest of their housing agendas. NYCHA sits in the midst of a city and state known for their housing activism compared to their counterparts elsewhere.⁵ In recent years, both Mayor Bloomberg and Mayor de Blasio have launched ambitious, multi-billion dollar plans for affordable housing—plans that call primarily for preservation as well as construction—in which NYCHA was not included despite its desperate situation. This year, Governor Andrew Cuomo in his State of the State message announced a \$5 billion, 5-year affordable housing initiative, with no mention of public housing. There are bitter ironies here, particularly for the authority. For most of its eight decades,⁶ NYCHA was considered a national model for large-city housing authorities, a high performer running the largest program in the nation, with Chicago running a distant second.⁷

This paper provides an overview of the current state of the city's public housing, the causes underlying its marginalization and decline, as well as a description of what is being done to address its preservation problems, and what remains to be done. It begins with a summary of the recent history of government defunding and disinvestment in NYCHA's public housing. An analysis of resulting housing condition trends from 2002 to 2014 follows. It profiles NYCHA's resident population, in part as a way to dispel some of the misimpressions surrounding who they are.⁸ Finally, it assesses recent government efforts to address the inequities experienced by public housing residents and puts forward near-future policy directions and strategies that might increase the chances of success.

A Perfect Storm of Government Disinvestment

From the turn of the millenium to the present, NYCHA has been experiencing what some call a “perfect storm” of government disinvestment. The multiple forms that disinvestment took have been chronicled in detail in a 2014 CSS report.⁹ Briefly, every level of government was implicated.

Chief among them was the federal government. Chronically inadequate capital and operating funding since the Reagan administration transmuted into starvation funding during the George W. Bush administration. There was relief for a short time under the early Obama administration. In 2009, the federal budget provided full funding for the program; a substantial dose of additional capital funds—\$423 million—was allocated to NYCHA under Obama's economic stimulus bill (ARRA),¹⁰ before the federal budget tightened again as Congress moved toward deficit reduction and sequestration. The resultant federal operating shortfall between 2000 and the present is estimated by NYCHA at \$1.4 billion.¹¹

The state also played a significant role in defunding NYCHA. In 1998, Governor George Pataki terminated operating subsidies to state-financed public housing, leaving NYCHA holding 15 state developments that received no operating subsidies from any level of government. The resulting operating shortfall, estimated by NYCHA at \$60 million annually, accumulated to \$720,000 million by 2010, when the developments were finally federalized under ARRA.

The city did its share of damage as well. During the post 9-11 fiscal crisis, Mayor Michael Bloomberg terminated operating subsidies to the six city-financed developments, leaving NYCHA with an annual operating shortfall of \$30 million, a cumulative shortfall of \$240 million by 2010 when they were federalized. The burden for the city's share of NYCHA's community center programs was also passed on to the authority. As the city recovered and began to generate unprecedented surpluses, the operating

subsidies were not resumed. Even as NYCHA recorded unprecedented operating deficits—\$235 million in 2006—the mayor continued to extract from NYCHA over \$100 million in required annual payments to the city for police services and PILOT payments in lieu of property taxes. This practice continued until 2014, when Mayor de Blasio relieved NYCHA of the payments.

This persistent disinvestment had a profound impact on NYCHA's ability to manage its housing and use what federal capital subsidies it received for major infrastructural improvements. Operating reserves had to be tapped, a factor which led to NYCHA's demotion by HUD as a "high-performing authority" by 2007. What could be moved from capital subsidies to cover the gap in operations was transferred,¹² leaving NYCHA with even less capacity to make major improvements. NYCHA's workforce headcount was reduced from 15,000 in 2002 to 11,000 at present. Its intention was to shrink administrative positions, but front-line management and caretaking staff at the developments were also affected.

This broadside of government disinvestment, coupled with the authority's rising internal costs for utilities and employee health and pension benefits, were devastating to NYCHA and its residents. Tightened resources meant poorer management and fewer repairs or improvements to its aging buildings. Although resident complaints had been mounting for some time, by 2008 the cumulative impact on their living conditions was unavoidable.

Another Kind of Housing Crisis—Affordable, but Deteriorating Housing

In American cities as a whole, low-income tenants¹³ are experiencing a "rent affordability crisis" of mounting proportions, in which soaring rents outpace static incomes and subsume a growing, disproportionate share of household income.¹⁴ In New York City there are roughly 600,000 low-income households who rely on the private rental market, without benefit of government assistance that assures affordable rents in relation to income. They face enormous financial stresses in the city's tight, high-cost rental market. In 2014, they carried a median rent burden of 49 percent of household income in 2014.¹⁵ About half paid at least half their incomes toward rent.

Public housing residents, unlike their low-income counterparts in the private rental market, are shielded from the affordability crisis—federal law requires their rents be capped at 30 percent of household income, the prevailing affordability standard.¹⁶ Instead, they face an infrastructural crisis, marked by a steady decline in living conditions that has accelerated in the last decade. (See Chart 1.)

The NYC Housing and Vacancy Survey (HVS), conducted every three years by the U.S. Bureau of the Census, asks respondents to report on seven specific deficiencies in their apartments.¹⁷ As of 2014, the most recent HVS, over a third (35 percent) of NYCHA residents reported three or more apartment deficiencies, and over a sixth (18 percent) reported at least four deficiencies. Deficiencies began to spike in 2008, no doubt as the cumulative consequence of an unprecedented period of government defunding at all levels.

Low-income tenants in the private rental market are, of course, not immune to similar deficiencies in apartment conditions. But they experienced no similar decline in living conditions, nor an infrastructural crisis comparable to their public housing neighbors. (See Chart 2.)

CHART 1. NYCHA HOUSEHOLDS REPORTING AT LEAST 3 DEFICIENCIES, 2002 TO 2014 HVS

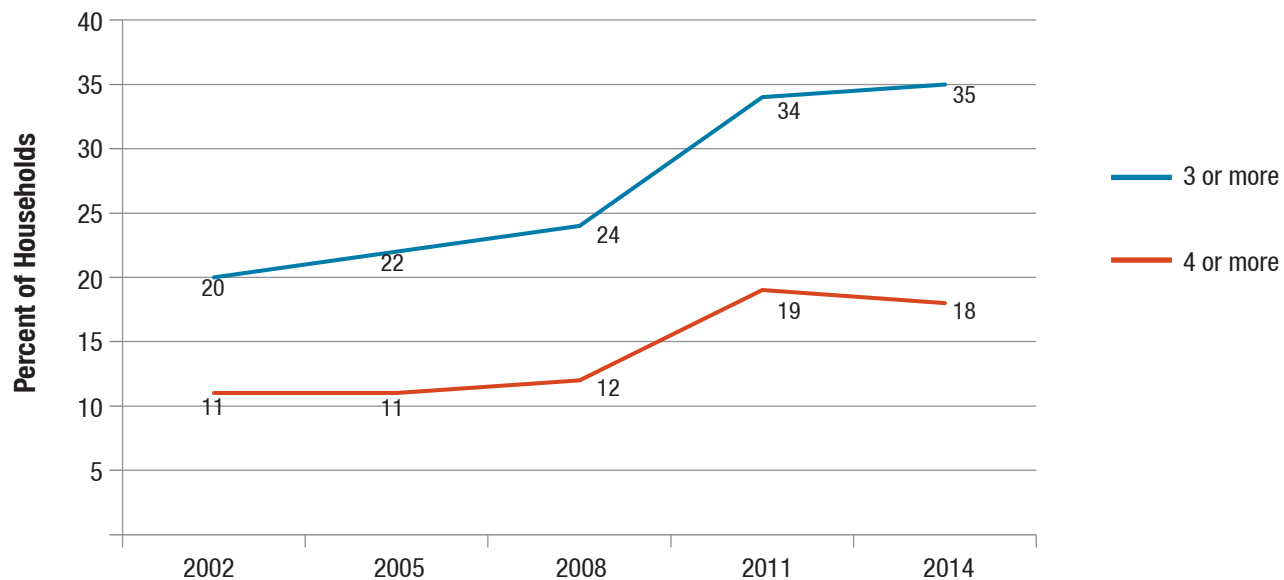
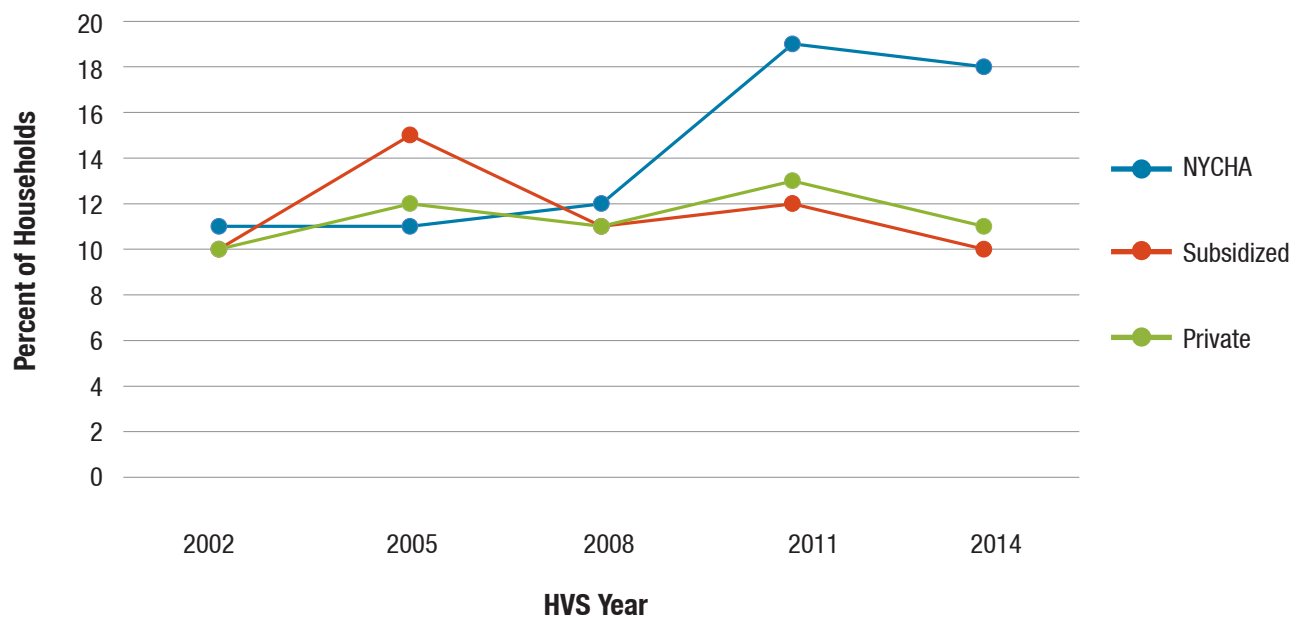


CHART 2. HOUSEHOLDS REPORTING 4 OR MORE DEFICIENCIES BY RENTAL SECTOR, 2002 TO 2014 HVS



As of 2002, condition deficiencies in NYCHA apartments roughly paralleled those in unassisted private rentals and in other subsidized housing.¹⁸ Over the ensuing twelve-year period through 2014, NYCHA deficiencies increased substantially while those in the other rental sectors remained relatively stable.

The chart indicates a leveling off of NYCHA deficiencies between 2011 and 2014, compared to the prior three years. This may be in part the effect of a belated response of the Bloomberg administration to repeated resident complaints. In January 2013, the mayor and the authority committed themselves to an “aggressive action plan” to eliminate 420,000 outstanding repair work orders by the end of the year. Forty million dollars in NYCHA’s administrative budget was repurposed and allocated to front-line management for repairs. City Council contributed \$10 million to hire residents to do some of the work. Apparently, even a small degree of reinvestment in NYCHA repairs and upgrading may have made some difference.

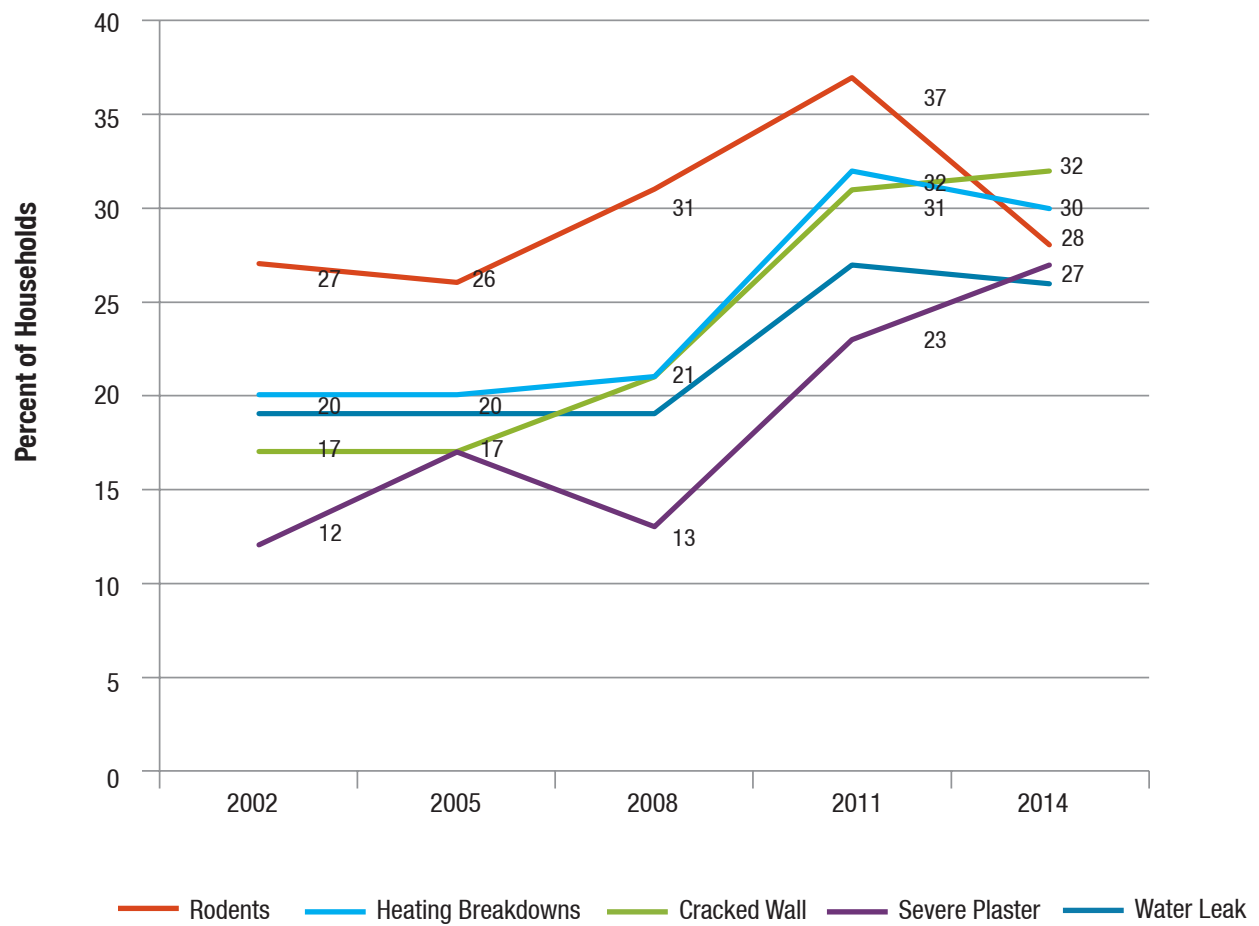
An analysis of specific deficiencies—the five NYCHA residents most frequently mentioned—indicates that those related to major infrastructural problems were the most persistent. (See Chart 3.) Among the seven deficiencies, the two least frequently registered are toilet breakdowns and requiring additional heating. Among the major five most frequently registered deficiencies, the only significant reduction was in rodent infestation, which may partially account for the observed leveling off. But water leaks, cracked walls, and heating breakdowns persisted at the same levels, while severe plastering/painting needs increased between 2011 and 2014, deficiencies that were closely related to infrastructural problems. In 2014, the incoming de Blasio administration, by and large, inherited the backlog of repair and infrastructural problems left in the wake of the Bloomberg administration.

The Residents

There is much confusion in the media, and even among some social policy professionals, about who lives in New York’s public housing. I have heard public housing described as a place for “mostly public assistance families” or as the epicenter of disconnected youth. The images, of course, reinforce the prevailing stigma attached to “the projects” and make it more difficult to garner support for what they need.

Residents are sensitive to the defamation of public housing. They reject the term “project” when outsiders use it—not when they themselves do—preferring the term “development.” And there is a certain misplaced pride in their preference to be called “residents” rather than “tenants.” At meetings, resident leaders tend to address each other formally—as Mr., Mrs., or Ms.—rather than use first names. Length of residence is overtly considered a value—at meetings or hearings, residents will often establish their credentials in terms of the number of decades they have lived there. This section offers a brief profile of New York’s public housing residents, based on characteristics provided in the HVS. In doing so, it attempts to dispel some of the images of residents that hamper efforts to deal with their housing inequities.

Many low-income New Yorkers place a premium on living in public housing, despite the substandard conditions that prevail. Among current residents, the turnover rate for apartments is relatively low, 2.6 percent for 2015, with a vacancy rate of 0.5 percent.¹⁹ This is no doubt because the alternative—finding a suitable apartment in the city’s housing market at a near-affordable rent—is virtually impossible. In 2014, the median length of stay for public housing residents was 15 years. One out of four households had moved in prior to 1990, at least 24 years earlier. In recent years, the waiting list for NYCHA apartments reached an unprecedented high, now at 259,000 households.²⁰ Public housing may be stigmatized, and conditions may be poor, but that seems to matter little to low-income New Yorkers who want the affordability and potential economic security it offers.

**CHART 3. NYCHA HOUSEHOLDS REPORTING
SELECTED DEFICIENCIES, 2002 TO 2014 HVS**

Racial/Ethnic Composition

Public housing has maintained a consistent resident profile in recent decades with little variation, no doubt because of its low turnover. It serves primarily people of color. In 2014, blacks and Latinos accounted for 90 percent of households, in roughly equal numbers, although in earlier decades African-Americans predominated. More recently Latinos have taken a slight lead at 46 percent of households, with blacks at 44 percent. In 2014, only five percent of households identified themselves as white and four percent as Asian or Pacific Islander.

Income and Employment

Residents constitute a primarily low-income population—45 percent of households fall within the federal poverty level, which was \$18,552 for a family of three in 2014. Another third (32 percent) are “near-poor” with above-poverty incomes up to twice the poverty level. Due to NYCHA’s admission policies over the years, and its resistance to evicting overincome families, NYCHA serves a relatively wide income range and has avoided the high poverty concentrations characteristic of other large-city housing authorities. Beginning in 1988, NYCHA instituted “ceiling rents”—maximum rents based on apartment size, regardless of household income,²¹ for the express purpose of keeping upwardly mobile households in the community.

**CHART 4. INCOME DISTRIBUTION,
NYCHA HOUSEHOLDS, 2014 HVS**

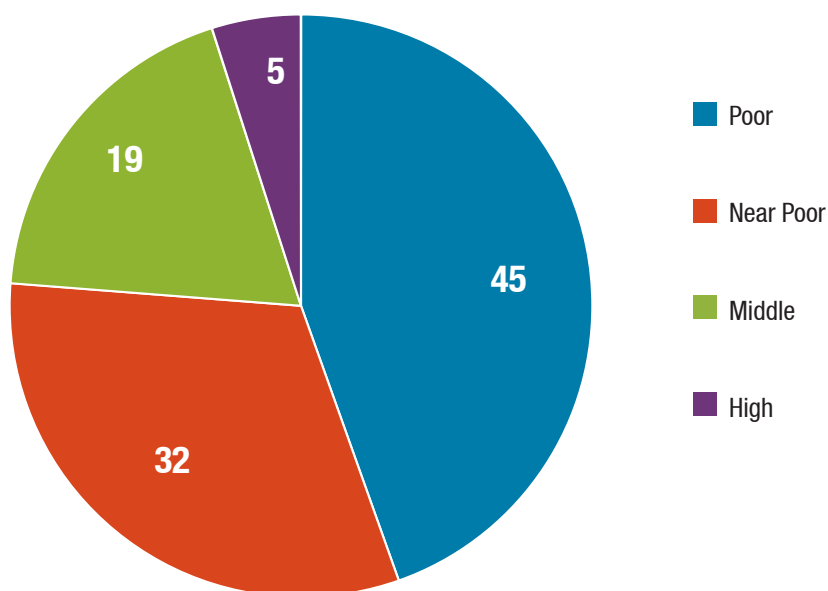


Chart 4 depicts the 2014 income distribution of NYCHA households—“middle income” ranges from twice to four times the poverty level (maximum, \$74,000 for a three-person household), and “high income” is any income above that level. About a quarter (24 percent) of resident households are in the “middle” or “high” income category.

Technically, HUD considers households as “overincome” and subject to eviction when incomes exceed 80 percent of the HUD area median income (in 2016, about \$78,000 for a family of three), the income limit for admission to public housing. In 2014, about 12,000 NYCHA households (7 percent) qualified as overincome. Periodically, the issue of overincome families occupying apartments needed for lower-income families becomes a heated, media-driven issue in Washington. This year Congress passed a bill requiring housing authorities to identify households with incomes above 120 percent of the area median income for at least two years and charge them the higher of the Fair Market Rent or the full government subsidy for the apartment, either that or terminate the tenancy.²² NYCHA always represents a high proportion of the estimated national number of overincome households at risk of eviction.

NYCHA households support themselves from a variety of income sources, but the dominant source is earnings from work. (See Table 1.) A majority of households (60 percent) have at least one working member, and a substantial portion (39 percent) rely exclusively on earnings. Over a third (34 percent) of households receive retirement income from previous employment, but few (16 percent) rely on that exclusively. Public assistance—Temporary Assistance to Needy Families (TANF), Safety Net Assistance, and Supplemental Security Income (SSI)—support fewer than a third (32 percent) of NYCHA families. The dominant form of public assistance is not “welfare,” but SSI for the elderly and disabled who are ineligible for social security. All in all, three-quarters of resident households (75 percent) rely exclusively on a single source of income, primarily work. But a substantial proportion (25 percent) receive income from multiple sources. With 60 percent of households having at least one working member, 34 percent having at least one retiree, and few relying on welfare, there seems to be no dearth of potential models who mirror the work ethic.

**TABLE 1. INCOME SOURCES,
NYCHA HOUSEHOLDS, 2014 HVS**

	<u>An Income Source</u>	<u>Exclusive Income Source</u>
Work	60%	39%
Retirement	34%	16%
Public Assistance	32%	11%
SSI	25%	7%
TANF	9%	2%
SafetyNet	2%	
		<hr/> 75%

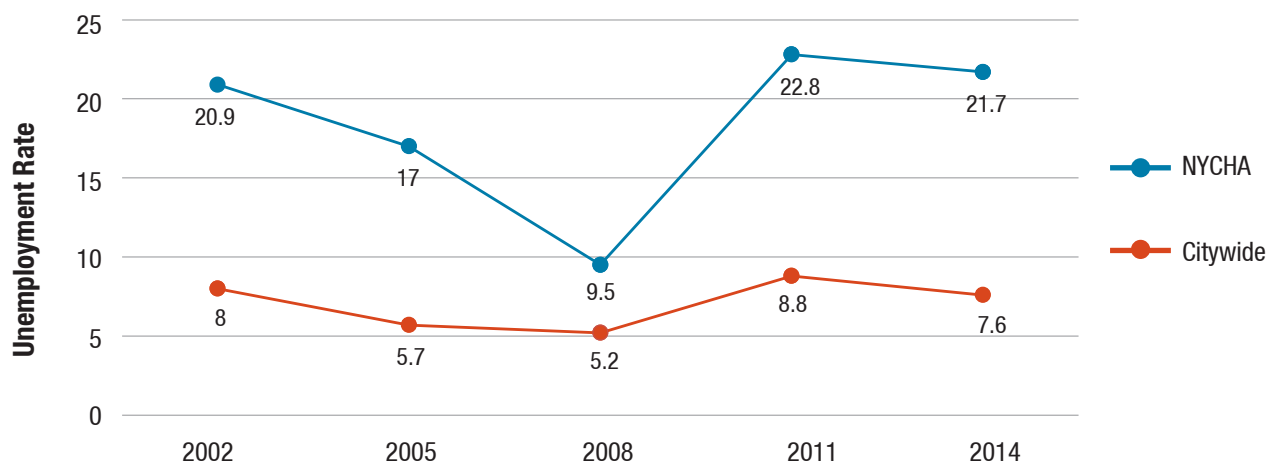
Not surprisingly, unemployment rates among working-age NYCHA residents—those between the ages of 18 and 65—tend to be consistently higher than citywide unemployment rates. (See Chart 5.) The NYCHA workforce has lower levels of education, training, and work experience that would qualify them for more secure, higher-paying jobs. About 30 percent of working-age adults do not have a high school diploma and only 10 percent have a college degree. As a result, they are more vulnerable to downturns in the local economy.

Interestingly, the resident workforce is responsive to upswings in the economy. Between 2002, in the midst of the post 9-11 recession, and 2008, during the economic surge that preceded the Great Recession in the city, resident unemployment plummeted from 20.9 to 9.5 percent, just 4 points above the citywide rate. But, hard-hit by the post-2008 recession, the NYCHA workforce was less resilient

than the citywide workforce. Its unemployment rate rose again, to 21.7 percent by 2014, close to that of 2002.

As a rule, a substantial portion of NYCHA working-age residents are not seeking work, on the average about 44 percent between 2002 and 2014. One out of six have health and disability barriers to work. NYCHA's large population of elderly and disabled is due in part to the aging of its family population and to its special accommodations: 55 developments (about 10,000 units) are designated specifically for the elderly and disabled. On the average, another 12 percent of working-age adults are in school or training, and 6 percent have family or child responsibilities that preclude working. Another 10 percent are not seeking work because they have retired or for other reasons. In that regard, NYCHA residents do not differ greatly from other low-income, working-age residents in the city. (See Table 2.)

CHART 5. UNEMPLOYMENT RATES, NYCHA WORKING-AGE RESIDENTS AND CITYWIDE, 2002 TO 2014



Citywide unemployment rates: U.S. Bureau of Labor Statistics, NYCHA unemployment rates: 2002 to 2014 HVS

**TABLE 2. LABOR FORCE PARTICIPATION, NYCHA VS.
LOW-INCOME WORKING AGE RESIDENTS, 2014 HVS**

	NYCHA	Low-Income
Working	47%	51%
Seeking Work	13%	10%
Not Seeking:		
Health/Disability	15%	10%
In School/Training	11%	12%
Family Responsibilities	5%	8%
Retired or Other	10%	9%

The NYCHA workforce consists largely of women (67 percent), consistent with the gender distribution among working-age residents. The dominant household configuration is one with a single woman (47 percent) largely without children under 18, in many cases living with older adults. Over a third (35 percent) of NYCHA households include children under 18, and those are mostly headed by single women. Only one out of six households include married couples. A small proportion (8 percent) of households are large with more than four members.

Few NYCHA workers (5 percent) are employed in manufacturing or construction. That so few are employed in construction (3 percent) is a frequent source of contention between residents and the authority, particularly when large renovation contracts are let at a development. Under federal law, a provision known as Section 3 requires that housing authorities make maximum feasible efforts to train and open up jobs to residents in HUD-funded construction projects.²³ There is strong resident interest in these opportunities and NYCHA has made recent

improvements in its Section 3 efforts, but relatively few residents have found opportunities in the construction trades.

Nearly all of the NYCHA workforce are employed in service industries. The health sector is the largest single employment source (20 percent), with retail services running second (14 percent). Other major sectors that provide work include accommodation/food-related services (9 percent), education services (8 percent), transportation/warehousing (8 percent), and public administration (5 percent).

This picture is a far cry from the image of public housing residents as a “dependent” population. The physical separation of “the projects” from their immediate surround should not be mistaken for social isolation. NYCHA, through its admission policies, seems to have managed to create residential communities that, despite their clusters of minority and low-income households, have a significant core of working and retired individuals with a connection to the world of work.

Resident Power: “The Sleeping Giant”

Among the city’s political insiders, NYCHA residents are sometimes referred to as a “sleeping giant.” Because of their size and their reputedly lower voting participation, there is awe at the prospect of what might happen if the giant were sufficiently aroused.

That residents have cause for arousal is clear. By 2011, when several advocacy organizations issued a “report card” on NYCHA, a number of demonstrations had taken place to protest building conditions. The report, based on a resident survey, concluded:

“Widespread disinvestment and mismanagement of the public housing stock is negatively impacting the residents’ quality of life. Repairs take too long...and public spaces are crumbling.... Building managers are allowed to operate unchecked and are not held responsible.... Residents need to lead the push for change and work with advocates and public housing officials to pull New York City out of its ongoing crisis.”²⁴

The call for resident leadership is a persistent one, both among advocates and residents themselves. There is a formally articulated structure for resident organization and leadership at NYCHA. Many hard-working leaders deal daily with the issues that confront their neighbors and communities—getting necessary repairs from management, dealing with local incidents, mediating resident grievances, securing programs for their community centers. The president of a resident association is, in effect, the “mayor” of his or her development. Yet, despite their commitment, they have not yet been able to summon the political strength to demand from government what they have every right to expect—a decent home. The question of why the giant hasn’t stirred, or awakened sufficiently to address the crisis in its midst, is a perplexing one, without a simple answer.

Under long-standing federal regulations, public housing residents have the right to organize. The HUD 964 regulations²⁵—sometimes called the resident bill of rights—

guarantee their right to form resident associations at each development and they specify the conditions that must be met to be recognized as such. Once an association is duly formed and its officers elected, the housing authority must recognize it as the sole representative of the community as a whole and consult it about all decisions that may affect the development. This is a close second to labor’s right of collective bargaining.

The HUD regulations also allow for simultaneous creation of a “jurisdiction-wide” resident organization to represent all developments in dealings with the housing authority. NYCHA has a very articulated citywide resident governance structure: it divides the city into nine geographical districts, two in Manhattan and the Bronx, three in Brooklyn, and one each in Queens and Staten Island. Within each district, resident association presidents come together to form a District Council that meets regularly and elects a chair. The nine elected district chairs form the Citywide Council of Presidents (CCOP), the jurisdiction-wide resident body. HUD 964 regulations require that NYCHA consult with CCOP about all policies and plans for public housing.

In the best of all possible worlds, this articulated structure would serve as a ready framework for resident mobilization and action. But there are serious functional weaknesses. To begin with, one out of three NYCHA developments does not have a resident association and there is no consistent effort to organize them. While some resident associations are strong—that is, well attended and closely linked with outside community leaders—typically they are led by a small circle of dedicated, long-term resident leaders who show up at meetings that are poorly attended by the resident constituency at large.²⁶ Greater participation in the association is a chronic problem.

The reasons are numerous: most residents are too busy with work and family to get involved in association meetings, unless an immediate crisis or issue is at hand, in which case the numbers increase. In the past, when NYCHA housing management was more efficient and responsive, participation may have been less urgent and there was little reason to turn out.

Moreover, an institutional paternalism prevailed: what was good for NYCHA would be good for residents. Any problems could be worked out in the “NYCHA family.” Residents did not need to have a strong organization.

That trust is now rapidly dissolving due to the infrastructural crisis, but resident leaders still have a tendency to deal with their problems within the NYCHA family, rather than seek support from outside resources, such as elected officials, community organizers, and advocacy organizations. This interiority can take the form of a constant stream of complaints about and to NYCHA, complaints that are not heard elsewhere. The attitude also reflects a distrust of outsiders. The more experienced

many leaders that they can handle their problems alone, as if working with outside resources would be a sign of weakness, rather than empowering. At a recent resident meeting, I was identifying available technical assistance resources when one older gentleman said, “I know the problems of my community. I’ve been living here for years. I don’t need anyone else.” This attitude reinforces the interiority of resident efforts, their tendency to focus almost exclusively on mothership NYCHA rather than channel their energies into a more inclusive, comprehensive effort that gives them a voice that can be heard outside NYCHA, at City Hall, in Albany, and in Washington.

Resident attitudes have changed swiftly with the accelerating physical decline of NYCHA communities. There is growing anger among residents, some of which may be reflected in a high level of rent arrears totalling about \$50 million—about 25 percent of households are behind in rent.²⁷ It may be an anger that can be tapped to mobilize large numbers of residents and give the sleeping giant a voice that can not be ignored.

Moreover, there are funding resources available to support more intense resident involvement and advocacy. Each year since 2003 HUD has provided about \$4 million in Tenant Participation Funds to support NYCHA resident participation.²⁸ At present, roughly \$10 to 13 million to support resident leadership training and involvement remains unspent. And there are many willing and able advocacy organizations prepared to work with resident leadership and offer strategic advice and support.

The question is one of leadership initiative within the resident ranks. CCOP would seem to be the natural base from which to act—to coordinate resources, articulate policy positions, design campaigns, develop advocacy strategies, and mobilize residents. Despite CCOP’s new openness to outsiders, that does not seem to be happening, for several reasons. CCOP members come up through the ranks as resident association presidents, where they function as “mayors” of their developments, effectively a full-time job handling the immediate problems of their

Despite their commitment, resident leaders have not yet been able to summon the political strength to demand from government what they have every right to expect—a decent home.

resident leaders know better and link themselves with external supports. But, as a rule, leaders tend to work within NYCHA rather than widen the engagement. The more frustrating their attempts are, the more they will confront NYCHA and the louder their complaints may be, but they are too seldom heard outside the family. Compounding this pattern is a prevailing belief among

communities. By and large, they are not policy wonks, campaign developers, or organizers. Responsibilities as district chair further tap their energies. CCOP, which meets regularly two afternoons each month, gets what energy is left over.

These questions might be resolved if CCOP had appropriate staff resources funded through TPA. It has no staff to keep its records, or represent it at critical meetings where advocates and others are debating policies, formulating positions, and developing strategies. This separateness is a critical problem. Surprisingly, CCOP does not have its own funding base—once NYCHA takes its administrative fee, all TPA funds are distributed to the Districts based on the number of occupied units. This arrangement makes clear that the priorities of CCOP members are more closely tied to their districts than to CCOP as a functioning entity.

Resident leaders, the hundreds of resident association presidents, expect more of CCOP than it can provide. As a result, its image as a leader tends to be weak. Its absence from the tables at which advocates are debating issues and taking positions means it tends to be ignored by them. Because it is not a more forceful presence, a “thorn” in NYCHA’s side, CCOP can be easily bypassed by the authority in its major decisions, despite the 964 regulations. At present, advocates are more likely to get advance notice of emerging NYCHA policies than CCOP.

Public housing infrastructure and the capital needed to restore it would be the central pillars of any long-term resident campaign. Demands would have to be pressed at all levels of government. There are the beginnings of this kind of mobilization evident in the two recent Albany rallies, but the impetus for these events came largely from Community Voices Heard and the advocates. Many resident leaders participated, but CCOP was not directly involved.



What Is Being Done?

With the election of Mayor Bill de Blasio in 2013, the city demonstrated a renewed interest in addressing NYCHA's financial and physical problems. By early 2014, the mayor fulfilled a campaign commitment by suspending the authority's required annual payment to the city for police services, adding over \$70 million a year to its operating resources. Shola Olatoye, a fresh face in public housing, was appointed NYCHA chair and chief executive officer. That Olatoye came from the New York office of Enterprise Community Partners, a national organization that plays an intermediary role in affordable housing development, suggested that priority would be placed on housing development on available NYCHA land, a continuation of Bloomberg's stalled Infill Program.²⁹ Whether needed housing management reforms to address the mounting backlog of repair work orders and outstanding major improvements would be high on NYCHA's agenda was an open question.

In the spring of 2014, the mayor announced his ambitious Housing New York plan,³⁰ with a goal of 200,000 affordable housing units over ten years, 80,000 to be constructed, 120,000 to be preserved. About \$8 billion from the city's capital budget was committed to the plan. Despite its emphasis on preservation, the plan barely mentioned NYCHA. Instead, a parallel plan to address NYCHA's issues—dubbed the NextGeneration NYCHA plan—was scheduled to be released early in the coming year. The mayor's signature affordable housing program was to focus on the private sector, the production of affordable housing and the preservation of affordability in privately-owned properties, such as federally-subsidized developments at risk of expiration and the controversial pending sales of Stuyvesant Town and Peter Cooper Village. Despite the mayor's overt commitment to NYCHA, from the start his housing plan created a separation—a “firewall”, if you will—between its affordable housing thrust and the preservation of public housing.

At the same time, there was a mounting call among advocates for a long-term capital investment in NYCHA—“a Marshall Plan for NYCHA”—at both the city and state levels. In September 2014, City Comptroller Scott Stringer entered the fray with a proposal that Battery Park City Authority (BPCA) excess revenues over the coming decade³¹ be dedicated to NYCHA capital improvements. BPCA could be expected to generate \$40 million a year in excess revenues, \$400 million over the decade. To date, both the comptroller and Governor Andrew Cuomo have agreed to commit the funds, but the mayor has demurred, possibly because of the impact on city revenues. Signatures of the three political leaders are required to make it happen.

In early 2015, the mayor continued to be generous with NYCHA. His budget permanently relieved NYCHA of over \$30 million annually in PILOT payments in lieu of property taxes, as well as the \$70 million for police payments. NYCHA's popular community center programs, at risk for years because the authority could no longer afford them, would be taken over by the city's Department for the Aging and the Division of Youth and Community Development. Most importantly, the mayor's capital budget included an allocation of \$300 million over three years for 27 NYCHA roof replacements. Roof replacements are a costly, system-wide NYCHA problem, critical in stemming the water leaks and toxic molds that affect multiple apartments down the line. In a bold gesture, the mayor also put the state on notice, challenging Governor Andrew Cuomo to match the city's capital commitment.

In an effort to draw state as well as city support for the Marshall Plan, advocates and resident leaders focused their attention on Albany. In March 2015, over 600 residents rallied in Albany, in an unusual show of strength expertly organized by Community Voices Heard. The demand was for a significant state commitment—\$100 million annually over ten years, a total of \$1 billion for

NYCHA improvements. The figure came close to matching the operating shortfall that resulted from years of state disinvestment. With support from key legislators, residents and advocates scored a victory: the governor's 2016 budget included a commitment of \$100 million for the year, with provisos requiring oversight by the state Housing and Community Renewal (HCR) agency and implementation by its Dormitory Authority (DASNY). These provisions reflected widely-held concerns among legislators that NYCHA lacked the accountability and capacity to put the funds to rapid use.

In March 2015, over 600 residents rallied in Albany, in an unusual show of strength.

In April 2015, NYCHA submitted a proposal to HCR for the \$100 million, calling for 123 roof replacements in 18 developments where they were most urgently needed. Without responding directly to the NYCHA proposal, the governor instead decided to distribute the funds in lesser amounts, \$2 million to each legislative district with public housing. Legislators were asked to submit their own proposals for using the funds, following HCR guidelines. Oddly, the guidelines prohibited major improvements like roof replacement and encouraged less urgent "quality-of-life" improvements, such as security devices, landscaping and playground improvements, new appliances, and the like. Apparently, the governor was not about to address NYCHA's profound infrastructural problems, instead preferring to spread the funds as political capital at the district level. It is unclear whether the governor's decision to disperse the funds was a product of a growing rivalry with the mayor, or a signal that for the foreseeable

future he preferred the state steer clear of NYCHA's bottomless \$17 billion backlog on the grounds that they were Washington's responsibility. It is notable that, to date, because of the multiple layers of state oversight and approval required for the \$100 million allocation, the commitment of even these limited funds has been delayed.

In May 2015, the NextGeneration NYCHA plan³² was released, a comprehensive analysis and approach to the authority's major issues, including its financial straits, needed reforms in housing management, and more concerted efforts at "resetting" resident engagement. As for capital generation and the reduction of its backlog, its thrust took the form of two major housing transformations: first, the leasing of available NYCHA land for private residential development and, second, the conversion of selected developments to privately-owned affordable housing.

The NYCHA plan called for the construction of 17,500 apartments, 10,000 units in 100-percent affordable developments, 7,500 in mixed-income (50-percent affordable) developments.³³ Roughly 13,750 units (80 percent) would be affordable housing—a reversal of the Bloomberg Infill 80/20 proposal—and the rest would be market rentals. NYCHA estimated that fifty to sixty developments were likely to be affected. In effect, NYCHA land would contribute to one-sixth of the construction goals in the mayor's housing plan. In return, NYCHA envisioned the mixed-income developments located in the stronger rental markets would be its largest revenue generator, yielding an estimated at \$300 to 600 million in developer and leasing fees over the decade, which could be allocated to major improvements.

The plan called for another housing transformation in NYCHA communities: the shedding of some of its more costly-to-manage developments, an estimated 15,000 units in scattered-site developments and obsolete tower-in-the-

park developments.³⁴ These developments, it was hoped, were to be converted under the HUD Rental Assistance Demonstration (RAD) Program and transferred to private, nonprofit ownership as permanently affordable housing.

Under RAD, the public housing subsidies for a selected development—capital and operating—are combined and converted into long-term rent assistance contracts,³⁵ making it possible for the new owner to draw investment capital to rehabilitate to a high standard.³⁶ Permanent affordability is assured because the law requires HUD and the owner to renew contracts once they expire. RAD is the only program opportunity Washington is offering to housing authorities to recapitalize and preserve existing public housing developments, albeit as privately-owned Section 8 housing, not public housing. But the program is presently capped under federal law at 185,000 units nationwide. Several large-city authorities, like San Francisco and Baltimore, are already using it to convert most if not all of their inventories. Since the limit had already been reached in HUD applications, how NYCHA would qualify for the HUD program remained an open question.

NYCHA's first and only attempt at RAD conversion had been initiated during the Bloomberg administration. It gained HUD approval for the conversion of Ocean Bay Apartments (Bayside), 1,400 units located in Far Rockaway.³⁷ During the de Blasio administration, after a period of intensive resident engagement, NYCHA issued a request for proposals (RFPs) in late 2015 and a development team was selected by July 2016.

The downside of RAD is that conversion requires privatization of the developments. Converted developments exit the public housing program (Section 9) and become part of HUD's program for private, multi-family housing (Section 8). Against those who questioned the NextGeneration plan on the grounds that it called for privatizing close to a tenth of NYCHA's inventory, the

authority argues that the converted developments would be permanently affordable; they would be rehabilitated to a high standard; and, since the development would be leased for 60 years rather than sold, NYCHA would continue to play a role in the new ownership entity. NYCHA estimates that, if HUD accedes, the planned RAD conversions would reduce its capital backlog by a considerable \$3 billion over the decade as a result of private takeover and investment in restoration.³⁸ In addition, the operational savings would be significant.

The NYCHA housing plan raised many issues: How “affordable” would the newly developed housing be? Would it also be accessible to current on-site residents? Would revenues generated be used for on-site capital improvements or allocated elsewhere? Should NYCHA land be used to develop market-rate housing? Should public housing be privatized? The housing measures were recognized as necessary to raise the capital the NYCHA inventory needs and make critical operational savings. Although the NextGeneration plan was not universally endorsed by resident leaders and housing advocates, there was no strenuous vocal opposition, not enough to make a difference. Despite debates about many of its provisions, it gained acceptance in the absence of any discernable united opposition.

Viewed from the perspective of a capital-starved housing authority, the NYCHA plan was in effect a “bootstrap” operation. The planners had found ingenious ways within their means to cut operating costs and raise the capital needed to reduce a portion of its sizeable backlog. But there was no significant capital support from the city, beyond the \$300 million already committed to roof replacement. NYCHA land would be used to fulfill a major portion of the construction goals in the mayor's Housing New York plan, but there was no further city capital commitment envisioned. The firewall separating the two initiatives—the

mayor's plan and the NextGeneration plan—remained in place, and NYCHA seemed the less favored child.

In early 2016, the mayor expanded his commitment to NYCHA with an allocation of over \$70 million in the city expense budget for façade work. Many of NYCHA's aging buildings have crumbling facades that need to be shored up. Because HUD regulations consider façade work as repairs rather than eligible capital expenditures, NYCHA would be hard put to allocate limited operating resources for the purpose.

With a new FY 2017 state budget pending, in March 2016 hundreds of NYCHA residents again travelled to Albany to press for new capital commitments, this time specifically for infrastructure improvements. Prospects were good. In his state-of-the-state message, the governor had announced a \$5 billion, 5-year affordable housing initiative. Residents and advocates called for an appropriate, parallel 5-year commitment to NYCHA preservation. The budget released in April did include \$2 billion over the year for affordable housing, but contained no specific allocations. Those were to be decided later in a memorandum of understanding to be reached jointly by the governor, the Senate, and the Assembly. The Assembly and some committed state senators pressed for \$500 million for NYCHA capital improvements, but no agreement has been reached to date. It is unclear at present whether and how the funds will be allocated.

Well before the NYCHA plan was released, several notable reforms in housing management were initiated in the early de Blasio administration, reforms intended to make management more efficient and more responsive to resident dissatisfactions. The 420,000 outstanding repair work orders at the start of 2013 during the Bloomberg administration were addressed using the \$70 million NYCHA would have had to pay for police services. By 2016, open work orders were reduced to an average

level of about 140,000 each month. Over 80 percent of non-emergency work orders are now handled within 15 days and 80 percent of emergency work orders within 24 hours.³⁹

An innovative demonstration called OPMOM was launched in 2015—now called NextGen Operations—with the objective of decentralizing on-site management to make it more flexible and responsive. In 18 developments, front-line management was freed from having to go through tiers of borough management to prepare budgets and carry out repairs.

Viewed from the perspective of a capital-starved housing authority, the NYCHA plan was in effect a “bootstrap” operation.

More recently, in early 2016, NYCHA launched the FlexOps demonstration, which instituted staggered management shifts—from 6 a.m. to 8 p.m.—in selected developments, after much controversy with the unions. Prior to that, on-site management worked a single shift from 8 a.m. to 4:30 p.m., which made them unavailable for repairs in the evenings when residents were more likely to be home from work. The wider coverage, albeit with still limited staff, will no longer cause residents to lose workdays in order to get repairs.

NYCHA moved forward quickly on its housing development agenda, even before the NextGeneration plan was released. By late 2014, it had begun to engage residents at three developments targeted for 100-percent affordable housing: Mill Brook Houses in the South Bronx, Van Dyke Houses in Brownsville, and Ingersoll Houses

in Fort Greene. The engagement generated some conflict, but by 2016 developers were selected for 156 senior units at Mill Brook, 188 family units at Van Dyke, and 145 senior units at Ingersoll. For the senior units, project-based vouchers were to be used to enable existing residents to access the housing; at Van Dyke, HPD subsidies will make possible a tiered-income distribution of apartments. In the handling of lottery applications, residents will be given a 25-percent preference, and there will be a 50-percent community preference. That these construction projects are not expected to generate revenues to put toward capital investment in the existing buildings is a continuing source of contention with residents, many of whom expected to benefit in terms of repairs and improvements. Instead, residents will be witnessing new housing and amenities constructed on site—a process they will also have to put up with—and NYCHA land leased for a symbolic one dollar⁴⁰ without major improvements in their living conditions. As of July 2016, three additional 100-percent affordable developments have been slated for Betances V (senior housing) and Betances VI (family housing) in the Bronx, and Sumner Houses (senior housing) in Brooklyn.

In 2015, two developments were targeted by NYCHA for mixed-income housing—Wyckoff Gardens in Boerum Hill, Brooklyn and Holmes Towers on the Upper East Side of Manhattan. A long period of resident engagement generated a good deal of contention. There were objections that the new housing would accelerate gentrification pressures in the neighborhood—pressures many residents believe will ultimately displace them, despite assurances from the authority. NYCHA argues that these communities are already withstanding substantial gentrification. Strenuous resident opposition occurred at Holmes, centering on the potential loss of a popular children's playground, and precipitated a protest demonstration at nearby Gracie Mansion during a mayoral event. At Council hearings held at the development, Chair Olatoye stood firm in her stance that “NYCHA will move forward.” It was manifestly clear that resident engagement does not convey

veto power over development plans—once a development is designated by NYCHA for construction or conversion, the only option residents have will be to negotiate as best they can on ways to maximize community benefits and moderate burdens that flow from redevelopment, in such terms as siting and design considerations, the allocation of generated revenue to improvements in existing buildings, the inclusion of needed retail and commercial facilities, the commitment to construction and permanent jobs for residents, and the like. Requests for proposals (RFPs) issued in April 2016 called for 300 to 400 units at Wyckoff Gardens and 350 to 400 units at Holmes. An announcement of additional NYCHA developments to be designated for mixed-income housing is expected shortly. It is clear, perhaps impressive, that NYCHA has swept through the resident resistance it encountered and is steadily moving forward with its housing development agenda.

The announcement of the first wave of RAD conversions was slated for July 2016, at which point NYCHA would file applications with HUD for 5,200 units in 40 developments. Recognizing that there were uncertainties and risks for residents who would be transferring to a new ownership entity, and to a new HUD program with different rules and regulations, NYCHA encouraged the Community Service Society and Enterprise Community Partners to form a RAD Stakeholder Roundtable on Resident Rights and Protections. The Roundtable began meeting in March 2016, bringing together several kinds of stakeholders: resident leaders, advocates, community organizations that work with residents, and concerned housing organizations. Its purpose was to develop “guideline principles” governing resident rights during and after conversion, with which NYCHA and the prospective owners/managers would have to comply. By July, when the first wave of RAD conversions were officially announced, the Roundtable had issued its initial list of guideline principles with NYCHA's concurrence. It is anticipated that the Roundtable will continue to meet to monitor the

RAD conversion process, identify any unexpected issues that emerge and see to their resolution, as well as provide independent information and assistance to residents targeted for conversion.

To date, resident resistance to the key housing transformations in the NextGeneration plan has, not surprisingly, concentrated in those communities that are directly affected, once they are designated as sites. NYCHA appears willing to invest long hours in engaging residents and, if not winning them over, at least negotiating their grudging acceptance of or resignation to the inevitable. Some advocacy organizations are conflicted, particularly about the use of NYCHA land for market-rate housing or the privatization of NYCHA communities. Most are pragmatic. They understand the situation NYCHA is in and its need to use every means available to reduce operating costs and raise the capital it needs for survival. Absent any massive or vocal opposition to the NextGeneration plan as policy, there is every reason to believe NYCHA will move forward steadily with its housing development and conversion plans.

While the NextGeneration plan does not fully address the \$17 billion outstanding capital need, if it succeeds it

will see a significant reduction in the backlog, totalling at least about \$7 billion in ten years. About \$3 billion is expected to come from RAD conversions as private capital takes on restoration, close to \$3 billion in ongoing federal capital subsidies at current levels, a half-billion in revenues generated by mixed-income housing development, in addition to current and future capital commitments made by the state and the city. At the end of the decade, assuming NYCHA is financially solvent, it hopes to be able to use its bonding authority to tackle the remaining capital backlog.

The question is whether NYCHA and its residents can survive their present infrastructural problems. Given the sheer scale of the problems, progress will be slow and at best incremental. Residents continue to put up with impossible conditions—media stories are frequent about households living with perpetual leaks in the kitchen or bathroom, or elderly and disabled residents who are forced to climb multiple stories when an elevator fails, either that or remain isolated in their apartments. Ultimately, the question revolves around whether a “Marshall Plan” can indeed be mounted, that is, whether government will respond to the need.



The Way Forward?

There may be some light at the end of the Washington tunnel. Both major parties appear committed to a long-deferred infrastructure investment fund to accelerate the national economy and generate jobs. Public housing infrastructure should be included. It will be up to the national network of housing advocacy organizations, resident leaders, and concerned elected officials across the country to make a convincing case for inclusion. To date, Senate Democrats have included public housing in their “blueprint” for the national infrastructure initiative, as part of a \$100 billion allocation to “Revitalize America’s Main Streets.”⁴¹

There may also be a federal expansion of the HUD RAD program, by either increasing the limit on the number of units in the program or removing it entirely. The Senate has already crafted legislation to raise the cap, but the House has not concurred. What NYCHA can or would do with an increased opportunity for RAD conversion and rehabilitation is unclear. Under the present NextGeneration plan, at most a tenth of the inventory is slated for conversion over the next ten years. To what extent NYCHA can expand conversions of its inventory is uncertain. That would depend on where conversion deals can be made to work, and whether potential financing is available and sufficient to meet the outstanding capital needs of the developments. The present proposal to use project-based vouchers in all RAD conversions would have a limiting effect because it would lessen the number of Section 8 vouchers available to current voucher holders and to waiting list families seeking apartments in the open rental market.⁴² NYCHA currently has a limited pool of 89,000 vouchers. Without a substantial federal increase in voucher funding, it is unlikely it will be able to convert a major portion of its inventory, as San Francisco and Baltimore are doing.

This is not a time to count on Washington, given the stalemate of the last eight years and the uncertainties under a new administration. For the foreseeable future, it will be up to the city and state to come through with much of

the Marshall Plan needed to meet the capital needs of their largest single affordable housing resource for low-income New Yorkers.

The recent history of state reinvestment in NYCHA and its residents does not provide much cause to be sanguine. (See Table 3.) Despite the pressure from concerned legislators, residents, and the broader housing advocacy community, the governor appears reluctant to address the authority’s basic infrastructure needs, even when there is \$100 million in the budget that can be put to the purpose. Then there is the pending \$5 billion, 5-year affordable housing initiative—whether the pressure to allocate a portion of it or make a parallel commitment to NYCHA will ultimately succeed is an open question. One positive sign is that the governor has agreed to endorse the dedication of \$400 million in excess Battery Park City revenues to NYCHA improvements over the next decade. But there, the mayor seems to be the major obstacle, no doubt because of its potential impact on the city budget.

Under Mayor de Blasio, the city has already provided significant support to NYCHA—in 2014, relief from over \$100 million in required annual payments to the city; in 2015, a three-year capital commitment of \$300 million for roof replacements; and in 2016, \$75 million for façade improvements. In January 2017, the mayor took a major step forward to address the imbalance between his affordable housing plan and the NYCHA preservation plan, committing \$1 billion in capital over 10 years to roof replacements. It sets a new challenge for the state to match, but it is far from enough to meet the need. Advocates are pressing the city for a baseline commitment of \$1 billion each year. (See Table 3.)

Increased pressure will also need to be exerted in Albany. In his January 2017 budget proposal, Governor Cuomo allocated another \$100 million for “NYCHA projects and improvements.” Not only does this commitment need to be increased over the long term, it needs to be earmarked for NYCHA infrastructural improvements, rather than distributed piecemeal to legislators for less urgent projects.

**TABLE 3. GOVERNMENT INVESTMENT POST-2014:
AFFORDABLE HOUSING VS. NYCHA PRESERVATION**

	<u>Affordable Housing</u>	<u>Preserve NYCHA Housing</u>
CITY		
Mayor's Housing Plan (construct 80,000 units, preserve 120,000 units)	\$8 billion (city capital, 10 years, 2015–2025)	- 0 -
Capital Budget Allocation Roof Replacements		\$300 million (3 years, 2015–2017) \$1 billion (10 years, 2017–2026)
Expense Budget Allocation Façade Repairs		\$75 million (1 year, 2016)
STATE		
Governor's Affordable Housing Plan (construct/preserve 10,000 units)	\$5 billion (state capital, 5 years, 2015–2020)	- 0 -
Special Allocation (Bank Settlement Funds) (quality-of-life improvements)		\$100 million (1 year, 2015) \$100 million (1 year, 2017)
NYCHA (Next Generation Plan)		
NextGen Neighborhoods Plan (construct 7,500 mixed-income—50% affordable residential units on NYCHA land)		\$300–600 million (10-year revenue generated for capital improvements)
Conversions from Public to Affordable Housing (15,000 units in scattered-site and obsolete developments, under HUD Rental Assistance Demonstration)		\$3 billion (10-year reduction in capital backlog)
WASHINGTON		
Annual Capital Subsidies (Estimated, depends on Appropriations)		\$2.6 billion (over 10 years)
National Infrastructure Investment Fund (Assuming public housing infrastructure is included)		???

For NYCHA to receive its fair share of capital resources from the city and state, several things need to happen. First, the firewall now separating affordable housing initiatives

from public housing preservation needs to be brought down, either that or an appropriate parallel commitment needs to be made to NYCHA. It may be conceivable that government will do just that of its own accord because of the critical importance of public housing in the city's housing infrastructure and because it would serve a good purpose. More than likely, that will not happen by itself.

The only way for that to happen is to stir the “sleeping giant” to act and exert the grass-roots political pressure that will impel government leaders to respond, particularly with local and state elections coming up in the next two years. What's called for is a concerted and persistent campaign that focuses on NYCHA's failing infrastructure and its capital needs. The voices of dissatisfied residents, weary of impossible living conditions, are not hard to find—you can hear them any time you encounter a resident—but they need to be heard in the right places, they need to be heard often and in large numbers, and they need to be loud enough not to be ignored.

Recent rallies in Albany have shown that there are a solid core of hundreds of residents who can be counted on to mobilize, and that they will receive strong support from advocates and from a cadre of New York elected officials—at every level of government—who are genuinely concerned. Advocates can be counted on in any such campaign, both those that specialize in policy guidance and strategic planning and those that have organizing experience and expertise at the grass-roots level. Best examples of the organizers are organizations like Community Voices Heard (citywide), Families United for Racial and Economic Equality (FUREE) in downtown Brooklyn, and Good Old Lower East Side (GOLES), but these organizations are already strained for resources and will need additional support from major donors.

The missing element in mounting such a campaign is where the core of resident initiative will come from, the core that will channel current resident anger and deeply felt distrust into a united, vocal campaign. Apart from advocacy

organizations like Community Voices Heard, the natural seat for any such campaign initiative is CCOP, possibly in concert with the Resident Advisory Board (RAB).⁴³ Both organizations often confront NYCHA with their concerns and complaints, but their voices are heard largely within the “NYCHA family.” That energy needs to be channeled outward in a sustained, organized, strategic campaign, preferably with outside advocacy support if the prevailing resident distrust of outsiders can be overcome. Such a collaboration may be the only way to address the firewall that now separates major city and state affordable housing initiatives from the preservation of public housing.

Without a dramatic change in government priorities—one that favors restoring public housing rather than marginalizing it while exploiting its land assets—the prospects are dismal. NYCHA and its residents will face continuing physical decline. The authority may, at some point, have to take drastic measures—as other large-city housing authorities have done—either to privatize its inventory to assure restoration and survival, or undertake massive demolition and redevelopment of its real estate assets.

Among large-city housing authorities, NYCHA has been a standard bearer for generations, particularly when it comes to preservation. Compared to other authorities—like Atlanta, Chicago, and Newark—NYCHA has been steadfast in holding on to its inventory. There should be little suspicion that it will attempt to do otherwise in the future—that is what the “next generation” brand implies. But it will need major capital support from government if it is to survive as an institution that does more than manage decline and withstand the growing anger of residents.

Government's failure to respond to the need, at the level and scale required, will doom New York's third city to a future of continuing decline and the impending loss of critically needed low-income housing resources. In the midst of a city undergoing a marked period of population and economic growth, with an otherwise vital housing economy, the presence of a rotting core of public housing would not only seem absurd, it would be tragic.

NOTES

1. *Strengthening New York City's Public Housing: Directions for Change* (Victor Bach & Tom Waters, Community Service Society, July 2014). www.cssny.org.
2. Often referred to as the “towers-in-the-park” model given currency by the French architect, Le Corbusier, in the 1920s.
3. This paper focuses on housing and related policy issues facing NYCHA and its residents, rather than on the significant safety and security issues experienced in public housing communities.
4. In 2006, the operating deficit reached a peak of \$235 million. It is now estimated at \$22 million.
5. Historically, the state has been innovative in developing affordable housing policies, including public housing: The 1955 Mitchell-Lama program became a national model for federally-subsidized housing programs by the 1960s. At the city level, the Bloomberg and de Blasio initiatives were preceded by Mayor Edward Koch's massive program to restore housing in neighborhoods of abandonment. See: Alex Schwartz, *New York City and Subsidized Housing: Impacts and Lessons of the City's \$5 Billion Capital Budget Housing Plan*, Housing Policy Debate, volume 10, Issue 4, 1999.
6. NYCHA was created under Mayor Fiorello LaGuardia in 1934 and developed the first public housing in the country, First Houses in the Lower East Side.
7. See: Nicholas Dagen Bloom, *Public Housing That Worked, New York in the Twentieth Century* (University of Pennsylvania Press, 2009).
8. Unless otherwise stated, the analyses in this paper were drawn from the 2014 New York City Housing and Vacancy Survey (HVS). HVS is a triennial survey of the city's housing and resident population, based on a random sample of about 18,000 households, conducted by the U.S. Bureau of the Census.
9. *Strengthening New York City's Public Housing*, op. cit.
10. Under the American Reinvestment and Recovery Act (ARRA) of 2009, NYCHA received \$423 million in capital funds for “shovel-ready” projects. ARRA also allowed for the federalization of state- and city-financed developments, making them eligible for federal operating and capital subsidies.
11. *Adopted Budget for FY 2016 and The Four Year Financial Plan for FY 2017-2020* (NYCHA, December 2015) page 18.
12. Federal law and HUD regulations permit housing authorities to transfer up to 20 percent of their capital subsidies each year to operations
13. As used here, “low-income” refers to household income levels at or below twice the federal poverty level. In 2016, that would mean an income up to \$40,180 for a three-person household.
14. See: *America's Rental Housing: Expanding Options for Diverse and Growing Demand* (Harvard Joint Center for Housing Studies, Cambridge, Massachusetts, December 2015) and *Out of Reach, 2016: No Refuge for Low Income Renters* (National Low Income Housing Coalition, Washington, D.C., 2016).
15. Tom Waters and Victor Bach, *Making the Rent 2016: Tenant Conditions in New York City's Changing Neighborhoods* (Community Service Society, May 2016).
16. The Brooke Amendment, enacted in 1969.
17. It should be noted these deficiencies refer only to conditions within apartments. They do not include building deficiencies, such as elevator breakdowns, broken front-door locks, problems in common spaces. Reported deficiencies include: Water leaks; broken plaster/peeling paint (larger than 8.5x11 in.); cracks/holes in walls, ceilings, or floors; toilet breakdowns; heating breakdowns; additional heating needed; and rodents..
18. Other subsidized housing includes Mitchell-Lama rentals, federal Section 236 and project-based Section 8 developments, and private rentals where the tenant holds a Section 8 Housing Choice Voucher.
19. Figures are from the NYCHA Office of Performance Management and Analytics, August 2016.
20. NYCHA, Draft—PHA Agency Plan; Annual Agency Plan for Fiscal Year 2017, June 17, 2016, page 161.
21. Ceiling rents were abandoned several years ago due to federal pressure to establish “flat rents” for apartments, based on comparable market rentals. At present, the Section 8 Fair Market Rent (FMR) is the standard for setting flat rents.
22. H.R. 3700, Housing Opportunity through Modernization Act of 2016.
23. U.S. Housing Act of 1968.
24. *A Report Card for the New York City Housing Authority: Residents' Evaluation of NYCHA and Recommendations for Improvement* (August 2011). The report was prepared by Community Voices Heard, CAAAV: Organizing Asian

Communities, Families United for Racial & Economic Opportunity (FUREE), Good Old Lower East Side (GOLES), and Mothers on the Move (MOM), in collaboration with the Urban Justice Center—Community Development Project.

25. HUD 24 CFR Part 964, Federal Register, August 24, 1994.

26. This situation is not atypical of grass-roots organizations. See: Saul Alinsky, *Rules for Radicals: A Pragmatic Primer for Realistic Radicals* (New York, Random House, 1971).

27. “This is NYCHA, Why Haven’t You Paid Your Rent?” (Jaclyn Peiser, *The Real Deal*, September 3, 2015).

28. Under a negotiated rulemaking process, HUD in 2001 agreed to set aside Tenant Participation Activity (TPA) funds to strengthen local resident participation. The amount sent each year to each housing authority is \$25 per occupied unit. The authority can take 40 percent of the funds as an administration fee. The rest must be allocated in accordance with a memorandum of agreement between the authority and the jurisdiction-wide resident body.

29. In 2013, during the Bloomberg administration, NYCHA proposed building private residential developments on available land in strong market areas. Twenty percent of the units were to be “affordable,” eighty percent at market rent levels. Eight developments were targeted in East Harlem, the Lower East Side, and the Upper West Side,

30. *Housing New York: A Five-Borough, Ten-Year Housing Plan*, April 2014.

31. In 1979, when the Battery Park City development plan was approved by Mayor Ed Koch and Governor Hugh Carey as an upscale residential and commercial development, it was agreed that any excess revenues generated would be allocated to affordable housing needs in other communities.

32. New York City Housing Authority, *NextGeneration NYCHA*, May 2015.

33. Original affordability targets were households at 60 percent of AMI, about \$47,000 for a family of three, an income level well above most NYCHA residents.

34. Scattered-site developments (about 6,500 units) are buildings that NYCHA agreed to take over when their original private owners defaulted. They are costly to manage because they are not built to conventional public housing standards and require customized repair and replacements. HUD considers a public

housing development “obsolete” if it would cost less to construct than to rehabilitate.

35. Under RAD, the development becomes part of HUD’s Multifamily Housing Program as project-based Section 8 and is transferred out of its Section 9 Public Housing Program.³⁴ Scattered-site developments (about 6,500 units) are buildings that NYCHA agreed to take over when their original private owners defaulted. They are costly to manage because they are not built to conventional public housing standards and require customized repair and replacements. HUD considers a public

36. RAD requires the new owner to meet the 25-year capital need.

37. One of the major reasons given for selecting Ocean Bay was the availability of Superstorm Sandy recovery funds to help make conversion deal feasible.

38. “Visit to Bronxchester Shows NYCHA in Transition,” August 16, 2016 (Libby Wetzler, *Gotham Gazette*).

39. NYCHA Metrics, August 2016, available at: www.nycha.city.gov.

40. The rate was a standing agreement between HPD and NYCHA in order to reduce development costs and promote affordability.

41. “A Blueprint to Rebuild American’s Infrastructure,” U.S. Senate Democratic Conference, January 2017, pp 2-3.

42. NYCHA can also use tenant protection vouchers for the purpose, provided HUD allocates them.

43. The creation of a Resident Advisory Board (RAB) is required each year under the 1998 Quality Housing and Work Responsibility Act to consult with authority in the development its annual plan. The NYCHA RAB has 51 members, including CCOP.

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Address: _____

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I represent: Community Board 8 - 0

Address: Co Chair Housing

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I represent: NEW YORK LAWYERS FOR THE PUBLIC INTEREST

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I represent: Emergency Shelter Network

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I represent: Alfred E. Smith

Address: 15 St James Pl New York 10038

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I represent: CAAU - Queensbridge

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I represent: Unitarian-Universalist Church

Address: 70 Bond Street New York

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Name: Naved Hussain

Address: 55 Hester St

I represent: CAAAR - Queensbridge

Address: _____

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Address: 1236 Clay Ave in

I represent: Clay Ave Tenants Association

Address: Bx N.Y. 10456

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Name: Sheryl Braxton

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I represent: RED HOOK HOUSES

Address: 41

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Name: Rosa Fernandez

Address: 50 E. 102 St

I represent: Community Voices Heard (CVH)

Address: East Harlem 106th St

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Name: Jessica Hurd

Address: _____

I represent: Housing Court Answers

Address: 50 Board Street #1104 NY, NY

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Name: DAISY RODRIGUEZ

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I represent: AMERICAN MUSEUM OF

Address: NATURAL HISTORY

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Name: Kwanzaa Handy

Address: 120 3rd Ave

I represent: Euree / Wyckoff Gardens.

Address: 388 Atlantic Ave

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Name: Dante Jacob

Address: 272 Wyckoff

I represent: Euree

Address: 388 Atlantic ave

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Date: _____

(PLEASE PRINT)

Name: Monica Underwood

Address: 272 Wyckoff St.

I represent: Tree, Wyckoff Gardens

Address: 388 Atlantic Ave

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☐ in favor ☐ in opposition

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(PLEASE PRINT)

Name: LUCY NEWMAN

Address: THE LEGAL AID SOCIETY

I represent: _____

Address: 199 Water St. NY NY 10038

Please
add me
to 2014
Panel,
if possible

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
☒ in favor ☐ in opposition

Date: 3/13/2017

(PLEASE PRINT)

Name: Daphany Rose Sanchez

Address: 340 Forest street

I represent: Myself

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Mara Cerezo

Address: 630 Flushing Ave, Brooklyn NY 11206

I represent: Green City Force

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 3/13/17

(PLEASE PRINT)

Name: Rachel Fee

Address: _____

I represent: New York Housing Conference

Address: 247 W 37th St

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 3/13/2017

(PLEASE PRINT)

Name: Tonia Lloyd

Address: 390 Sister Ave

I represent: KEES / TDX CONSTRUCTION CORP

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 3/13/17

(PLEASE PRINT)

Name: VICTOR BACH

Address: _____

I represent: COMMUNITY SERVICE SOCIETY

Address: 633 Third Ave. NYC 10017

Please call
before 2pm

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Joann Joe

Address: 324 E 143rd St #4B Bklyn 10457

I represent: REES Food Business Pathways

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Public

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 03/13/17

(PLEASE PRINT)

Name: James Brodick

Address: _____

I represent: The Center for Court Innovation

Address: 520 Broadway, New York, NY 10018

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
☐ in favor ☐ in opposition

Date: _____

Name: Shola Olatunji (PLEASE PRINT)

Address: _____

I represent: NYCHA

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
☐ in favor ☐ in opposition

Date: _____

Name: Karen Caldwell (PLEASE PRINT)

Address: _____

I represent: NYCHA

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
☒ in favor ☐ in opposition

Date: 3/13/17

Name: Gerard Frohner (PLEASE PRINT)

Address: 78-14 67th St.

I represent: Froehle House for the Homeless

Address: P.O. Box 4476 Seneca St.

CIC 119 1010 - 4476
Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: March 13

(PLEASE PRINT)

Name: Cathy Pennington

Address: _____

I represent: NYC 17A

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: March 13

(PLEASE PRINT)

Name: Michael Kelly WILKINSON

Address: _____

I represent: CHRYSTIE ST

Address: ST WILFRED

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: March 13

(PLEASE PRINT)

Name: Nicole Ferreira

Address: _____

I represent: CHRYSTIE ST

Address: ST WILFRED

Please complete this card and return to the Sergeant-at-Arms